

# Sanjai Kumar Gupta

Insolvency Professional

IBBI Regn. No.- IBBI/IPA-001/IP-P00592/2017-18/11045

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Date: 17.12.2021

The Secretary  
BSE Limited.  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street  
Mumbai-400 001

Dear Sir,

**Sub: Intimation Regarding Approval of Resolution Plan of Kilburn Chemicals Limited by Hon'ble National Company Law Tribunal - Kolkata Bench**

**Ref: Disclosure pursuant to Regulation 30(2) read with sub-clause 16(j) of Part A of Part A of Schedule III of Securities and Exchange Board of India (LODR) Regulation,2015**

This is with reference to the captioned subject and in furtherance to our letter dated 19<sup>th</sup> November 2021, please be informed that Resolution Plan of Kilburn Chemicals Limited has been approved by Hon'ble National Company Law Tribunal - Kolkata Bench vide its order dt. 16<sup>th</sup> December, 2021. Copy of the said order is enclosed as Annexure - A.

This is for your information and record purpose.

Thanking you,

Yours faithfully,

For & on behalf of **KILBURN CHEMICALS LIMITED**



**SANJAI KUMAR GUPTA**

**Erstwhile Resolution Professional**

**IBBI/IPA-001/IP-P00592/2017-2018/11045**

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH  
KOLKATA**

**IA (IB) No. 571/KB/2021**

**and**

**I.A. (IB) No. 789/KB/2021**

**in**

**C.P. (IB) No. 764/KB/2020**

*In the matter of:*

*Application under section 30(6) for the approval of Resolution Plan under section 31 (1) of the Insolvency and Bankruptcy Code, 2016.*

*And*

*In the matter of:*

**Bank of Baroda & Anr.**

*...Financial Creditor*

*Versus*

**Kilburn Chemicals Limited**

*...Corporate Debtor*

*And*

**IA (IB) No. 571/KB/2021**

*In the matter of:*

**Sanjai Kumar Gupta** [Resolution Professional of Kilburn Chemicals Limited]

*... Applicant*

**I.A. (IB) No. 789/KB/2021**

*In the matter of:*

**GAIL (India) Limited**

*... Applicant*

*Versus*

**Sanjai Kumar Gupta,**

Resolution Professional of Kilburn Chemicals Limited

*.. Respondent*

***Coram:***

**Shri Rohit Kapoor : Member (Judicial)**

**Shri Harish Chander Suri : Member (Technical)**

***Appearances (via video conference):***

**For the Applicant/RP:**

1. Mr. Rishav Banerjee, Advocate.
2. Mr. Rahul Auddy, Advocate.

**For Successful Resolution Applicant**

1. Mr. Joy Saha, Sr. Advocate.
2. Mr. Souvik Mazumdar, Advocate.
3. Ms. Pooja Mahajan, Advocate.
4. Ms. Mahima Singh, Advocate.

**For CoC:**

1. Mr. Ratnanko Banerji, Sr. Advocate
2. Ms. Somali Mukhopadhyay, Advocate

**For GAIL (India) Limited**

1. Mr. Akshat Khare, Advocate

**Order reserved on: 26.11.2021**  
**Order pronounced on: 16.12.2021**

**COMMON ORDER**

**(IA (IB) No. 571/KB/2021 and I.A. (IB) No. 789/KB/2021)**

***Per: Harish Chander Suri, Member (Technical)***

1. This Court convened through video conferencing.  
**IA (IB) No. 571/KB/2021**
2. **IA (IB) No. 571/KB/2021** is an application under section 30 (6) of the Code after approval of the resolution plan by the Committee of Creditors (“CoC”).
3. This Application was moved on 26.11.2021 by Mr. Rishav Banerjee,

Advocate on behalf of Mr. Sanjai Kumar Gupta, Resolution Professional of Kilburn Chemicals Limited (CIN: L24117WB1990PLC199409) by invoking the provisions of section 30 (6) of the Insolvency and Bankruptcy Code, 2016 (“**the Code**” or “**IBC**”) read with regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulation**”) for approval of a Resolution Plan in respect of Kilburn Chemicals Limited.

4. The underlying Company Petition in CP (IB) No. 764/KB/2020 was jointly filed by Bank of Baroda and State Bank of India against Kilburn Chemicals Limited, (“**Corporate Debtor**”), under section 7 of the Insolvency and Bankruptcy Code 2016 which was admitted *vide* order dated 10 August 2020 in CP (IB) No. 764/KB/2020.
5. Initially, Mr. Partha Pratim Ghosh (IBBI Reg. No. [IBBI/IPA-001/IP-P00554/2017-2018/10984]) was appointed as the Interim Resolution Professional and was later confirmed as the Resolution Professional (“**RP**”) by the CoC. However, Mr. Partha Pratim Ghosh was replaced by the Applicant as the RP of the Company, *vide* order dated 04.11.2020.
6. Mr. Partha Pratim Ghosh, the IRP made public announcement on 13.08.2020 in Financial Express (English), AajKal (Bengali) and Divya Bhaskar (Marathi Edition, Gujarat) newspapers regarding initiation of Corporate Insolvency Resolution Process (hereinafter referred to as “**CIRP**”) and called for proof of claims from the financial and operational creditors, workers and employees of the Company in the specified forms till 24.08.2020.
7. The Applicant states he received claims from 2 (two) Secured financial creditors, 281 (Two Hundred and Eighty One) operational creditors, workmen and employee dues and 7 (Seven) related party claims.

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8. The Committee of Creditors (“CoC”) was constituted on 01.09.2020 with 2 (two) Secured financial creditors, i.e., State Bank of India and Bank of Baroda, having 49.88% and 50.12% of voting right in CoC, respectively<sup>1</sup>.
9. The applicant states that a total of 21 (Twenty-One) CoC meetings have been held during the CIRP Period, as follows:

<b>Particulars</b>	<b>Date of CoC meeting</b>
1 <sup>st</sup> CoC	08.09.2020
2 <sup>nd</sup> CoC	24.09.2020
3 <sup>rd</sup> CoC	13.10.2020
4 <sup>th</sup> CoC	07.11.2020
5 <sup>th</sup> CoC	26.11.2020
6 <sup>th</sup> CoC	19.12.2020
7 <sup>th</sup> CoC	04.01.2021
8 <sup>th</sup> CoC	13.01.2021
9 <sup>th</sup> CoC	25.01.2021
10 <sup>th</sup> CoC	29.01.2021 & 30.01.2021
11 <sup>th</sup> CoC	06.02.2021
12 <sup>th</sup> CoC	17.02.2021
13 <sup>th</sup> CoC	24.02.2021
14 <sup>th</sup> CoC	05.03.2021
15 <sup>th</sup> CoC	15.03.2021
16 <sup>th</sup> CoC	20.03.2021
17 <sup>th</sup> CoC	26.03.2021

<sup>1</sup> Annexure C – Report certifying the Constitution of CoC, Pages – 130 – 144 of I.A. 571/KB/2021.

Particulars	Date of CoC meeting
18 <sup>th</sup> CoC	03.04.2021
19 <sup>th</sup> CoC	09.04.2021 & 06.05.2021
20 <sup>th</sup> CoC	13.05.2021 & 17.05.2021
21 <sup>st</sup> CoC	11.06.2021

10. The Applicant submits that in terms of the provisions of section 25(2)(h) of the Code read with regulation 36A(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, invitations in Form ‘G’<sup>2</sup> for Expressions of Interest ( “**EoI**”) from potential resolution applicants were issued. Form ‘G’ was published on 21.10.2020 for submission of resolution plans for the Corporate Debtor. The last date for receipt of EOIs was 05.11.2020. This was published in *Business Standard* (English), *AajKal* (Bengali) and *Western Times* (Gujarati). The notice was also published on the website of the Insolvency and Bankruptcy Board of India (“**IBBI**”).

11. The applicant submits that the last date for receipt of EoIs, as per Form G, was extended from time to time and was last extended till 20.01.2021, by that date 6 (Six) plans were received by the Applicant<sup>3</sup>. Subsequently, on 25.01.2021 in 9<sup>th</sup> CoC meeting all the 6 (Six) sealed Resolution Plans were opened in the presence of the CoC members (present physically) and respective Potential Resolution Applicants (“**PRA**”) (Present through audio video means)<sup>4</sup>. The List of the PRAs who have submitted the Resolution Plans are as under:

(i) Meghmani Organics Limited

<sup>2</sup> Annexure – E, Pages – 343 – 344 of I.A. 571/KB/2021.

<sup>3</sup> Para 10 of I.A. 571/KB/2021.

<sup>4</sup> Agenda item no. 7, Pages 236-241.

- (ii) Rescom Mineral Trading FZE
- (iii) KLJ Resources Ltd
- (iv) DCM Shriram Industries Ltd
- (v) Inland Power Ltd.
- (vi) Kiri Industries Limited

Further, in the 9<sup>th</sup> CoC meeting it was also noticed by the RP that one of the PRA, i.e., Kiri Industries Limited has not given the Bank Guarantee with the plan and they were requested to submit the Bank Guarantee or to remit the equivalent amount in the bank account of the Corporate Debtor by the end of the day, failing which the plan submitted by the PRA will not be considered and it will be disqualified<sup>5</sup>.

12. In the 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup> & 18<sup>th</sup> CoC meetings, presentations were made by the Resolution Applicants and RP on the Resolution Plans, the Financial Proposals stated thereunder and details about the Plan. Detailed discussion on the plans also took place.
13. Subsequently, in 20<sup>th</sup> CoC meeting, held on 13.05.2021 and 17.05.2021, the Applicant informed the CoC along with other attendees that the Compliance Report of four of the PRAs (*i.e., Inland Power Ltd., Meghmani Organics Limited, Rescom Mineral Trading FZE, United Arab Emirates (Lead)(Trimex Industries Private Limited) and KLJ Resources Limited*) have been shared with them through email and the applicant has also evaluated the Plans as per the RFRP and Evaluation Matrix and confirmed that the contents of the Resolution Plans submitted by Resolution Applicants met all the requirements as contained under section 30(2) of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations and does not contravene any of the provisions of law for the time being in force<sup>6</sup>. The applicant also informed that the plan submitted by DCM Shriram

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<sup>5</sup> *Ibid.*

<sup>6</sup> Para 12 of I.A. 571/KB/2021

Industries Limited is non-Compliant<sup>7</sup>.

14. Thereafter, all the 4 (four) Resolution Plans were put up for voting by electronic method. The voting was kept open from 11:00 am on 20.05.2021 to 8:00 pm on 15.06.2021.
15. Further, the applicant states that after the voting had started at 11:00 am on 20.05.2021, 2 (two) PRAs, namely, Rescom Mineral Trading FZE & KLJ Resources Limited, wrote to the RP/CoC for revision of their financial plan. However, the issue was considered by the RP and the CoC in 21<sup>st</sup> CoC meeting, held on 11.06.2021, where it was unanimously decided by the CoC that such an opportunity should not be given because enough opportunity was given to all and the same would lead to delay and uncertainty in the CIRP process and the Resolution Plan submitted by Meghmani Organics Limited (“Resolution Applicant”) was approved by 100% voting percentage of the CoC.
16. The decision of the CoC was communicated by the Applicant to the Successful Resolution Applicant on 15.06.2021 *vide* email. The Applicant also issued the Letter of Intent on 16.06.2021 *vide* email dated 18.06.2021 and the same was accepted by the Successful Resolution Applicant on 18.06.2021 by endorsing its acceptance on the Letter of Intent. The Successful Resolution Applicant in accordance with Regulation 36B (4A) of the CIRP Regulation has also submitted the Performance Bank Guarantee on 19.06.2021<sup>8</sup> (Bank Guarantee No. 006GT02211700004 issued by HDFC Bank).
17. The CoC was informed of the fair market value and liquidation value of the Corporate Debtor, as per the valuation reports.
18. The amount proposed in the Resolution Plan are tabulated below:

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<sup>7</sup> Agenda item no. 5, Pages 299 – 336.

<sup>8</sup> Annexure K, Pages 578 - 581 of I.A. 571/KB/2021.



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<b>Stakeholder</b>	<b>Admitted Claim (INR) (X)</b>	<b>Total Pay-out (INR) (Y)</b>
CIRP Costs	NA	Unpaid CIRP Costs outstanding as on the NCLT Approval Date shall be paid on actuals, in priority to any payments to any creditor, within 30 days from the NCLT Approval Date. Such outstanding CIRP Costs shall be paid from the internal accruals of the Corporate Debtor as on the Closing Date. If the internal accruals of the Corporate Debtor are not sufficient to pay all the outstanding CIRP Costs, the Resolution Applicant shall fund the additional CIRP Costs to the extent of <b>INR 1,55,00,000/-</b> (Rupees One Crore Fifty-Five Lakhs only) (“Allocated CIRP Costs Amount”). However, if the unpaid CIRP Costs also exceed the Allocated CIRP Costs Amount, the excess amount (i.e., amount in excess of Allocated CIRP Costs Amount) shall be deducted from the FC Payment (“Excess CIRP Costs”).
Financial Creditors	INR 2,09,58,83,539	<b>INR 128,51,58,349</b> (Rupees One Hundred Twenty-Eight Crore Fifty-One Lakhs Fifty-Eight Thousand Three Hundred Forty-Nine) be paid

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<b>Stakeholder</b>	<b>Admitted Claim (INR) (X)</b>	<b>Total Pay-out (INR) (Y)</b>
		to the Financial Creditors, as against and in settlement and discharge of their Claims (admitted or not), within 30 days from the NCLT Approval Date.
Employees and Workmen (excluding Related party)	INR 4,78,05,389	INR <b>1,40,00,000</b> (Rupees One Crore Forty Lakhs) Workers will get 61.32% of their dues and Employees will get 17.20% of their dues.
Operational Creditors (other than Employees and Workmen)	INR 22,41,65,084	<b>INR 22,41,651</b> (Rupees Twenty-Two Lakh Forty-One Thousand Six Hundred Fifty-One)
Certain other unverified or claimed liabilities	NA	<b>INR 6,00,000</b> (Indian Rupees Six Lakh)
Related party claims	INR 24,07,56,199 (FCs)	<b>INR 1,00,000</b> (Indian Rupees One Lakh)
Existing shareholders	NA	NIL
<b>TOTAL (Excluding CIRP Costs)</b>		<b>INR 130,21,00,000</b>

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19. The % of the recovery of all the stakeholders are as follows:-

<b>Particulars</b>	<b>Claim Admitted (in Rs.)</b>	<b>Amount provided in the Resolution Plan</b>	<b>% of settlement to the amount admitted</b>
Secured Financial Creditors	2,09,58,83,538.60	128,51,58,349.00	61.32%
Related Party Unsecured Financial Creditors + Related Party Employee	24,64,48,484.71	1,00,000.00	0.00040576%
Employee	3,47,11,917.76	5971084	17.20%
Workmen	1,30,93,469.86	8028916	61.32%
Operational Creditors (other than staff/workmen & statutory dues)	23,06,92,647.18	22,41,651.00	0.97%

20. The Applicant submits details of various compliances as envisaged within the Code and the CIRP Regulations which requires a Resolution Plan to adhere to, which is reproduced hereunder:

**I. Submission of Resolution Plan in terms of Sub-section (2) of section 30 of the Code (as amended vide Amendment dated 16 August 2019):**

<i>Clause of S.30(2)</i>	<i>Requirement</i>	<i>How dealt with in the Plan</i>	<i>Page No. in Resolution Plan</i>
(a)	Plan must provide for payment of CIRP cost in priority to repayment of other debts of CD in the manner specified by the Board.	Clause 6.2 of Chapter VI (Treatment of Stakeholders)	43
(b)	(i) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than the amount payable to them in the event of liquidation u/s 53; or  (ii) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than	Clause 6.4 and Clause 6.5 of Chapter VI (Treatment of Stakeholders)  Clause 6.3.5 of Chapter VI (Treatment of Stakeholders)	46-50

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<b>Clause of S.30(2)</b>	<b>Requirement</b>	<b>How dealt with in the Plan</b>	<b>Page No. in Resolution Plan</b>
	<p>amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, which ever is higher and</p> <p>(iii) Provides for payment of debts of financial creditors who do not vote in favour of the resolution plan, in such manner as may be specified by the Board.</p>	<p>Clause 6.5 of Chapter VI (Treatment of Stakeholders)</p>	<p>44</p>
(c)	<p>Management of the affairs of the Corporate Debtor after approval of the Resolution Plan.</p>	<p>Chapter IX (Management and Control of KCL)</p>	<p>65 &amp; 66</p>
(d)	<p>Implementation and Supervision.</p>	<p>Chapter X (Term, Implementation and Supervision) and Chapter</p>	<p>67 - 73</p>

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<i>Clause of S.30(2)</i>	<i>Requirement</i>	<i>How dealt with in the Plan</i>	<i>Page No. in Resolution Plan</i>
		XI (Implementation Steps and Schedule)	
(e)	Plan does not contravene any of the provisions of the law for the time being in force.	Chapter XIII (Miscellaneous)	76 - 78
(f)	Conforms to such other requirements as maybe specified by the Board.	N/A	N/A

**II. Measures required for implementation of the Resolution Plan in terms of Regulation 37 of CIRP Regulations:**

<i>Particulars</i>	<i>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</i>
<i>A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximisation of value of its assets, including but not limited to the following: -</i>	
(a) transfer of all or part of the assets of the corporate debtor to one or more persons;	Not proposed by the SRA.

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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
(b) sale of all or part of the assets whether subject to any security interest or not;	Not proposed by the RA
(c) restructuring of the corporate debtor, by way of merger, amalgamation and demerger	Not proposed by the RA.
(d) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;	The Resolution Applicant proposes cancellation of all existing share capital of the Corporate Debtor and delisting of its shares from the recognised stock exchange on the Closing Date. Simultaneous with the cancellation of the existing share capital of the Corporate Debtor, the Resolution Applicant/ SPV <sup>9</sup> and its nominees shall infuse share application money of INR 12,15,00,000 (Indian Rupees Twelve Crore Fifteen Lakh) and shall be allotted 1,21,50,000 shares (Face Value Rs 10 per share) of the Corporate Debtor such that the

<sup>9</sup> SPV means a special purpose Company, incorporated by the Resolution Applicant as a wholly owned subsidiary for purpose of implementation of Resolution Plan.

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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
	Resolution Applicant/ SPV and its nominees are the sole shareholders of the Corporate Debtor. Chapter – VIII – Change in Shareholding <sup>10</sup>
(e) cancellation or delisting of any shares of the corporate debtor, if applicable;	Cancellation of existing shareholding is envisaged. The Company shall within 30 days of the NCLT Approval Date, submit an application to the concerned stock exchanges and SEBI for clarification/approval to delist its shares from the recognised stock exchanges. The liquidation value due to the equity shareholders in terms of the Code is NIL. Hence, no amount shall be paid to any shareholder against cancellation of their shares <sup>11</sup> .  In the aforesaid application, the Company shall disclose (i) the details of delisting of its Equity Shares; (ii) the justification for

<sup>10</sup> Resolution Plan, Pages – 61 – 62.

<sup>11</sup> Resolution Plan, Pages – 61 – 62, Point 8.2.2.



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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
	not paying any exit price to the public shareholders. Further, the shares of the Corporate Debtor shall be delisted within a period of 60 days from the NCLT Approval Date <sup>12</sup> .
(f) satisfaction or modification of any security interest;	Upon payment to the FCs, the Underlying Company Security shall stand irrevocably released in terms of the Resolution Plan. The approval of the NCLT shall be deemed to be approval of the Financial Creditors for release/ modification/ revision of the Underlying Company Security for purpose of securing/ guaranteeing the FC Payment. Clause 6.3.4 of the Resolution Plan Pg 623-624
(g) curing or waiving of any breach of the terms of any debt due from the corporate debtor;	Clause 6 of the Resolution Plan deals with settlement of debt due from the Corporate Debtor.

<sup>12</sup> *Ibid.*

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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
	Pg 622-636
(h) reduction in the amount payable to the creditors;	Clause 6 of the Resolution Plan deals with payment to stakeholders. Since full payment is not being proposed for all stakeholders, there is reduction in the amount payable to creditors <sup>13</sup> .
(i) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;	N/A
(j) amendment of the constitutional documents of the corporate debtor;	Clause 8.3.3 (g) of the Resolution Plan provides that the Articles of Association and the Memorandum of Association of the Company shall be amended and replaced by new Articles of Association and Memorandum of Association (as provided by the Resolution Applicant). Such amendment may also provide

<sup>13</sup> Resolution Plan, Pages – 42-57.

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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
	for change in registered office of KCL, increase in the authorized share capital of KCL in case required for capital restructuring, as an integral part of the Resolution Plan <sup>14</sup> .
(k) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;	N/A
(l) change in portfolio of goods or services produced or rendered by the corporate debtor;	N/A
(m) change in technology used by the corporate debtor; and	N/A
(n) Obtaining necessary approvals from the Central and State Governments and other authorities.	Clause 10.2 <sup>15</sup> of the Resolution Plan contains provisions regarding the approvals required for the Resolution Plan, which includes the following –

<sup>14</sup> Resolution Plan, Page – 63.

<sup>15</sup> Resolution Plan, Pages – 67 – 69.

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<b>Particulars</b>	<b>Relevant Page of the Resolution Plan dealing aforesaid compliance with Regulation</b>
	<ul style="list-style-type: none"> <li>- NCLT approval under Section 31 of the Code</li> <li>- Approvals required under the Companies Act, 2013</li> <li>- SEBI approval for delisting of shares of the Corporate Debtor</li> <li>- GIDC approval for registering change in control of the Corporate Debtor from erstwhile shareholders/ management to the SPV/Resolution Applicant.</li> </ul>

**III. Mandatory contents of Resolution Plan in terms of Regulation 38 of CIRP Regulations:**

<b>Reference to relevant Regulation</b>	<b>Requirement</b>	<b>How dealt with in the Plan</b>
38(1)	The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.	Clause 6.5.1 of Chapter VI (Treatment of Stakeholders) <sup>16</sup>

<sup>16</sup> Resolution Plan, Pages – 48.

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<b><i>Reference to relevant Regulation</i></b>	<b><i>Requirement</i></b>	<b><i>How dealt with in the Plan</i></b>
38(1A)	A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor.	Clause 6.14 of Chapter VI (Treatment of Stakeholders) <sup>17</sup>
38(1B)	A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.	Clause 13.5 of Chapter XIII (Miscellaneous) <sup>18</sup>
38(2)	A resolution plan shall provide: (a) the term of the plan and its implementation schedule;	Clause 10.1 of Chapter X (Term, Implementation and Supervision) and Chapter XI (Implementation Steps and Schedule) <sup>19</sup>

<sup>17</sup> Resolution Plan, Pages – 57.

<sup>18</sup> Resolution Plan, Pages – 76 – 77.

<sup>19</sup> Resolution Plan, Pages – 67 – 73.

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in C.P. (IB) No. 764/KB/2020

<b>Reference to relevant Regulation</b>	<b>Requirement</b>	<b>How dealt with in the Plan</b>
	(b) the management and control of the business of the corporate debtor during its term; and	Chapter IX (Management and Control of KCL) <sup>20</sup>
	(c) Adequate means for supervising its implementation.	Chapter X (Term, Implementation and Supervision) <sup>21</sup>
38(3)	A resolution plan shall demonstrate that–	Chapter V (Strategy for the Company) <sup>22</sup>
	(a) it addresses the cause of default;	
	(b) it is feasible and viable;	Chapter III (About the Resolution Applicant) and Chapter V - (Strategy for the Company) <sup>23</sup>
	(c) it has provisions for its effective implementation;	Clause 10.3 of Chapter X (Term, Implementation and Supervision) and Chapter XI (Implementation Steps and Schedule) <sup>24</sup>

<sup>20</sup> Resolution Plan, Pages – 65 – 66.

<sup>21</sup> Resolution Plan, Pages – 67 – 71.

<sup>22</sup> Resolution Plan, Pages – 34 – 41.

<sup>23</sup> Resolution Plan, Pages – 17 – 26 & 34 – 41.

<sup>24</sup> Resolution Plan, Pages – 69 – 70 & 72 – 73.

<b><i>Reference to relevant Regulation</i></b>	<b><i>Requirement</i></b>	<b><i>How dealt with in the Plan</i></b>
	(d) it has provisions for approvals required and the timeline for the same; and	Clause 10.2 of Chapter X (Term, Implementation and Supervision) and Chapter XI (Implementation Steps and Schedule) <sup>25</sup>
	(e) the Resolution Applicant has the capability to implement the resolution plan.	Chapter III (About the Resolution Applicant) <sup>26</sup>

**IV. Mandatory contents of Resolution Plan in terms of Regulation 39 of CIRP Regulations**

<b><i>Reference to relevant Regulation</i></b>	<b><i>Requirement</i></b>	<b><i>How dealt with in the Plan</i></b>
39(1)(a)	An affidavit stating RA is eligible under section 29A to submit resolution plans;	Annexure M of the Approval Petition <sup>27</sup>

<sup>25</sup> Resolution Plan, Pages – 67 – 73.

<sup>26</sup> Resolution Plan, Pages – 17 – 26.

<sup>27</sup> Annexure – M, Pages – 664 - 666 of I.A. 571/KB/2021

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39(1)(c)	An undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code	Letter dated 17.05.2021 <sup>28</sup>
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21. Applicant submits that the Successful Resolution Applicant has submitted a affidavit of eligibility under Section 29A of the Code, which has been annexed as [**Annexure M**] at **pages 664 -666** of the Application.
22. Applicant submits that the RP has submitted the certificate certifying and confirming the eligibility of the SRA under Section 29A of the Code, which has been annexed as [**Annexure H**] at **pages 565 -567** of the Application.
23. The Applicant has filed a compliance certificate in the prescribed form, *i.e.*, Form 'H' in compliance with regulation 39(4) of the CIRP Regulations which has been annexed as **Annexure N** at **Pages [667-673]** with the Application.

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<sup>28</sup> Annexure – L, Page – 582 of I.A. 571/KB/2021



**Details of Resolution Plan/ Payment Schedule**

24. The Applicant submits the relevant information with regard to the amount claimed, amount admitted and the amount proposed to be paid by the Successful Resolution Applicant i.e. Meghmani Organics Ltd, under the said Resolution Plan is tabulated as under:

<b>Stakeholder</b>	<b>Admitted Claim (INR) (X)</b>	<b>Total Pay-out (INR) (Y)</b>	<b>Timing of Payments</b>
CIRP Costs (Clause 6.2. of Resolution Plan)	NA	Outstanding CIRP Costs to be paid as per actuals <b>on priority basis.</b> Estimated as up to <b>INR 1,55,00,000</b> (Indian Rupees One Crore Fifty-Five Lakhs)  <b>Note:</b> If the internal accruals of the CD are not sufficient to pay all the outstanding CIRP Costs, the SRA shall fund the additional CIRP Costs to the extent of INR 1,55,00,000 (Indian Rupees One Crore Fifty-Five Lakhs) (“ <b>Allocated CIRP Costs Amount</b> ”). If the unpaid CIRP Costs also exceeds the Allocated CIRP Costs Amount, the excess amount shall be deducted from the FC Payment (“ <b>Excess CIRP Costs</b> ”).	Closing Date: Within 30 days of the NCLT Approval Date (in priority to any other payments)
Financial Creditors	INR 2,09,58,83,539	<b>INR 128,51,58,349</b> (Indian Rupees One	Closing Date: Within 30

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<b>Stakeholder</b>	<b>Admitted Claim (INR) (X)</b>	<b>Total Pay-out (INR) (Y)</b>	<b>Timing of Payments</b>
<i>(Clause 6.3.of Resolution Plan)</i>		Hundred Twenty-Eight Crore Fifty-One Lakhs Fifty-Eight Thousand Three Hundred Forty-Nine) (“ <b>FC Payment</b> ”). <b>Note:</b> In case the internal accruals of the CD on the Closing Date as well as Allocated CIRP Costs Amount is not sufficient to pay the CIRP Costs in full, the FC Payment shall stand reduced by Excess CIRP Costs.	days of the NCLT Approval Date
Employees and Workmen (excluding Related party) <i>(Clause 6.4.of Resolution Plan)</i>	INR 4,78,05,389	INR <b>1,40,00,000</b> (Indian Rupees One Crore Forty Lakhs) as against and in settlement and discharge of all their Claims (admitted or not) in the following manner: a) Non-related workmen shall be paid a percentage of their respective admitted claim equal to percentage of admitted claims being paid to secured financial creditors. For instance, if secured financial creditors are paid 61.32% of their admitted claims, non-related workmen shall also be paid 61.32% of their admitted claims; b) The balance amount	Closing Date: Within 30 days of the NCLT Approval Date (in priority to Financial Creditors)

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Stakeholder	Admitted Claim (INR) (X)	Total Pay-out (INR) (Y)	Timing of Payments
		of Workmen and Employees' Payment shall be paid to non-related employees.	
Operational Creditors (other than Employees and Workmen) (Clause 6.5. of Resolution Plan)	INR 22,41,65,084	<b>INR22,41,651</b> (Indian Rupees Twenty-Two Lakh Forty-One Thousand Six Hundred Fifty-One  <b>Note:</b> A claim under the Export Promotion Capital Goods Scheme ("EPCG") has been submitted for an amount of INR 9,18,56,663 (Indian Rupees Nine Crore Eighteen Lakh Fifty-Six Thousand Six Hundred Sixty-Three) of which INR 8,55,00,000 (Indian Rupees Eight Crore Fifty-Five Lakh) has been admitted by the RP. Since the CD may not be able to fulfil export related requirements within the stipulated time, the SRA proposes a settlement in terms of Clause 6.5.2 (i.e., pro rata re-distribution of the Non-Workmen/ Employee OC Payment amount, to include such further claims, without increasing the total amount allocated to Operational	Closing Date: Within 30 days of the NCLT Approval Date (in priority to Financial Creditors)

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Stakeholder	Admitted Claim (INR) (X)	Total Pay-out (INR) (Y)	Timing of Payments
		Creditors (other than Workmen and Employees). Such settlement shall be in settlement of all liabilities of the CD in respect of its export obligations in the past or arising in future.	
Certain other unverified or claimed liabilities (As per Annexure 4)	NA	<b>INR 6,00,000</b> (Indian Rupees Six Lakh)	(As per Annexure 4) <sup>29</sup>
Related party claims (Clause 6.6. of Resolution Plan)	INR 24,07,56,199 (FCs)	<b>INR 1,00,000</b> (Indian Rupees One Lakh)	Closing Date: Within 30 days of the NCLT Approval Date
Existing shareholders (Clause 8.3.3 (d) of Resolution Plan)	NA	NIL	NA
<b>TOTAL (Excluding CIRP Costs)</b>		<b>INR 130,21,00,000</b>	

Notes:

i) *Contractual Claims and Liabilities (Clause 6.7. of Resolution Plan)*

**A. Contract with GAIL (Clause 6.7.3)**

- *The SRA understands that, in July 2016, KCL had entered into a Long-term Contract (10 years) for sourcing Natural Gas from Gas Authority of India Limited (“GAIL”), Ahmedabad Zonal*

<sup>29</sup> Resolution Plan, Pages – 84 – 85.

*Office, at a minimum level of consumption of 51000 standard cubic metres (scm) per day (“GAIL Contract”).*

- *Certain disputes arose with GAIL and KCL referred the matter to arbitration, which is currently pending. GAIL has continued to raise monthly and annual claims/ invoices against the GTA and the GSA. GAIL has filed a claim of INR 5,39,75,00,000 on the CD, which has been rejected by the RP (“GAIL Claim”). The SRA believes that the GAIL Contract is onerous and commercially unviable and its continuation is not in the long-term interest of the CD. Further, since the SRA does not propose to use gas from GAIL for purpose of its revival, the GAIL Contract is not required to be continued. Hence, as an integral part of this Resolution Plan, the GAIL Contract shall stand terminated on the NCLT Approval Date without the requirement of any further act or deed on the part of the SRA, SPV, KCL and/ or the new management.*
- *Any claims or liabilities against KCL, arising under the GAIL Contract, including GAIL Claim and any other contingent, unclaimed, disputed or undisputed, asserted or unasserted, present or future Claims of GAIL, including Claims in respect of termination of the GAIL Contract shall be settled by the CD at NIL value.*

**B. GIDC Lease (Clause 6.7.4)**

- *The SRA affirms that after the Closing Date, the CD shall make payment to GIDC under the GIDC Lease in accordance with the terms thereof. Further, the SRA / SPV/ CD shall make necessary applications with GIDC for registering change in control of the CD from erstwhile shareholders/ management to the SPV/SRA. The relevant transfer charges/ transfer premium will be paid to GIDC for such transfer. The SRA estimates the transfer charges/premium to be INR 18.00 Crores (Indian*

*Rupees Eighteen Crores) and clarifies that this is over and above the payments to be made to the creditors under this Resolution Plan and payment of CIRP costs and in no way will impact implementation of the plan.*

**25. Details on Management/Implementation and Reliefs as per the Resolution Plan – Salient Features**

**Monitoring and Supervision (Clause 10.4)**

- a. An appropriate monitoring committee shall be constituted on the NCLT Approval Date (Monitoring Committee), which shall comprise of:
  1. Resolution Professional
  2. Two representatives as appointed by the SRA
  3. Two representatives of the Financial Creditors
- b. Resolution Professional shall act as the Chairman of the Monitoring Committee and shall hold office from the NCLT Approval Date till the Closing Date.
- c. The Monitoring Committee shall convene its first meeting within 7 days of the NCLT Approval Date. All decisions of the Monitoring Committee shall be undertaken with unanimous consent until the Closing Date. After the NCLT Approval Date, RP/ Monitoring Committee shall run the Corporate Debtor in ordinary course, without undertaking or incurring any liabilities on behalf of the Corporate Debtor (except liabilities arising in ordinary course). The roles and responsibilities of the Monitoring Committee have been specified in the Resolution Plan.

**Management and Control of KCL by SRA (Clause 9.1)**

- a. The SPV and its nominees proposes to hold 100% (hundred percent) shareholding in the restructured share capital of KCL, as elaborated in Chapter VIII (Change in Shareholding)

- b. On and from the Closing Date, the SPV and the SRA shall be in control and management of affairs of the CD and the business of the CD shall be carried on by the new management as appointed by the SRA/ SPV. On the Closing Date, the board of directors of KCL shall stand reconstituted, wherein all existing directors shall be deemed to have vacated their offices and new directors will be appointed to the board of directors of KCL by the SRA/SPV.
- c. Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership / control of KCL shall be deemed to have been granted on the NCLT Approval Date. Where required, after Closing Date, the SRA/ SPV/ CD shall make necessary applications with Governmental Authorities (including GIDC) for registering change in control of the CD from erstwhile shareholders/ management to the SPV/SRA.

**26. Reliefs and Concessions (Chapter XII of Resolution Plan)**

<b>Sl.No.</b>	<b>Relief and/or Concessions Sought</b>	<b>Orders Thereon</b>
a.	Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation, including an increase of authorised capital and issuance of Equity Shares to Resolution Applicant.	Not granted.

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b.	KCL and the Resolution Applicant shall be granted an exemption from all taxes, levies, fees, transfer charges (except to GIDC), transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable.	No general reliefs can be granted in the manner sought for. It is for the appropriate taxing authorities to consider the same in accordance with the relevant law.
c.	The Resolution Applicant except for the payment mentioned in Annexure 4 shall not be liable to pay any Taxes (direct or indirect) whatsoever arising (directly or indirectly on such entity) as a result of the actions taken by the Corporate Debtor prior to the Closing Date. It may also be clarified that any Tax liabilities pertaining to any period or action prior to the Effective Date, whether assessed or unassessed, whether crystallized or not crystallized by any of the relevant Government Authority shall be deemed to have been extinguished and written off on the NCLT Approval date.	Granted in terms of the <b><i>Ghanashyam Mishra and Sons Pvt Ltd v Edelweiss Asset Reconstruction Company Ltd</i></b> <sup>30</sup> .

<sup>30</sup> 2021 SCC OnLine SC 313 decided on 13.04.2021.



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d.	Waiver of any income-tax and Minimum Alternate Tax (MAT) liability or consequences (including interest, fine, penalty, etc) on KCL, Resolution Applicant and its shareholders, including but not limited to waiver from applicability of Section 50CA and liabilities, if any, arising on account of Section 41 (1), Section 56, , Section 28, Section 115JB and of the Income-tax Act, 1961, arising as a result of giving effect to all the steps as proposed in the Resolution Plan without any impact on brought forward tax and book loss / depreciation, pursuant to this Resolution Plan.	No general reliefs can be granted in the manner sought for. It is for the appropriate taxing authorities to consider the same in accordance with the relevant law.
e.	Any requirements to obtain reliefs / exemptions / waivers from any Tax Authorities including in terms of Sections 170 and 281 of the Income-tax Act is deemed to have granted upon approval of this Resolution Plan on the NCLT Approval Date.	No general reliefs can be granted in the manner sought for. It is for the appropriate taxing authorities to consider the same in accordance with the relevant law.

**I.A. (IB) No. 789/KB/2021**

27. This is an application filed by GAIL (India) Limited under section 60(5) of the Insolvency and Bankruptcy Code, 2016 seeking for admission of

it's claim by the Resolution Professional of Kilburn Chemicals Limited ("Corporate Debtor").

***Submissions of the learned Counsel appearing on behalf of the Applicant.***

28. It is submitted that the Applicant is a Government Company under section 617 of the Companies Act, 1956, bearing CIN: L40200DL1984GO1018976.
29. Learned Counsel appearing on behalf of the Applicant submits that GAIL (India) Limited is one of the Operational Creditors of the Corporate Debtor pursuant to execution of **Gas Sale Agreement ("GSA")** for supply of Re-gasified Liquid Natural Gas **dated 28.07.2016** at Dahej for supply of natural gas 2000 MMBTU/Day from 03.08.2018 to 30.04.2028 and **Gas Transmission Agreement ("GTA") dated 28.07.2016** for transportation of gas from the delivery point to the plant of the Corporate Debtor.
30. It is submitted that *vide* order dated 10.08.2020, this Adjudicating Authority admitted C.P.(IB) No. 764/KB/2020 initiating Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor. The public announcement was issued on 12.08.2020 by the Interim Resolution Professional of the Corporate Debtor.
31. It is submitted that the claim of the applicant was rejected by the Resolution Professional *via* email dated 17.11.2020.
32. It is further submitted due to the second wave of Covid-19 pandemic the Office of the Applicant was restricted to emergency functions only. The Applicant submits that the application is not barred by limitation in view of the Hon'ble Supreme Court *vide* order dated 08.03.2021 directed exclusion of the period from 15.03.2020 till 14.03.2021 in computing the period of limitation which was extended *vide* order dated 27.04.2021.
33. It is further submitted that the Corporate Debtor failed to start the commencement of gas supply as per Article 12.7 of GSA and Article 8.10 of GTA. The Applicant has raised its claim towards "Ship or Pay" under

Article 6.1. of GA for the period of 03.08.2018 to 31.12.2018 *vide* letter dated 09.01.2019 and had raised demand towards TOP claim under GSA and SOP claim under the GTA.

34. It is submitted that the arbitration clause was invoked towards all claims including TOP and SOP claims *vide* letter dated 16.01.2019. Subsequently, CIRP was initiated against the Corporate Debtor and the Applicant filed its claim in Form B on 07.10.2020 of Rs.539.75Crore approximately towards entire contractual obligation under GSA and GTA.
35. It is further submitted that the Resolution Professional rejected the entire claim on 17.11.2020, stating that firstly, no gas was ever supplied, secondly, book of accounts of the Corporate Debtor has debit balance of Rs.1.01Crore on account of Bank Guarantee submitted to the Applicant and thirdly, arbitration proceeding is pending between the Applicant and the Corporate Debtor.
36. In course of the arguments, the learned Counsel for the successful Resolution Applicant submitted that the successful Resolution Applicant would pay the Applicant at par with the Operational Creditors with no additional financial burden on the successful Resolution Applicant. The learned Counsel on behalf of the Applicant agreed to the submission made by the learned Counsel for the successful Resolution Applicant.

### **Findings**

37. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, Ld. Counsel for the Applicant in I.A. (IB) No. 789/KB/2021, learned Senior Counsel for the successful Resolution Applicant and learned Senior Counsel for the CoC and perused the record, we find that the Resolution Plan has been approved with 100% voting share. As per the CoC, the plan meets the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench. Further, in view of the above

submissions made in I.A. (IB) No. 789/KB/2021, the I.A. becomes infructuous and is hereby dismissed.

38. Clause 6.7.3 given in pages 51-52 of the Resolution Plan wherein it is stated that

*“Any claims or liabilities against KCL, arising under the GAIL contract, including GAIL claim and any other contingent, unclaimed, disputed or undisputed, asserted or unasserted, present or future claims of GAIL, including claims in respect of termination of the GAIL contract shall be settled by the Company at NIL value. No amount shall be payable by the Resolution Applicant, SPV, KCL and/or the new management of KCL to GAIL and neither of them shall, at any point, be made directly or indirectly responsible or liable for any claim that GAIL has or may have against KCL.”*

is to be struck off and GAIL (India) Limited shall be paid along with the other Operational Creditors. The claim of GAIL (India) Limited shall be verified by the monitoring Committee.

39. On perusal of the documents on record, we are also satisfied that the Resolution Plan is in accordance with sections 30 and 31 of the IBC and also complies with regulations 38 and 39 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016.
40. The Corporate Debtor being a listed entity, the successful Resolution Applicant shall ensure compliance of applicable listing guidelines.
41. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the Code.
42. In case of non-compliance of this order or withdrawal of Resolution Plan, the CoC shall forfeit the EMD amount already paid by the Resolution Applicant.

43. Subject to the observations made in this Order, the Resolution Plan in question is hereby **approved** by this Bench. **The Resolution Plan shall form part of this Order.**
44. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect.
45. The Moratorium imposed under section 14 shall cease to have effect from the date of this order.
46. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for the record and also unto the Resolution Applicant or New Promoters.
47. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance.
48. Liberty is hereby granted for moving any Application if required in connection with implementation of this Resolution Plan.
49. A copy of this Order is to be submitted in the Office of the Registrar of Companies, West Bengal.
50. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order.
51. The Resolution Professional is further directed to handover all records, premises/factories/documents to the Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through the Resolution Professional to finalise the further line of action required for starting of the operation.
52. I.A. (IB) No. 571/KB/2021, I.A. (IB) No. 789/KB/2021 and the main Company Petition i.e. CP(IB)No. 764/KB/2020 shall stand disposed of accordingly.

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53. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
54. Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.
55. File be consigned to the record.

**(Harish Chander Suri)**  
**Member (Technical)**

**(Rohit Kapoor)**  
**Member (Judicial)**

Order signed on December 16<sup>th</sup>, 2021

GGRB, LRA / SA, LRA

To

**Mr. Sanjai Kumar Gupta**

**Resolution Professional**

**Kilburn Chemicals Limited**

Date: 17.05..2021

Dear Sir,

SUB: FINAL RESOLUTION PLAN IN RESPONSE TO RFRP DATED 07.11.2021

ISSUED BY THE RESOLUTION PROFESSIONAL IN CONSULTATION WITH CoC

We, Meghmani Organics Limited ("**Resolution Applicant(s)**"), refer to the Resolution Plan submitted by us in respect of Kilburn Chemicals Limited, revised on 12.02.2021 and subsequent correspondence and submit herewith the final Resolution Plan complete in all respects after incorporating all the suggestions and observations made during the subsequent discussions.

Kindly note that the revision is supplementary to the Resolution Plan already submitted and needs to be considered in conjunction with the Resolution Plan submitted earlier.

We hereby submit the latest position of source of funds as per Annexure- 1 along with all the supporting documents.

We undertake that every information and records provided in connection with or in the Resolution Plan is true and correct and discovery of any false information and record at any time will render the applicant ineligible, forfeit any refundable deposit and attract penal action under the IB Code.

Yours sincerely,

**For Meghmani Organics Limited**



(A. PATEL)



**RESOLUTION PLAN**

**PROPOSED**

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**IN RESPECT OF**

**KILBURN CHEMICALS LIMITED**

**BY**

**MEGHMANI ORGANICS LIMITED**



*A. P. Patel*



## INTRODUCTION

Kilburn Chemicals Limited (**KCL/ Company/ Corporate Debtor**) is a listed public company, incorporated on 31 August 1990, with Corporate Identification Number L24117WB1990PLC199409. The registered office of KCL is situated at “Shantiniketan” 16th Floor, 8, Camac Street, Kolkata, West Bengal – 700 017.

KCL has a manufacturing unit at Jolwa Village at Dahej Gujarat (**Dahej Facility**). The manufacturing unit is currently non-operational.

KCL was engaged in the business of manufacturing Titanium Dioxide and had emerged as the largest private sector producer of Titanium Dioxide pigment in India at its production unit at Tuticorin. The Company also used to manufacture and export by products of titanium dioxide such as Ferrous Sulphate Hyptahydrate.

In 2011, the Company sold its Tuticorin plant to set up a modern technology unit in the state of Gujarat. Accordingly, the Company bought land from the Gujarat Industrial Development Corporation (**GIDC**) on a leasehold basis for a term of 99 years at Jolwa Village at Dahej, Gujarat.

The Company eventually set up a green field project at PCPIR Dahej, Gujarat for manufacturing rutile grade titanium dioxide. Further, in 2018 the Company commenced production of anatase grade titanium dioxide.

The Dahej Facility is situated on a 77-acre plot and provides a unique opportunity of utilising its home-grown indigenous technology from its earlier plant on a larger scale with greater cost efficiencies and further value addition. The production capacity of the Dahej Facility is 50 metric tonne of titanium dioxide per day.

KCL is currently undergoing corporate insolvency resolution process (**CIRP**) under the provisions of the Insolvency and Bankruptcy Code, 2016 (**Code**) pursuant to an order passed by National Company Law Tribunal, Kolkata Bench (**NCLT**) on 10 August 2020 (**NCLT Order**) on an application filed by Bank of Baroda, a financial creditor, under Section 7 of the Code.

Vide the NCLT Order, Mr. ParthaPratimGhosh was appointed as the Interim Resolution Professional (IRP) for the Company and was later confirmed as the Resolution Professional (**RP**) by the Committee of Creditors (CoC). Mr. ParthaPratimGhosh was replaced by Mr. Sanjai Kumar Gupta as the RP of the Company, by order dated 4 November 2020 of the NCLT.

On 21 October 2020, pursuant to the invitation for submission of Expression of Interest (**IEOI**) issued by the RP, Meghmani Organics Limited submitted an Expression of Interest (**EOI**) to the RP, for submission of the resolution plan.

This now is the resolution plan proposed by Meghmani Organics Limited (**Resolution Applicant / MOL**) for resolution of insolvency of KCL.

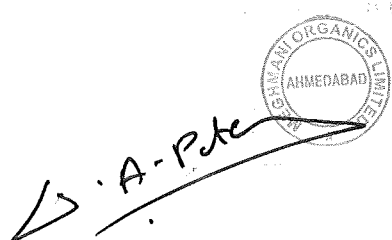
  
A. Patel

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**CHAPTER I: DEFINITIONS AND INTERPRETATION**

**1.1. DEFINITIONS**

In this Resolution Plan, the following words and expressions shall have the following meanings:

Adjudicating Authority or NCLT	means the Hon'ble National Company Law Tribunal, Kolkata Bench.
Affiliate	means with respect to any Person, any other Person that, directly or indirectly, controls or is controlled by or is under the common control with such Person. Control means control of more than 50% (fifty percent) of the voting share capital of another company or the ability to appoint majority of the directors on the board of another company or the ability of a company to direct or cause direction of the management and policies of another company, whether by operation of law or by contract or otherwise.
Applicable Law	means any statute, law, enactment, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, policy, consent, direction, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation having the force of law, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of submission of the Resolution Plan or thereafter, in any applicable jurisdiction.
Associate Company	In relation to another company shall mean, a company in which the Resolution Applicant has significant influence in terms of Companies Act and includes a joint venture company.
BSE	Bombay Stock Exchange
CIRP	means the corporate insolvency resolution process of KCL, conducted in accordance with the Code and CIRP Regulations.
CIRP Costs	means the insolvency resolution process costs, as defined under the Code, incurred in respect of CIRP of KCL.
CIRP Period	means the period commencing on Insolvency Commencement Date and expiring on the Effective Date.
CIRP Regulations	means the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, as amended from time to time.
Claim	shall include a right to payment, right to remedy arising pursuant



*D. A. Patel*

	to a contract, under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, matured, not matured, secured or unsecured, contingent, crystallised or fructified, of any nature whatsoever including interest, damages, sanctions, penalties and fines whether claimed by any Governmental Authority, supplier, creditor or any other person.
Closing Date	has the meaning set out in Chapter VIII.
Code	means the Insolvency and Bankruptcy Code, 2016, as amended from time to time.
Committee of Creditors or CoC	means the committee of creditors of KCL, constituted under Section 21 of the Code.
Companies Act	means the Companies Act, 2013, as applicable and as amended from time to time, together with any rules, regulations, notifications, circulars and removal of difficulty orders issued thereunder.
Company or KCL	means KCL Limited, a listed public company, incorporated on 31 August 1990, with Corporate Identification Number L24117WB1990PLC199409. The registered office of KCL is situated at "Shantiniketan" 16 <sup>th</sup> Floor, 8, Camac Street, Kolkata, West Bengal – 700 017.
Control	means a company holding more than 50% (fifty percent) of the voting share capital of another company or the ability to appoint majority of the directors on the board of another company or the ability of a company to direct or cause direction of the management and policies of another company, whether by operation of law or by contract or otherwise.
Equity Shares	means the equity shares of KCL, having a face value of INR 10 (Indian Rupees Ten) each.
Encumbrance	means any right, title or interest existing or created or purported to be created in any manner whatsoever including by way of or in the nature of a sale, agreement to sell, assignment, co-ownership, attachment, pledge, hypothecation, charge, lien, option or right of pre-emption, entitlement to ownership (including usufruct and similar entitlements) and any other interest or right held, or any statutory liability recoverable by sale of property, or any claim, right or lien whatsoever that could be raised or exercisable by a third party and the term "Encumber" shall be construed accordingly
Financial Creditors	means the financial creditors (as defined under Section 5 (7) of the Code) of KCL whose claims have been admitted and/or



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	verified by the IRP/ RP under the Code.
Financial Debt	means the amount of financial debt as admitted and/or verified by the IRP/ RP under the Code.
GAIL	GAIL (India) Limited
GIDC	Gujarat Industrial Development Corporation
Governmental Authority	includes (a) any national, federal, state, county, municipal, local, or foreign government or any entity exercising executive, legislative, judicial, regulatory, taxing, or administrative functions of or pertaining to government in any jurisdiction, (b) any public international organization, (c) any agency, division, bureau, department, or other political subdivision of any government, entity or organization described in the foregoing clauses (a) or (b) of this definition, (d) any company, business, enterprise, or other entity owned, in whole or in part, or controlled by any government, entity, organization, or other Person described in the foregoing clauses (a), (b) or (c) of this definition
Information Memorandum or IM	means the information memorandum of KCL, prepared by the RP under the provisions of the Code and CIRP Regulations, as provided to the Resolution Applicant.
Insolvency Commencement Date	means 10 August 2020, being the date of order passed by the NCLT, commencing the CIRP of KCL.
MCA	Ministry of Corporate Affairs
Monitoring Committee	has the meaning set out in Chapter X.
NCLT Approval Date	means the date of NCLT Approval Order.
NCLT Approval Order	means the order passed by the NCLT, approving the entire Resolution Plan of the Resolution Applicant under Section 31 of the Code.
Operational Creditors	means the operational creditors (as defined under Section 5 (20) of the Code) of KCL, whose claims have been admitted and/or verified by the IRP/ RP under the Code.
Operational Debt	means the amount of operational debt (as defined under the Code) as admitted and/or verified by the IRP/ RP under the Code.
Other Creditors	means the creditors whose claim has been admitted and/or verified by the IRP/ RP under Regulation 9A of the CIRP Regulations.
PBG	means the performance bank guarantee provided by the Resolution Applicant to the CoC.



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Person	means any person (including a natural person), sole proprietorship, corporation, body corporate, partnership, joint venture, estate, trust, company, unincorporated association or organization, firm, Governmental Authority or other enterprise, association, organization or entity whether or not required to be incorporated or registered under Applicable Law.
Relevant Judicial Authority	means the NCLT, National Company Law Appellate Tribunal or the Supreme Court of India (as relevant).
Resolution Applicant	means Meghmani Organics Limited.
Resolution Plan	means this resolution plan, as proposed by the Rescution Applicant, for resolution of insolvency of KCL.
Resolution Professional or RP	means CA Sanjai Kumar Gupta, the resolution professional of KCL.
Request for Resolution Plan (RFRP)	means the RFRP dated 7 November 2020 issued by the RP to the prospective resolution applicants and as amended from time to time.
ROC	Registrar of Companies
SEBI	Securities and Exchange Board of India
SPV	means a special purpose company, incorporated by the Resolution Applicant as a wholly owned subsidiary for purpose of implementation of the Resolution Plan.
Taxes	means any tax and any duty, levy, cess or charge in the nature of tax applicable in India, and any fine, penalty or interest connected therewith, including corporate tax, income tax, dividend distribution tax, interest tax, capital gains tax, gift tax, wealth tax, sales tax, Value Added Tax (VAT), Goods and Service Tax (GST), service tax, excise, customs and import duties, stamp duties, registration fees, research and development cess, rates, tax deduction at source or withholding tax or property tax which is payable by reason of any law or regulation
Underlying Company Security	means all any and all right, title or interest of any kind whatsoever upon "property", created by the Company in favour of any Financial Creditor in respect of any debt of the Company and includes security, mortgage, lien, charge, pledge, hypothecation, negative lien, assignment. For the purpose of this provision, property means immovable property, movable property, any debt or any right to receive payment of money, whether secured or unsecured, receivables, whether existing or future, intangible assets, being know-how, patent, copyright, trade mark, licence, franchise or any other business or commercial right of similar nature.
VDR	means the virtual data room created by the RP for purpose of



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enabling due diligence of KCL.
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## 1.2. INTERPRETATION

In this Resolution Plan, unless the context otherwise requires:

- (a) headings and bold typeface are only for convenience and reference and shall be ignored for the purpose of interpretation and construction of the relative provisions of this Resolution Plan;
- (b) any reference to a clause or schedule is a reference to a Clause in or Schedule to this Resolution Plan, except as expressly provided otherwise herein;
- (c) the Schedules annexed hereto shall constitute an integral part of this Resolution Plan;
- (d) words of any gender are deemed to include the other gender;
- (e) the singular includes the plural and vice versa and, in particular (but without limiting the generality of the foregoing), any word or expression defined in the singular has the corresponding meaning when used in the plural and vice versa;
- (f) the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Resolution Plan or specified sections of this Resolution Plan as the case may be;
- (g) reference to any of the words “include”, “including”, “for example”, “such as” is not used as, nor it is to be interpreted as, a word of limitation and when introducing an example, does not limit the meaning of the word to which the example relates, to that example or examples of a similar kind;
- (h) any reference to a statute, ordinance, code or other law includes regulations and other instruments under it and amendments or re-enactments of any of them;
- (i) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated inclusive of that day;
- (j) a reference to “month” shall mean an English calendar month and a reference to “year” shall mean an English calendar year, except as expressly provided otherwise in this Resolution Plan;
- (k) the values given herein are approx. values and the same shall be rounded off to the nearest rupee;
- (l) if a word or phrase is defined, parts of speech and other grammatical forms of that word or phrase shall have a corresponding meaning;
- (m) any reference to time is a reference to Indian Standard Time; and
- (n) reference to anything including any amount is a reference to the whole and each part of it.



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## CHAPTER II – PLAN SUMMARY AND MANDATORY CONTENTS

## 2.1. PLAN SUMMARY

S. No.	Details	Proposal
1.	Total Resolution Amount	<b>INR 496,90,95,000</b> (Indian Rupees Four Hundred Ninety-Six Crore Ninety Lakh Ninety-Five Thousand)
2.	Initial Infusion Amount	<b>INR 130,21,00,000</b> (Indian Rupees One Hundred Thirty Crore Twenty-One Lakhs) to be brought in by the Resolution Applicant/ SPV in the form of: a) Debt of <b>INR118,06,00,000</b> (Indian Rupees One Hundred Eighteen Crore Six Lakh) to be given by the Resolution Applicant or SPV to the Corporate Debtor. Additional debt of up to <b>INR 1,55,00,000</b> (Indian Rupees One Crore Fifty-Five Lakhs) for outstanding CIRP cost will be infused by the RA or SPV. b) Equity of <b>INR 12,15,00,000</b> (Indian Rupees Twelve Crore Fifteen Lakh) to be infused by the SPV into the Corporate Debtor.
3.	Working Capital and Capex Infusion Amount	<b>INR 366,69,90,000</b> (Indian Rupees Three Hundred Sixty-Six Crore Sixty-Nine Lakh Ninety Thousand) to be infused within 12 months of the NCLT Approval Date
4.	CIRP Costs	Outstanding amounts to be paid on actuals. Estimated as up to <b>INR1,55,00,000</b> (Indian Rupees One Crore Fifty-Five Lakhs)
5.	Payment to Financial Creditors	Financial creditors shall be paid <b>INR 128,51,58,349</b> (Indian Rupees One Hundred Twenty-Eight Crore Fifty-One Lakhs Fifty-Eight Thousand Three Hundred Forty-Nine) (“FC Payment”).  The FC Payment shall be made paid within 30 days of the NCLT Approval Date.
6.	Payment to Operational Creditors	<b>INR 1,62,41,651</b> (Indian Rupees One Crore Sixty-Two Lakh Forty-One Thousand Six Hundred Fifty-One) (“OC Payment”) divided into:  (a) Payment to Operational Creditors (other than Workmen and Employees): <b>INR22,41,651</b> (Indian Rupees Twenty-Two Lakh Forty



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		<p>One Thousand Six Hundred Fifty One) (“<b>Non-WorkmenOC Payment</b>”) as against and in settlement and discharge of their Claims (admitted or not), within 30days of the NCLT Approval Date, in priority to payment to the Financial Creditors;</p> <p>(b) Payment of <b>INR1,40,00,000</b> (Indian Rupees One Crore Forty Lakh) to workmen and employees of the Corporate Debtor as against and in settlement and discharge of their Claims (admitted or not), within 30days of the NCLT Approval Date, in priority to payment to the Financial Creditors.</p>
7.	Payment for Other Creditors (under Regulation 9A)	NIL
8.	Payment to Related Parties Creditors	<b>INR 1,00,000</b> (Indian Rupees One Lakh)
9.	Certain other unverified or unclaimed liabilities	<p><b>INR 6,00,000</b> (Indian Rupees Six Lakh), as per <b>Annexure 4</b>.</p> <p>Except for the payments provided above, all other Claims, for the period prior to the Closing Date shall be settled at NIL.</p>
10.	Restructuring of shares of KCL	<p>The Resolution Applicant proposes cancellation of all existing share capital of the Corporate Debtor and delisting of its shares from the recognised stock exchange on the Closing Date. Simultaneous with the cancellation of the existing share capital of the Corporate Debtor, the SPV and its nominees shall infuse share application money of <b>INR 12,15,00,000</b> (Indian Rupees Twelve Crore Fifteen Lakh) and shall be allotted 1,21,50,000shares (Face Value Rs 10 per share) of the Corporate Debtor such that the SPV and its nominees are the sole shareholders of the Corporate Debtor.</p> <p>The Company shall within 30day of the NCLT Approval Date, submit an application to the concerned stock exchanges and SEBI for clarification/approval to delist its shares from the recognised stock exchanges. The liquidation value due to the equity shareholders in terms of the Code is NIL. Hence, no amount shall be paid to any shareholder against cancellation of their shares.</p>



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		In the aforesaid application, the Company shall disclose (i) the details of delisting of its Equity Shares; (ii) the justification for not paying any exit price to the public shareholders.
11.	Interest rate/Coupon and frequency of payment	All upfront payments, within 30 days of the NCLT Approval Date. No interest to be paid on any amounts.
12.	Repayment Schedule	NA
13.	Conversion terms of quasi equity instruments	NA
14.	Any equity being offered to Financial Creditors and terms for the same	No
15.	Amount of fresh equity being infused	Amount: <b>INR 12,15,00,000</b> (Indian Rupees Twelve Crore Fifteen Lakh) Timing: Before the Closing Date
16.	Corporate Guarantee or additional collateral / security being offered by the Resolution Applicant	No additional security/ guarantee. The existing security shall continue till payment of FC Payment Amount.  Please note that a PBG would be provided in accordance with the RFRP.
17.	Any third-party collateral being offered as additional security by the Resolution Applicant	No
18.	Details of Key Managerial personnel of the RA with description of experience	Please refer to Chapter III ( <i>About the Resolution Applicant</i> ) and Annexure 2 ( <i>Details of KMPs to be Appointed</i> )
19.	Reasonableness of Financial projections i.e., Sales, EBITDA, EBIT etc./ Certainty/ Likelihood/ Feasibility/ Eventuality of honouring proposed commitments under the Resolution Plan	Please refer to Chapter III ( <i>About the Resolution Applicant</i> )
20.	Ability to turnaround distressed companies	Please refer to Chapter V ( <i>Strategy for the Company</i> )
21.	Standing of the Resolution Applicant	Please refer to Chapter III ( <i>About the Resolution Applicant</i> )

## 2.2. MANDATORY CONTENTS

S. No.	Section of the Code / CIRP Regulation No.	Requirement with respect to Resolution Plan	Relevant Clause and Provision in the Resolution Plan
1.	Section 30 (1)	Affidavit stating that the Resolution Applicants are eligible under Section 29 A of the Code.	Attached as an annexure to the plan for Resolution Applicant.
2.	Section 30 (2) (a)	Resolution Plan must provide for the payment of corporate	Resolution Plan provides for the payment of CIRP



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S. No.	Section of the Code / CIRP Regulation No.	Requirement with respect to Resolution Plan	Relevant Clause and Provision in the Resolution Plan
		insolvency resolution process costs (CIRP Costs) in priority to the payment of other debt.	Costs in priority.  Please refer to Clause 6.2 of Chapter VI ( <i>Treatment of Stakeholders</i> )
3.	Section 30 (2) (b) read with Regulation 38 (1)	Resolution Plan must provide for the payment of debts of operational creditors which shall not be less than-  (i) Liquidation value due to operational creditors in the event of a liquidation of the corporate debtor under Section 53 of the Code; or  (ii) The amount that would have been paid to operational creditors, if the amount distributed under the resolution plan had been distributed in accordance with order of priority under Section 53 (1) of the Code.  Whichever is higher. The amounts due to the operational creditors under the Resolution Plan shall be given priority of payment over financial creditors.	Please refer to Clause 6.5 of Chapter VI ( <i>Treatment of Stakeholders</i> )
4.	Section 30 (2) (b) and Regulation 38 (1)(b)	Resolution Plan must provide for the payment of debts of financial creditors, who do not vote in favor of the resolution plan, which shall not be less than the amount to be paid to such creditors under Section 53 (1) of the Code in the event of liquidation of the corporate debtor.  Resolution Plan must provide for payment to the financial creditors, who have a right to vote under Section 21 (2) of the Code and did not vote in favour of the resolution plan, in priority to financial creditors who voted in favour of the plan.	Please refer to Clause 6.3.4 of Chapter VI ( <i>Treatment of Stakeholders</i> )
4.	Section 30 (2) (c) read	The Resolution Plan should	The Resolution Plan



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S. No.	Section of the Code / CIRP Regulation No.	Requirement with respect to Resolution Plan	Relevant Clause and Provision in the Resolution Plan
	with Regulation 38 (2) (b)	provide for the management of the affairs of the corporate debtor after the approval of the Resolution Plan and during the term of the Resolution Plan.	provides for the management of the affairs of the corporate debtor by the Resolution Applicant after the approval of the Resolution Plan and during the term of the Resolution Plan. Please refer to Chapter IX ( <i>Management and Control of KCL</i> ).
4.	Section 30 (2) (d) read with Regulation 38 (3) (c)	The Resolution Plan should provide for the implementation and supervision of the resolution plan and have provisions for its effective implementation.	The Resolution Plan provides for the implementation and supervision of the Resolution Plan and provisions for its effective implementation. Please refer to Chapter X ( <i>Term, Implementation and Supervision</i> ).
5.	Section 30 (2) (e)	The Resolution Plan does not contravene any of the provisions of the law for the time being in force.	In our opinion, the Resolution Plan does not contravene any of the provisions of the law for the time being in force. Please refer to Clause 13.5 of Chapter XIII ( <i>Miscellaneous</i> ).
6.	Regulation 38 (1A)	The Resolution Plan should include a statement as to how it has dealt with the interests of all stakeholders.	Please refer to Clause 6.14 of Chapter VI ( <i>Treatment of Stakeholders</i> )
7.	Regulation 38 (1B)	Confirmation that neither the Resolution Applicant(s) nor any of its related parties have failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past under the Code.	Please refer to Clause 13.5 of Chapter XIII ( <i>Miscellaneous</i> ).
8.	Regulation 38(2) (a)	Term of the Resolution Plan and its implementation schedule must be provided in the Resolution Plan.	Please refer to Clause 10.1 of Chapter X ( <i>Term, Implementation and Supervision</i> ) and Chapter XI ( <i>Implementation Steps and Schedule</i> )



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S. No.	Section of the Code / CIRP Regulation No.	Requirement with respect to Resolution Plan	Relevant Clause and Provision in the Resolution Plan
9.	Regulation 38(2) (c)	The Resolution Plan should contain adequate means for supervising its implementation.	The Resolution Plan provides for constitution of a Monitoring Committee for supervision of the Resolution Plan. Please refer to Clause 10.4.1 of Chapter X ( <i>Term, Implementation and Supervision</i> )
10.	Regulation 38(3) (a)	Resolution Plan should demonstrate that it addresses the cause of default.	Please refer to Chapter V ( <i>Strategy for the Company</i> ) for our proposed strategy for KCL.
11.	Regulation 38(3) (b)	Resolution Plan should demonstrate that it is feasible and viable.	Please refer to Chapter III ( <i>About the Resolution Applicant</i> ) and Chapter V ( <i>Strategy for the Company</i> )
12.	Regulation 38(3) (c)	Resolution Plan should have provisions for its effective implementation	Please refer to Clause 10.3 of Chapter X ( <i>Term, Implementation and Supervision</i> ) and Chapter XI ( <i>Implementation Steps and Schedule</i> )
13.	Regulation 38(3) (d)	Resolution Plan should have provisions for approvals required and the timeline for the same.	Please refer to Clause 10.2 of Chapter X ( <i>Term, Implementation and Supervision</i> ) and Chapter XI ( <i>Implementation Steps and Schedule</i> )
14.	Regulation 38(3) (e)	Resolution Plan should demonstrate that the Resolution Applicant has the capability to implement the Resolution Plan.	Please refer to Chapter III ( <i>About the Resolution Applicant</i> )



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## CHAPTER III – ABOUT THE RESOLUTION APPLICANT

### 3.1. Background of the Resolution Applicant

Meghmani Organics Limited is a leading diversified chemical company poised for growth across its three (Pigment, Agrochemicals and Chlor-Alkali and Derivatives) high potential businesses. MOL is among top 3 pigment manufacturers globally with 14% global market share in Phthalocyanine Pigments, among top 10 vertically integrated Agrochemical players in India having products across entire value chain (own raw materials, intermediates, technical and formulations) and India's one of the leading low-cost Caustic-Chlorine player.

MOL operates 7 facilities in Gujarat, including 3 major facilities for pigments, agrochemicals each and one facility for Chlor-Alkali and Derivatives in Dahej, the chemicals zone of Gujarat. Over the years, MOL has built an extensive pan-India and global footprint with a presence in over 75 countries. MOL continues to strengthen its stance to become one of the leading diversified chemical conglomerates in 'Organic Chemistry' using cost-effective measures and technology backed up by in-house product and process development aiming worldwide presence and product acceptability.

MOL is committed to stick to its core businesses in organic chemistry offering innumerable growth opportunities, create and build a high standard manufacturing base, adhere to prescribed 'Environmental & Safety Standards' and strive continuously to upgrade them, respect minority shareholders and their trust in management and create sustainable 'Value' for all the stakeholders.

MOL has a sustainable business model, well-integrated manufacturing base and plants located in the chemical hub of Gujarat, relatively most stable and peaceful state with a robust infrastructure. MOL has well-balanced plant capacities and layouts with multiple locations that support the economy of scale. MOL continues to explore more possibilities for backward integration and try to implement them. This helps sizably in eliminating the dependency on input supplies and help convert effluents into valuable by-products.

MOL has a strong pool of product basket. The product reach and distribution too, is well diversified geographically with presence in almost every continent, empowering consistency in products off-take all throughout the year. MOL is engaged in the following business segments:

#### (i) Agrochemical Business:

MOL has established itself as one of India's leading vertically integrated Agrochemicals player with the presence in the entire value chain — Intermediate, Technical grade and Formulations (bulk and branded). MOL effectively manages its raw material costs and ensures a constant supply of consistent quality due to its vertical business integration.

MOL enjoys a competitive advantage via presence in the entire value chain (less dependent on China for raw material) in the highly regulated Agrochemicals industry. MOL has a strong portfolio of ~650 export and CIB registrations. MOL's diverse



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global client base accounts 79% of its Agrochemical export sales. MOL also exports technical as well as formulation (bulk and branded) products to Africa, Brazil, LATAM, US and European countries.

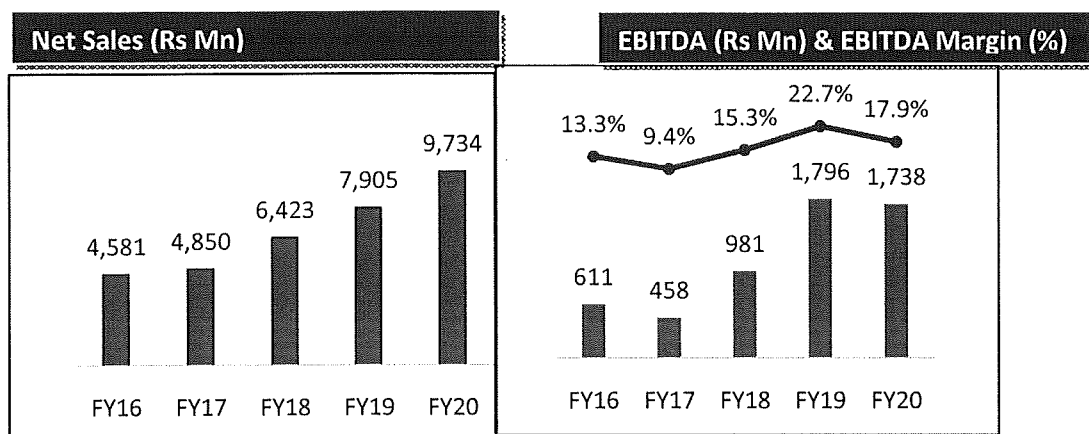
MOL's major products include 2,4D, Cypermethrin, Bifenthrin, Permethrin, Chlorpyrifos and Profenophos. In branded formulations, MOL has established a strong pan India presence with about 3000 channel partners. Megastar, Megacyper, Megaban, Synergy, Courage, Correct and Mega Claim are its key agrochemical brands.

MOL has three state-of-the-art manufacturing facilities located at:

- GIDC Ankleshwar, (6,420 MTPA)
- GIDC Panoli, (7,200 MTPA)
- GIDC Dahej, (39,840 MTPA)

### Agrochemical - Highlights

MOL's agrochemical segment exhibited a strong performance in FY20 with 23% YoY increase in net sales to INR 9,734 million. Exports accounted for 79% YoY growth during FY20. EBITDA during the year INR 1,738 million and EBITDA margin for the period was 17.9%.



### Outlook and Strategy

MOL's backward integrated facilities put it in an advantageous position, given the current rising raw material prices from China. MOL has commissioned capex of doubling its 2,4-D capacity by addition of 10,800 MTPA and new formulation plant in November 2020 with capex of INR 150 Crore. MOL has also announced capex of INR 310 Crores for the New Multipurpose Plant (MPP) at Dahej with backward integration which will be operational by Q2 FY23.

MOL is expanding its branded products portfolio by addition of new molecules. With the new expansion in Agro Division, MOL expects to achieve the turnover of INR 2,000 Crores in FY 2023-24 from INR 973 Crores in FY 20.

### (ii) Pigment Segment:



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Meghmani Organics Limited is amongst the top 3 global pigment manufacturers of Phthalocyanine-based Pigments with 14% global market share. MOL has vertically integrated facilities manufacturing CPC Blue (an upstream product sold to other Pigments manufacturers) and end products — Pigment Green and Pigment Blue. These Pigments products are used in multiple applications, including paints, plastics and printing inks.

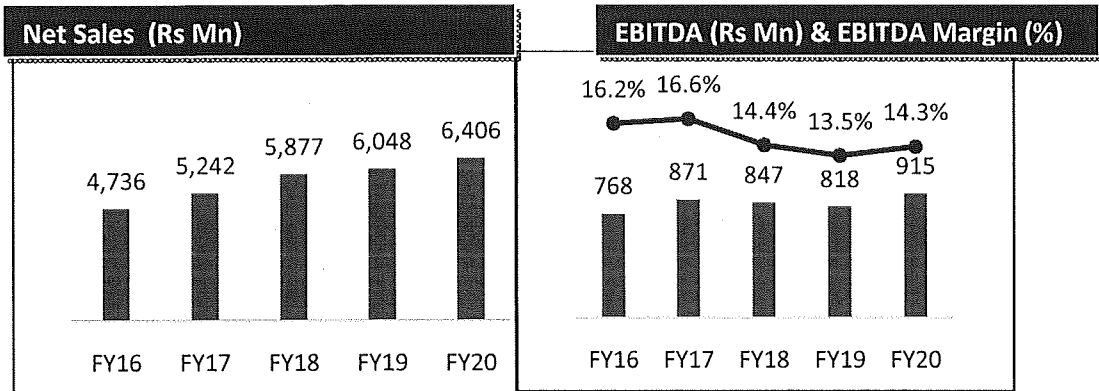
MOL's pigments business enjoys a strong global presence with exports accounting for 77% of net sales. MOL has forged a deep relationship with its clients resulting in 90% business from its repeat customers. MOL has a global presence in more than 70 countries with a subsidiary in the US which helps in maintaining a front-end presence along with the ability to work closely with end-user customers.

Meghmani Organics has three dedicated manufacturing facilities for Pigments products at:

- GIDC Vatva, Ahmedabad, (3,180 MTPA) manufacturing Pigment Green and AZO Pigments
- GIDC Panoli, near Ankleshwar, (17,400 MTPA) producing CPC Blue, Alpha and Beta Blue
- Dahej SEZ Ltd, (12,600 MTPA) manufacturing CPC Blue, Alpha and Beta Blue

**Pigments – Highlights**

MOL's pigment segment recorded 6% YoY increase in net sales to INR 6,406 million in FY20. Exports accounted 77% of the revenues during the year. EBITDA during the year surged by 12% YoY to INR 915 million. EBITDA margin for the period grew by 80 bps YoY to 14.5%.



**Outlook and Strategy**

MOL is amongst the largest producers for the Copper Phthalocyanine Pigment. In the coming years, MOL plans to diversify further with the addition of new pigments. MOL has regulatory approvals and infrastructure in place for expansion at its Dahej facility. MOL is also exploring M&A opportunities for in-organic growth. MOL continues to focus on strengthening its domestic presence, enhance its global market share tapping the prevailing market opportunities in growing end-user industries.



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MOL has the vision to achieve the turnover of INR 1,000 Crores in FY 2023-24 from INR 640 Crores in FY 20 in the Pigment Division.

**(iii) Chlor-Alkali and its Derivatives (under its subsidiary Meghmani Finechem Limited)**

Meghmani Organics Limited is the 4<sup>th</sup> largest and one of the most efficient manufacturers of Chloro-Alkali and its Derivatives with forward integrated facilities. MOL's caustic soda, caustic potash and CMS' (Chloromethane) capacity stands at 294,000 TPA, 21,000 TPA and 50,000 TPA, respectively and its integrated captive power plant has capacity of 96MW. The power cost consists of 60% of the total raw material cost in caustic soda production. MOL's captive power plant lowers the power cost thereby resulting in a higher margin. The Chlor-Alkali facility is strategically located at Dahej with proximity to the port (importing coal) and customers (caustic soda and chlorine supplied via pipeline), leading to lower logistics costs.

MOL deploys the latest fourth generation 'Membrane Cell Technology' sourced from Asahi Kasei Chemical Corp, Japan, (one of the most established technology providers of Chlor-Alkali products).

MOL has completed the Phase I capex of INR 780 Crores involving multiple projects that are aligned with its strategic goal of expanding the chemicals business. In the Phase I, MOL has commissioned the following projects:

- CMS project of 50,000 MTPA to produce MDC, Chloroform and Carbon Tetra Chloride. The project was commissioned in Q1 FY20. The project facilitates in-house availability of Chlorine empowering cost optimization and enhanced profitability.
- Hydrogen Peroxide capacity of 60,000 MTPA. The project was commissioned in Q2 FY21.
- Expansion of its Caustic soda plant capacity from 1,66,600 TPA to 2,94,000 TPA and Captive Power Plant capacity to 96MW from 60 MW commissioned in Q1 FY21

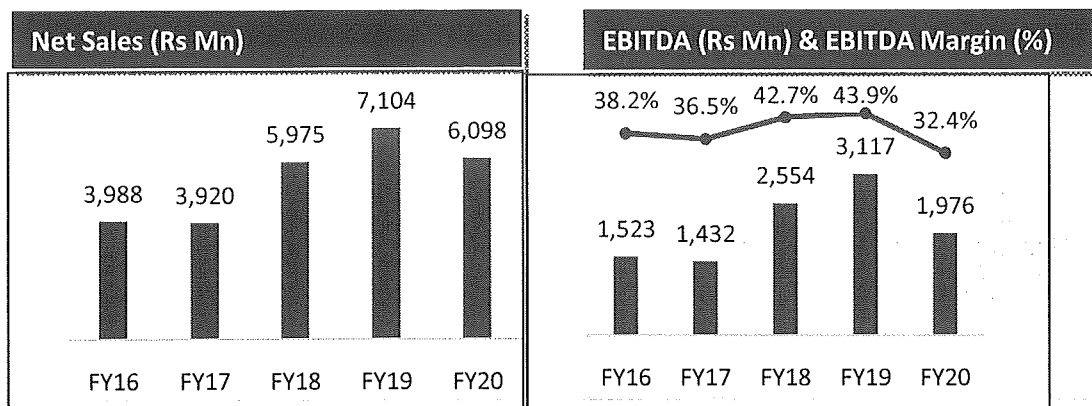
**Chlor-Alkali and its Derivatives – Highlights**

MOL's Chlor-Alkali segment recorded net sales of INR 6,098 million in FY20. EBITDA during the year was INR 1,976 million and EBITDA margin for the period was at 32.4% compared to 43.9% during the last year. The decrease in EBITDA during the year was due to the following reasons:

- Exceptionally higher ECU realisation in FY19
- Plant shut downs for commissioning of the new projects
- Impact on sales due to Covid-19 lockdown in March'20.



*A. P. K.*



**Outlook and Strategy**

MOL’s strategic investment is progressing as planned. The key drivers for profitable growth are timely completion of capex projects backed with the strong performance of the Chlor-Alkali industry.

MOL plans to incur a capex of INR 695 Crores as under:

- Setting up Epichlorohydrin (ECH) project of 50,000 TPA capacity which is expected to be operational by Q4 FY22. The Company’s ECH project is 1st largest plant in India based on 100% Renewal sources.
- CPVC Resin project of 30,000 TPA capacity expected to be operational by Q3 FY 2023.
- Expansion of Caustic Soda capacity from 294000 TPA to 400000 TPA and Captive Power Plant Capacity from 96MW to 132 MW. Project is expected to be commissioned by Q1 FY 23

With new downstream derivatives projects, MOL plans to take the share of value-added products to 57% by FY24 and revenue of this division Rs 2000 Crores in FY 23-24 from Rs 609 Crores in FY20

**(iv) Subsidiaries of MOL:**

MOL has four subsidiaries, the details of which are as below:

S. No	Name & Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held
1	Meghmani Organics USA, Inc.	Foreign Company	Subsidiary	100
2	PT Meghmani Organics Indonesia	Foreign Company	Subsidiary	100
3	Meghmani Overseas FZE	Foreign Company	Subsidiary	100
4	MeghmaniFinechem Limited	U24100GJ2007PLC051717	Subsidiary	57.16



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### 3.2. Know Your Customer (KYC) Details of Resolution Applicant

<b>Identity</b>	Meghmani Organics Limited
<b>Principal place of business</b>	Meghmani House, B/h SafalProfitaire, Corporate Road, Prahalad Nagar, Ahmedabad 380 015
<b>Contact Information</b>	Name: G S Chahal E Mail: <a href="mailto:gs.chahal@meghmani.com">gs.chahal@meghmani.com</a> Mobile No.: +91 9099009945
<b>Date of Incorporation</b>	2 January 1995

### 3.3. Capital Structure and Shareholding of Resolution Applicant

The capital structure of the MOL as on 24 December 2020 as per the details on MCA, is as follows:

Particulars	
<b>Authorized Capital</b>	INR 37,00,00,000
<b>Issued, Subscribed &amp; Paid-Up Capital</b>	INR 25,43,14,000

The shareholding pattern of MOL as on 30 September 2020 is as follows:

Category	% of shareholding	No of Shares	No. of Folios
Promoter	48.99%	124,591,465	40
Mutual Funds	0.00%	702	1
FPI/Insurance Company	1.48%	3,751,573	25
Indian Public	34.09%	86,693,288	105,407
Others	15.44%	39,277,183	4,769
<b>Total</b>	<b>100.00%</b>	<b>254,314,211</b>	<b>110,242</b>

### 3.4. Credit Rating and Asset Classification of Resolution Applicant

CRISIL rating of MOL for the last three years is as below:

Credit Rating Report Date	Credit Rating Agency	Total bank loan facilities rated in INR Cr	Long term	Short term	INR 50 Crore Short-Term Debt (Including Commercial Paper)
10 February 2020	CRISIL	629.00	AA-/Stable	A1+	-
08 July 2019	CRISIL	629.00	A+/Positive	A1	-
17 April 2018	CRISIL	707.00	A+/Stable	A1	A1

Credit rating certificates are enclosed herewith as **Annexure 1**.



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### 3.5. Financial Strength and standing of the Resolution Applicant

MOL has registered net total revenue of INR 1,70,276.92Lakh with EBIDTA of 31,439.59 and Profit After Tax (PAT) of INR 19,291.58Lakh in FY 2019-2020. It has net fixed assets of INR 46,460.35 and Tangible Net Worth (TNW) of INR 97,050.62 as per the audited balance sheet as at 31 March 2020. The consolidated audited financial statements of the Resolution Applicant for the financial years for the last three years have been separately enclosed.

Some of the key financial indicators of MOL are as under:

#### i) Profit and Loss Statement for the last 3 years:

(In Lakhs)

Particulars	Year ended on 31 March 2020	Year ended on 31 March 2019	Year ended on 31 March 2018
Revenue from Operations (Excl. Excise Duty)	1,58,898.65	1,37,513.63	123,225.29
Other Operating Revenue	3,566.67	3,528.37	2,822.00
Revenue from Operations	1,62,465.32	1,41,042.00	126,047.29
Other Income	7,811.60	3,882.19	2,610.59
Total Revenue	1,70,276.92	1,44,924.19	128,657.88
Profit Before Finance Cost & Depreciation	31,439.59	27,108.85	19,729.76
Finance Cost	3,142.26	4,589.20	3,087.17
Depreciation	4,752.06	4,629.04	4,261.95
Profit Before Extra-Ordinary Item & Tax	23,545.27	17,890.61	12,380.64
Exceptional Item	-	-4,328.51	235.82
Profit Before Tax	23,545.27	22,219.12	12,144.82
Payment and Provision of Current Tax	5,760.00	5,390.00	3,050.00
Deferred Tax Expenses/(Income)	-1,233.29	33.84	1,349.86
Excess/Short provision of tax for earlier year	-273.02	-73.79	51.80
Profit After Tax	19,291.58	16,869.07	7,693.16

#### ii) Balance Sheet for the last 3 years:

Particulars (INR in Mn.)	March 2020	March 2019	March 2018
<b>Assets</b>			
Property, Plant & Equipment	46,460.35	42,779.19	43,272.80
Capital WIP	9,637.37	4,442.48	2,189.25
Intangible Assets	2,029.95	1,643.32	1,826.13
Investments in Subsidiaries	18,251.55	18,246.55	23,314.77
Financial Assets	1,123.69	617.11	664.63
Non-current assets	663.30	681.89	1,002.00
Other Non-current assets	1,493.09	1,133.29	614.81
<b>Non - Current Assets</b>	<b>79,659.30</b>	<b>69,543.83</b>	<b>72,884.39</b>
Inventories	29,654.33	36,360.80	23,265.24



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Trade Receivables	46,379.02	35,412.38	30,283.66
Cash & Cash Equivalents	827.74	313.41	188.24
Other Financial Assets	3,579.22	4,069.29	6,714.39
Current Tax Assets		278.85	
Other Current Assets	4,227.45	4,356.21	4,480.50
Loans	39.64	22.99	16.2
<b>Current Assets</b>	<b>84,707.40</b>	<b>80,813.93</b>	<b>64,948.23</b>
<b>Total Assets</b>	<b>1,64,366.70</b>	<b>1,50,357.76</b>	<b>1,37,832.62</b>
<b>Particulars (INR in Mn.)</b>	<b>March 2020</b>	<b>March 2019</b>	<b>March 2018</b>
<b>Equity &amp; Liabilities</b>			
Share Capital	2,543.14	2,543.14	2,543.14
Reserves & Surplus	96,537.43	81,253.44	67,226.69
<b>Shareholder's Funds</b>	<b>99,080.57</b>	<b>83,796.58</b>	<b>69,769.83</b>
Long-term borrowings	5,558.30	8,527.45	21,741.23
Deferred tax liabilities (Net)	2,781.11	4,088.78	4,103.32
Other long-term liabilities	1,745.06	648.68	497.26
<b>Non - Current Liabilities</b>	<b>10,084.47</b>	<b>13,264.91</b>	<b>26,341.81</b>
Short-term Borrowings	16,725.93	19,957.32	15,792.02
Trade Payables	23,467.23	22,289.82	17,018.70
Other Current Liabilities	13,228.43	9,669.26	7,913.34
Current Tax Liabilities (Net)	1,780.07	1,379.87	996.92
<b>Current Liabilities</b>	<b>55,201.66</b>	<b>53,296.27</b>	<b>41,720.98</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,64,366.70</b>	<b>1,50,357.76</b>	<b>1,37,832.62</b>

### 3.6. Details of Promoters and KMPs of the Resolution Applicant

#### 3.6.1. Board of Directors

S. No.	Name	Designation	Qualification	Work Experience
1	Jayanti Patel	Executive Chairman	B.E (Chemical)	<ul style="list-style-type: none"> <li>37 years of experience</li> <li>Overseas international marketing</li> </ul>
2	Ashish Soparkar	Managing Director	B.E (Chemical)	<ul style="list-style-type: none"> <li>37 years of experience</li> <li>Overseas corporate affairs and finance</li> </ul>
3	Natwarlal Patel	Managing Director	MSc degree	<ul style="list-style-type: none"> <li>35 years of experience</li> <li>Overseas technical matters &amp; marketing in Agrochemical division</li> </ul>
4	Ramesh Patel	Executive Director	B.A degree	<ul style="list-style-type: none"> <li>31 years of experience</li> <li>Overseas purchasing function and liaisons with government / regulatory</li> </ul>



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S. No.	Name	Designation	Qualification	Work Experience
				bodies
5	Anand Patel	Executive Director	BSc degree	<ul style="list-style-type: none"> <li>• 28 years of experience</li> <li>• Overseas pigments marketing, manufacturing</li> </ul>

3.6.2. KMPs

Full Name	Designation	Qualification	Work Experience
<b>Mr. Ankit Patel</b>	CEO	M.S. (Engineering Management) from Australia & MBA from Singapore	12 years of experience in Chemical Industry
<b>Mr. GS Chahal</b>	Chief Financial Officer	Chartered Accountant from Institute of Chartered Accountants of India	28 years of experience in Corporate Finance & Treasury, Strategic Planning, Risk Management, Investor Relations, Taxation and ERP Implementation
<b>Mr. Kamlesh Mehta</b>	Company Secretary	Company Secretary	38 years of experience in secretarial, Legal and Other Corporate matters

3.7. Financial Capability of the Resolution Applicant

The financial strength and experience of the Resolution Applicant, as set out in this Chapter amply demonstrates that the Resolution Applicant has the capability to implement the resolution plan as per Regulation 38(3)(e) of the CIRP Regulations.



*A. Patel*

## CHAPTER IV - OUR UNDERSTANDING OF KCL

### 4.1. Corporate Structure

Kilburn Chemicals Limited (KCL/ Company/ Corporate Debtor) is a listed public company, incorporated on 31 August 1990, with Corporate Identification Number L24117WB1990PLC199409. The registered office of KCL is situated at "Shantiniketan" 16th Floor, 8, Camac Street, Kolkata, West Bengal – 700 017.

KCL has a manufacturing unit at Jolwa Village at Dahej Gujarat (Dahej Facility). The manufacturing unit is currently non-operational.

As per the information available on Ministry of Corporate Affairs (MCA), the current authorised share capital of the Company is INR 20,00,00,000 (Indian Rupees Twenty Crores) and the issued, subscribed and paid-up capital of the Company is INR 13,90,73,770 (Indian Rupees Thirteen Crore Ninety Lakh Seventy-Three Thousand Seven Hundred Seventy). We understand from the information available, the details of shareholders holding more than 5% shares in the Company are as follows:

Name of shareholder	No. of Shares	Face value of shares (In INR)	% Equity
Shree Durga Agencies Limited	27,55,860	10	19.82
Supriya Finance Limited	22,50,576	10	16.18
Nirvan Commercial Company Limited	12,28,618	10	8.83
Maryada Advisory Services Private Limited	15,43,995	10	11.10
Babcock Borsig Limited	8,55,000	10	6.15
Ana Vincom Private Limited	10,31,152	10	7.41
Public Shareholding (includes individuals, body corporates and financial institutions)	39,60,103	10	28.47

### 4.2. Business of the Company

Meghmani Organics Limited understands from the Information Memorandum that Kilburn Chemicals Limited has significant experience in the domain of manufacturing of Titanium Dioxide (TiO<sub>2</sub>). It is listed on the Bombay Stock Exchange. At its earlier production unit at Tuticorin, KCL had emerged as the largest private sector producer of Titanium Dioxide pigment in India for a period of 17 years from 1994 till 2011, at which time the Promoters sold the Tuticorin unit and invested in setting up a modern high technology TiO<sub>2</sub> unit at Dahej, in the industry friendly state of Gujarat.

The Company has following area of expertise in the production of:

- Titanium Dioxide (Anatase Grade)
- Ferrous Sulphate Heptahydrate (Copperas).



*A-PJE*



### Dahej Project

The Plant has been set up with the Promoter's vision of occupying a dominant position in the Titanium Dioxide industry in which there are only 3 manufacturers in India (two in Government sector which are more than 50 years old, and one in Private sector which is the Promoter's old Plant sold off in 2011). This provides KCL with a unique opportunity of utilising its own home-grown indigenous technology from its earlier Plant on a larger scale at the Dahej facility with greater cost efficiencies and further value addition, making it the preferred source for supply for customers in India.

The new facility is situated in a 77-acre plot and has a production capacity of 50 MT of Titanium Dioxide per day (Rutile grade). Strategically located close to consumption markets and Dahej port, the 16,500 MT per annum production volume represents an extremely small portion of the almost 3,00,000 MT per annum deficit product market (annual demand estimated at approx. 3,50,000 MT whereas production from existing 4 units in India is approx. 65,000 MT per annum), which is being currently met predominantly from imports. The Plant has already achieved Anatase grade production.

Even though the Commercial Operations Date (COD) of the Dahej Project was achieved on March 22, 2018, there were several setbacks encountered during actual production due to technical issues, mainly with pipelines, valves, pumps etc. These teething problems caused sequential delays in achieving steady production.

Due to the start-stop nature of operations mentioned above, the Company could not achieve any significant production and sales till September 2018, thereby leading to operational losses which were partially funded by fresh infusions of further funds by the Promoters. Post September 2018, it was no longer possible for the Promoters to infuse further funds and default in bank interest servicing commenced, leading to bank accounts becoming in-operational and consequently, Plant operations have not been able to continue from October 2018.

### 4.3. Financial Performance

The financial performance of the Company over the last three years is as follows:

Particulars (in Rs Lakhs)	2019-20	2018-19	2017-18
Revenue	25.91	119.51	122.07
Profit/(Loss)	(1710.92)	(5029.54)	(1534.71)
Net-worth	1706.57	3417.49	7110.85



*A-PJ*

## 4.4. Financials of the Company

Brief financials of the Company basis the IM and the data uploaded on the VDR is as follows:

Particulars (INR lakhs)	As at 09 <sup>th</sup> Aug, 2020	FY 2019-20
	(Provisional)	(Audited)
<b>Equity and liabilities</b>		
<b>Equity</b>		
a. Share capital	1,390.74	1,390.74
b. Other Equity	(272.19)	315.83
	<b>1,118.54</b>	<b>1,706.57</b>
<b>Non-current liabilities</b>		
a. Long-term borrowings	12,211.77	12,815.65
b. Provisions	34.90	34.90
c. Deferred Tax Liabilities (Net)	485.88	485.88
d. Other Non-current liabilities	545.25	545.25
	<b>13,277.80</b>	<b>13,881.68</b>
<b>Current Liabilities</b>		
a. Financial Liabilities:		
(i) Short term borrowings	493.28	493.28
(ii) Trade payables	167.23	167.23
(iii) Other Financial Liabilities	10,112.14	9,355.07
b. Other Current liabilities	18.67	18.05
c. Provisions	0.59	0.59
	<b>10,791.92</b>	<b>10,034.21</b>
<b>Total Equity &amp; Liabilities</b>	<b>25,188.26</b>	<b>25,622.46</b>
<b>Assets</b>		
<b>Non-current assets</b>		
a. Property, Plant and Equipment	21,166.64	21,617.77
b. Capital work-In-progress	397.03	397.03
c. Other Intangible Assets	14.53	15.87
d. Financial Assets		
(i) Investments		
(ii) Loans	238.89	238.89
e. Income Tax Assets (Net)	202.97	202.97
f. Other Non-current Assets	98.51	98.51
	<b>22,118.57</b>	<b>22,570.99</b>
<b>Current assets</b>		
a. Inventories	1,105.22	1,105.22
b. Financial Assets		
(i) Trade Receivables	14.27	14.27
(ii) Cash and Cash Equivalent	1.93	2.73
(iii) Bank Balances other than (ii) above	90.98	90.98
(iv) Loans	276.57	276.57
(v) Other Financial Assets	21.32	20.83
c. Other Current Assets	1,559.39	1,540.87
	<b>3,069.69</b>	<b>3,051.47</b>
<b>Total Assets</b>	<b>25,188.26</b>	<b>25,622.46</b>



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#### 4.5. Brief Description of the Plant

<b>Company Name</b>	<b>KILBURN CHEMICALS LIMITED</b>
Manufacturing Product	Titanium Dioxide (TiO <sub>2</sub> )
Land Size	77 Acres (approx.)
Land Type	Leased from GIDC (from 01.01.2016)
Product Application	Paints, Rubber, Paper, Detergents, Cosmetics, Printing Ink, Textiles, Plastics, Catalytic Applications.
Project Cost	Rs.249.91 Cr.
COD	22.03.2018
Nearest highway – NH 8	2 km from the Plant
Nearest Railway Station – Bharuch	40 km from the Plant
Nearest Sea Port – Dahej	20 km from the Plant
Nearest airport – Baroda	90 km from the Plant

#### 4.6. Details of Guarantors

S. No.	Name of the Guarantor	Description of Relationship	Beneficiary Name	Amount
1	M/s Shree Durga Agencies Ltd	Related Party	Bank of Baroda and State Bank of India	INR 11.36 Crore (Value of the mortgage property. To be revised upwards as and when value of the property appreciates)
2	Late Mr. Sandeep Kumar Jalan	Promotor- Managing Director	Bank of Baroda and State Bank of India	Net worth of INR 7.23 Crore as on 31 March 2016

#### 4.7. Debt and Default

KCL had availed credit facilities from State Bank of India and Bank of Baroda (Financial Creditors) for the purpose of setting up of a rutile grade titanium dioxide manufacturing plant. Further, on 14 January 2016 a term loan consortium agreement was also executed by and between the Company and State Bank of India and Bank of Baroda.

Pursuant to the term loan consortium agreement, the Company also entered into a Working Capital Consortium Agreement with the Financial Creditors.

KCL has created a first pari passu charge on (i) the plant and machinery and other fixed assets of the Company located at the Dahej Facility; (ii) factory land and building situated at the Dahej Facility; (iii) stocks and receivables and all other current assets of the Company (present and future) with other consortium member banks; and (iv) registered mortgage of the office space situated at 2/7 Sarat Bose Road, PS:



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Ballygunge, Ward No. 69 of Kolkata Municipal Corporation, Kolkata – 700 020 admeasuring total area of 6651 sq. ft. owned by M/s Shree Durga Agencies Limited.

Further, paripassu second charge has been created on (i) stocks and receivables and all other current assets of the Company (present and future) with other consortium member banks; (ii) plant and machinery and other fixed assets of the Company located at the Dahej Facility; and (iii) factory land and building situated at the Dahej Facility.



*V. A. Patel*

**CHAPTER IV A-OVERVIEW OF THE CLAIMS FILED BY VARIOUS  
STAKEHOLDERS OF KCL**

**4.8. Financial Creditor Claim**

Details of claims filed by Financial Creditors as on 18 December 2020 and the amount of such claims admitted by the RP, is as follows:

S. No	Name	Amount Claimed (INR)	Amount Admitted (INR)
1.	Bank of Baroda	108,88,17,977.13	105,03,75,271.85
2.	State Bank of India	105,78,71,500.94	104,55,08,266.75
<b>Total</b>		<b>214,66,89,478.07</b>	<b>209,58,83,538.60</b>

**4.9. Operational Creditor Claim (Workmen and Employees)**

Details of claims filed by Operational Creditors (Workmen and Employees; excluding related parties) and the amount of such claims admitted by the RP, is as follows:

S. No	Name	Amount Claimed (INR)	Amount Admitted (INR)
1.	Operational Creditors (workmen and employees) claim	7,17,37,101	4,78,05,388

**4.10. Operational Creditor Claim (other than workmen and employees)**

Details of claims filed by Operational Creditors (other than workmen and employees) as on 18 December 2020 and the amount of such claims admitted by the RP, is as follows:

S. No	Name	Amount Claimed (INR)	Amount Admitted (INR)
1.	Operational Creditors (other than workmen and employees) claim	5,66,27,46,432	22,41,65,084

**4.11. Related Party Claim**

Details of claims filed by Related Party as on 18 December 2020 and the amount of such claims admitted by the RP, is as follows:

S.No	Name	Amount Claimed	Amount Admitted
1.	SK Jalan (Employee and Workmen)	64,35,484.00	56,92,285.71
2.	NirvanCommercial Company	10,54,932.00	10,54,932.00
3.	Ana Vincom Private Limited	73,35,362.00	73,35,362.00
4.	Supriya Finance Limited	68,84,570.00	68,84,570.00
5.	ArhamVyapaar Private Limited	23,83,983.00	23,83,983.00
6.	Shree Durga Agencies Limited	12,20,35,650.00	12,20,35,650.00
7.	Sandeep Kumar Jalan (FC)	10,10,61,702.00	10,10,61,702.00



*A.P.*

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## CHAPTER V –STRATEGY FOR THE COMPANY

### 5.1. Addressing the reasons for decline and our turnaround strategy

Kilburn Chemical Limited is a Kolkata based group owned by Mr. S K. Jalan. Kilburn had a manufacturing facility of Titanium Dioxide in Tamil Nadu. KCL had sold its Tamil Nadu plant to VV Minerals and went ahead to set up a greenfield project of 16,500 MTPA at Dahej, Gujarat.

While the project was scheduled to go on stream by the second quarter of 2017, due to certain delays, the project was finally commissioned on 22 March 2018. Due to a long stabilisation period along with time and cost overrun, Kilburn faced a severe credit crunch, due to which they could not sustain their operation and closed operations in October 2018.

Even though the Commercial Operations Date (COD) of the Dahej Project was achieved on March 22, 2018, there were several setbacks encountered during actual production due to technical issues, mainly with pipelines, valves, pumps etc. These teething problems caused sequential delays in achieving steady production.

Due to the start-stop nature of operations mentioned above, the Company could not achieve any significant production and sales till September 2018, thereby leading to operational losses which were partially funded by fresh infusions of further funds by the Promoters. Post September 2018, it was no longer possible for the Promoters to infuse further funds and default in bank interest servicing commenced, leading to bank accounts becoming in-operational and consequently, Plant operations have not been able to continue from October 2018.

Subsequently, KCL's financial creditors approached the NCLT, and KCL's case was admitted by the NCLT Kolkata bench on 10 August 2020. The Resolution Professional published Form G on 22 October 2020 for the invitation of EoI. Meghmani has submitted an Express of Interest with the Resolution Professional of KCL and they have been shortlisted in the final list of Prospective Resolution Applicants.

The present position of Kilburn plant is as under:

- Plant Capacity: 16,500 MT / annum
- Land Area: 77 Acres
- Land Value: Rs 26.61 Cr as per balance sheet of 2017-18

Total Asset and Liabilities as per latest Draft Financials as on 09 August 2020 are as follows:

- INR 221.17 Crores as fixed asset and INR 30.69 Crores as current asset – Total asset value of INR 251.88 Crores
- INR 132.77 Crores as non-current liability and INR 107.91 Crores as current liability – Total Liability of INR 251.88 Crores

*S. A. Patel*



## 5.2. Key Challenges for the Acquirer

### 5.2.1. *Competition with Imports prices:*

India is net importer of TiO<sub>2</sub> and major imports are from the established producers from China, the USA and Europe. Economies of scale, consistent product quality, high operational efficiencies and cost competitiveness are must to compete with the imports.

### 5.2.2. *Technical Know-How:*

Titanium Dioxide manufacturing requires specialized technical know-how from the sulfate process for which deployment of appropriate technology and resources with required skill sets are key requirements to operate the plant successfully for any new player.

### 5.2.3. *Poor Process Engineering:*

After commissioning of plant on 22 March 2018 to till 12 October 2018 (204 days), it has produced just 164 mt against its corresponding rated production capacity of 9,222 mt, with having plant utilisation capacity as below 2%. The plant operations were never stabilized. In view of above, additional Capex is required to carry out the debottlenecking / revamp in almost all plant sections like Acidolysis, Clarifier, Black Chilling, Hydrolysis, Wet ESP and Acid concentration area.

### 5.2.4. *Wrong Product grade Selection:*

TiO<sub>2</sub> is being made of two grades namely Anatase grade and Rutile grade. 90% production / consumption in the world is of Rutile grade and only 10% production / consumption is made of Anatase grade. Rutile grade have better pigment property and it is further value-added production step after making of Anatase grade TiO<sub>2</sub>. Therefore, Rutile grade TiO<sub>2</sub> is enjoying higher price compare to Anatase grade. Present installed plant can manufacture only Anatase grade TiO<sub>2</sub>, which have very limited demand in the market. Therefore, it is vital to set up a Rutile grade TiO<sub>2</sub> facility, by sourcing proven technology & additional equipment. It shall require additional Capex.

### 5.2.5. *Under sizing Capacity of the Plant*

India has total production capacity of 80,000 mtpa of Titanium Dioxide is not even 1% of global production capacity of about 80,00,000 mtpa. The smallest plant in the world outside India has capacity of 30,000 mtpa and all plants which were setup in last 5 years has average capacity of 60,000 mtpa & above. List of the Global manufacturers is annexed. To reduce the overhead & fixed cost and to compete in price with large import of > 200,000 mtpa, acquirer must incur significant Capex for capacity expansion as running the plant at 16,500 MTPA is not viable.

### 5.2.6. *High Utility cost:*


Currently, the steam boiler is based on Natural gas / Furnace oil, whereby generation cost of steam utility is very high. To reduce the Utility cost, coal base boiler is essential and for which additional Capex is required.

### 5.2.7. *Amendment in Environmental clearance:*

It shall be required to increase the plant capacity and to include coal as fuel for boiler.

### 5.2.8. *High incidental cost:*

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There is a fee of 25% of land value as per Jantri Rate + 18% GST for land transfer approximately Rs 18 Cr to be paid to GIDC for transfer of land for which no Input Credit is available under GST rules and for reconnection of power supply Rs 127 lacs approximately .

5.2.9. *Security & other amenities:*

During the plant visit, MOL's team observed that the plant does not have any boundary walls to secure the plant safety and other basic infrastructure such as roads, amenities like Canteen & Occupational health Centre etc. To build the required infrastructure significant expenditure is required to be incurred.

5.2.10. *Usability of exiting raw-material and finished goods:*

Meghmani understands that the finished goods/ work in progress and raw material are way past their expiry date and can't be used for future production

Basis the financial strength of the Resolution Applicant and its experience of more than 35 years in Pigment and chemical manufacturing, exiting three manufacturing facilities in GIDC Dahej, we are confident of successfully turning around the Corporate Debtor. The Resolution Applicant proposes to appoint the management team as indicated in **Annexure 2**, who have significant experience in the business.

**5.3. Rationale behind the proposed acquisition**

- 5.3.1. MOL has strong presence in Pigment market and is the 3rd largest global producer of Phthalocyanine Pigment (Blue / Green) by capacity, with 14% global market share and global presence in more than 70 countries. The Company's Pigments business enjoys a strong global presence with exports accounting for 77% of net sales. The Company has forged a deep relationship with its clients resulting in 90% business from its repeat customers.
- 5.3.2. MOL has been planning to add TiO<sub>2</sub> to its product portfolio to further increase its presence in Pigment market. TiO<sub>2</sub> is basically a white pigment and offers lots of synergies to MOL because of their existing pigment business. TiO<sub>2</sub> is an Import substitute product, being regularly getting imported with > 200,000 mt /annum to meet with the domestic demand. TiO<sub>2</sub> is having import duty @ 11%, which gives protection against Imports.
- 5.3.3. Meghmani has strong clientele in Plastic, Paints and Ink industrial sector. The end usage sectors of TiO<sub>2</sub> are the same of our Phthalocyanine Pigment (Blue / Green). Therefore, acquisition of Kilburn is a strategic fit to MOL's expansion plans as both products have the same customer base and sales and logistic network which has already been established by MOL.
- 5.3.4. KCL has land and infrastructure available to support higher capacity and post-acquisition, MOL intends to expand the plant's capacity from the existing 16,500 MTPA to 33,000 MTPA.
- 5.3.5. Acquisition of KCL will result in shorter gestation period to enter the market compare to a greenfield project

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5.3.6. Titanium Dioxide has high entry barriers like capital intensive project and requires the expertise of handling of bulk import volume of Ilmenite and Sulphuric acid. Therefore, it is difficult for others to enter into the market.

5.3.7. KCL plant has proximity advantage of the sea for discharge of treated wastewater effluent, which is legally permitted.

#### 5.4. MOL's Turnaround Case Study

5.4.1. MOL had a production plant for manufacturing of Agrochemical technical and formulation at Village Charodi, TalukaSanad (District Ahmedabad). Brief details of which are as under:

- (a) Commencement of production: 1995
- (b) Products & capacity: Insecticides with a manufacturing capacity of 7,680 Mt / annum for Technical and carrying out operation of bulk formulation

5.4.2. Government of Gujarat announced their policy whereby, nearby surrounding land was acquired for setting up of Automobile hub, pursuant to which Tata Motors and Ford India and their ancillaries had set up their plants and chemical plants like MOL's and thus MOL was compelled to relocate its plant.

5.4.3. As a result of above, MOL had to close down Charodi production plant on 3 August 2011, which had a sales turnover of INR 245 Crores for the financial year 2009-10 with Net Profit of INR 26 Crores.

5.4.4. Therefore, existence of whole company was at stake. MOL had to mitigate various challenges like finding similar suitable strategic place for plant re-location, transfer the plant & machineries, transfer the human asset i.e., key personnel, obtain all new government approval, transfer the registration of Agro technical and Formulation products and make new production facility as profitable.

5.4.5. MOL used all its previous experience and energy to mitigate the above challenges by taking following actions:

- (a) Purchased new plot at GIDC, Dahej (now MOL-III Unit) and shifted and started production facility of Meta Phenoxy Benzaldehyde (MPB), Cypermethrin and Profenophos in February 2013.
- (b) Shifted and started the production of CyperMethric acid Chloride (CMAC) to its Ankleshwar plant (now MOL 2 unit) in May 2012.

5.4.6. Consequent to its marathon efforts and hard work, MOL had successfully converted the challenge into an opportunity and also grown over a period of time by expanding the capacity and adding new products. As a result of it, the business has grown to:

- (a) Having Sales turnover of Agrochemical sector in 2019-20: INR 973.40 Crores (v/s INR 245 Crores in 2009-2010 of Charodi plant site)
- (b) Having Net profit after tax in 2019 -20 of Agrochemical Sector: INR168 Crores (v/s INR 26 Crores in 2009-2010 of Charodi plant site)

*V. A. Patel*



**5.5. Projected Financials and Cash Flows for Kilburn Chemicals Limited post acquisition:**

**Financial Summary: 50 Tons Per Day Capacity with NO changes in Capacity & Furnace Oil / Natural Gas as Fuel.**

The financial projections assume that there will be no capacity expansion in the future and the plan will continue to run at 16,500 MPTA and power generation with Natural Gas.

**A. Profit & Loss Account (Based on 50 TPD)**

Particulars (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Plant Capacity (330 days operation)	16,500	16,500	16,500	16,500	16,500
Capacity Utilisation	30%	60%	75%	80%	85%
Production	4,950	9,900	12,375	13,200	14,025
Revenue	8,811	17,622	22,028	23,496	24,965
Total variable cost	6,251	12,501	15,627	16,668	17,710
Total variable cost	6,251	12,501	15,627	16,668	17,710
Contribution	2,560	5,121	6,401	6,828	7,254
Contribution %	29%	29%	29%	29%	29%
Fixed cost	2,300	2,300	2,300	2,300	2,300
Finance Cost	1,605	1,365	1,303	1,044	765
Depreciation	1,683	1,683	1,683	1,683	1,683
PBT	-3,027	-227	1,115	1,801	2,506
PAT	-1,694	256	1,136	1,542	1,979
<b>Total Investment cost</b>	<b>26,586</b>		<b>Average DSCR</b>		<b>1.03</b>
<b>Payback period-Years</b>	<b>11.52</b>		<b>Average ISCR</b>		<b>4.65</b>

**B. Balance Sheet Projections (Based on 50 TPD)**

Assets (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Fixed Assets	26,586	24,903	23,220	21,537	19,854
Less: Depreciation	1,683	1,683	1,683	1,683	1,683
<b>Net Block</b>	<b>24,903</b>	<b>23,220</b>	<b>21,537</b>	<b>19,854</b>	<b>18,171</b>
Trade receivables	2,173	4,345	5,431	5,794	6,156
Inventory	1,448	2,897	3,621	3,862	4,104
Cash and Bank balances/Overdraft	-446	-2,663	-3,783	-4,353	-4,485
<b>Total Assets</b>	<b>28,078</b>	<b>27,799</b>	<b>26,806</b>	<b>25,157</b>	<b>23,946</b>
Liabilities (INR Lakhs)					
Trade payables	2,173	4,345	5,431	5,794	6,156
Long term borrowings	18,610	14,888	11,166	7,444	3,722

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Short Term Borrowing	1,014	2,028	2,535	2,704	2,873
Equity	6,282	6,538	7,674	9,216	11,196
<b>Total Equity and Liabilities</b>	<b>28,078</b>	<b>27,799</b>	<b>26,806</b>	<b>25,157</b>	<b>23,946</b>

**C. Cash flow projections (Based on 50 TPD)**

Particulars (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Cash flow from Operation	29	1,682	3,137	3,728	3,867
Total cash flow from investing	(26,586)	0	0	0	0
Total cash flow from financing	26,111	(3,899)	(4,257)	(4,297)	(4,000)
<b>Opening Cash</b>	<b>0</b>	<b>(446)</b>	<b>(2,663)</b>	<b>(3,783)</b>	<b>(4,353)</b>
Net cash generated	(446)	(2,217)	(1,120)	(569)	(132)
<b>Closing Cash</b>	<b>(446)</b>	<b>(2,663)</b>	<b>(3,783)</b>	<b>(4,353)</b>	<b>(4,485)</b>

Based on the current capacity of 50 TPD and with use of Furnace Oil and Natural gas we believe that project is not viable and to make this viable we understand that capacity need to be increased to 100 TPD with proven technology and Co-generation plant.

**A. Financial Summary: 100 Tons Per Day Capacity with Cogeneration Plant +Furnace Oil.**

The financial projections assume that the plant capacity is required to be increased to 33,000 MTPA from existing 16,500 MTPA and additional capex is required to increase the capacity and install a co-generation plant to bring down the cost of operations.

**A. Profit & Loss Account (Based on 100 TPD)**

Particulars (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Plant Capacity (330 days operation)	33,000	33,000	33,000	33,000	33,000
Capacity Utilisation	15%	30%	68%	80%	85%
Production	4,950	9,900	22,275	26,400	28,050
Revenue	8,811	17,622	39,650	46,992	49,929
Total variable cost	5,358	10,716	24,112	28,577	30,363
Contribution	3,453	6,906	15,538	18,415	19,566
Contribution	39%	39%	39%	39%	39%
Fixed cost	4,000	4,000	4,000	4,000	4,000
Finance Cost	2,174	1,820	1,817	1,599	1,255
Depreciation	2,961	2,961	2,961	2,961	2,961
PBT	-5,682	-1,875	6,760	9,856	11,351

*V. A. Patel*



PAT	-3,248	-656	5,597	7,729	8,688
<b>Total Investment cost</b>	46,773		<b>Average DSCR</b>		2.02
<b>Payback period</b>	6.83		<b>Average ISCR</b>		8.10

**B. Balance Sheet Projections (Based on 100 TPD)**

Assets (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Fixed Assets	46,773	43,812	40,852	37,891	34,930
Less: Depreciation	2,961	2,961	2,961	2,961	2,961
<b>Net Block</b>	<b>43,812</b>	<b>40,852</b>	<b>37,891</b>	<b>34,930</b>	<b>31,969</b>
Trade receivables	2,173	4,345	9,777	11,587	12,311
Inventory	1,448	2,897	6,518	7,725	8,208
Cash and Bank balances /Overdraft	7,737	11,012	8,685	3,503	2,856
<b>Total Assets</b>	<b>39,696</b>	<b>37,082</b>	<b>45,500</b>	<b>50,739</b>	<b>55,344</b>
Liabilities (INR Lakhs)					
Trade payables	2,173	4,345	9,777	11,587	12,311
Long term borrowings	25,725	20,580	15,435	10,290	5,145
Short Term Borrowing	1,014	2,028	4,562	5,407	5,745
Equity	10,784	10,129	15,726	23,454	32,143
<b>Total Equity and Liabilities</b>	<b>39,696</b>	<b>37,082</b>	<b>45,500</b>	<b>50,739</b>	<b>55,344</b>


**C. Cash flow projections (Based on 100 TPD)**

Particulars (INR Lakhs)	Year-1	Year-2	Year-3	Year-4	Year-5
Cash flow from Operation	323	2,503	6,377	10,512	11,784
Total cash flow from investing	(46,773)	0	0	0	0
Total cash flow from financing	38,713	(5,778)	(4,051)	(5,329)	(5,425)
<b>Opening Cash</b>	<b>0</b>	<b>(7,737)</b>	<b>(11,012)</b>	<b>(8,685)</b>	<b>(3,503)</b>
Net cash generated	(7,737)	(3,275)	2,326	5,182	6,359
<b>Closing Cash</b>	<b>(7,737)</b>	<b>(11,012)</b>	<b>(8,685)</b>	<b>(3,503)</b>	<b>2,856</b>

**5.6. Feasibility and Viability**

Basis the financial capability of the Resolution Applicant and its experience (as set out in Chapter III) and given the projected financials and cash flows for Kilburn, the

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Resolution Applicant has amply demonstrated that the Resolution Plan is feasible and viable. The Resolution Applicant undertakes that even if the projected financials fails, the resolution plan shall still continue and all payments shall be made as envisaged herein.



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## CHAPTER VI- TREATMENT OF STAKEHOLDERS

## 6.1. Summary of Payments

Stakeholder	Admitted Claim(INR) (X)	Total Pay-out (INR) (Y)	Timing of Payments
CIRP Costs	NA	Outstanding CIRP Costs to be paid as per actuals on priority basis.  Estimated as up to <b>INR 1,55,00,000</b> (Indian Rupees One Crore Fifty-Five Lakhs)	Closing Date: Within 30 days of the NCLT Approval Date (in priority to any other payments)
Financial Creditors	INR 2,09,58,83,539	<b>INR 128,51,58,349</b> (Indian Rupees One Hundred Twenty-Eight Crore Fifty-One Lakhs Fifty-Eight Thousand Three Hundred Forty-Nine)	Closing Date: Within 30 days of the NCLT Approval Date
Employees and Workmen (excluding Related party)	INR 4,78,05,389	INR <b>1,40,00,000</b> (Indian Rupees One Crore Forty Lakhs)	Closing Date: Within 30 days of the NCLT Approval Date (in priority to Financial Creditors)
Operational Creditors (other than Employees and Workmen)	INR 22,41,65,084	<b>INR 22,41,651</b> (Indian Rupees Twenty-Two Lakh Forty-One Thousand Six Hundred Fifty-One)	Closing Date: Within 30 days of the NCLT Approval Date (in priority to Financial Creditors)
Certain other unverified or claimed liabilities	NA	<b>INR 6,00,000</b> (Indian Rupees Six Lakh) (As per Annexure 4)	(As per Annexure 4)
Related party claims	INR 24,07,56,199 (FCs)	<b>INR 1,00,000</b> (Indian Rupees One Lakh)	Closing Date: Within 30 days of the NCLT Approval Date
Existing shareholders	NA	NIL	NA
<b>TOTAL (Excluding CIRP Cost)</b>		<b>INR 130,21,00,000</b>	

*Note: Notwithstanding anything contained in the Resolution Plan, the total payments proposed by the Resolution Applicant to the stakeholders shall not exceed INR 130,21,00,000. In case any further claims in any category of the stakeholder are*

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*admitted and/or ordered are to be paid, the total amount proposed for such category shall stand redistributed to include any such additional claim/ liability without increasing the overall amount proposed for such category. In case the NCLT orders additional payment to any stakeholder not included within the aforesaid category, such additional payment shall be reduced from the total amount payable to Financial Creditors. Any other liability for the period prior to the NCLT Approval Date, whether admitted or not, contingent or crystallised, claimed or not claimed, shall stand settled at NIL and be extinguished on the NCLT Approval Date, even if such liabilities are claimed or arise or crystallise in future.*

## 6.2. Payment of CIRP Costs

- 6.2.1. Unpaid CIRP Costs outstanding as on the NCLT Approval Date shall be paid on actuals, in priority to any payments to any creditor, within 30 days from the NCLT Approval Date. The Resolution Applicant has been informed that part of the CIRP Costs (which has been paid/ will be paid) will be contributed by certain Financial Creditors. It is therefore clarified that the CIRP Costs shall include all such amounts as contributed by the Financial Creditors for payment of CIRP Costs and hence, the Financial Creditors shall also be paid back amounts contributed by them as part of the CIRP Costs.
- 6.2.2. On the Closing Date, the Resolution Professional shall certify the outstanding CIRP Costs to the Resolution Applicant. Such outstanding CIRP Costs shall be paid from the internal accruals of the Corporate Debtor as on the Closing Date (including any amounts received by the Corporate Debtor from sale of its assets during the CIRP period). If the internal accruals of the Corporate Debtor are not sufficient to pay all the outstanding CIRP Costs, the Resolution Applicant shall fund the additional CIRP Costs to the extent of INR 1,55,00,000 (Indian Rupees One Crore Fifty-Five Lakhs) ("**Allocated CIRP Costs Amount**"). The RA will infuse Allocated CIRP cost amount into the Corporate Debtor in the form of debt. However, if the unpaid CIRP Costs also exceeds the Allocated CIRP Costs Amount, the excess amount (i.e. amount in excess of Allocated CIRP Costs Amount) shall be deducted from the FC Payment ("**Excess CIRP Costs**").

## 6.3. Payment to Financial Creditors

- 6.3.1. As on 16 December 2020, the admitted debt of Financial Creditors is INR 209,58,83,539.
- 6.3.2. The Resolution Applicant proposes to pay a total of **INR 128,51,58,349** (Indian Rupees One Hundred Twenty-Eight Crore Fifty-One Lakhs Fifty Eight Thousand Three Hundred Forty Nine) ("**FC Payment**") to the Financial Creditors, as against and in settlement and discharge of their Claims (admitted or not), within 30 days from the NCLT Approval Date. Such FC Payment shall be made from the Initial Infusion Amount by the Corporate Debtor acting through the Monitoring Agent.
- 6.3.3. It is clarified that in case the internal accruals of the Corporate Debtor on the Closing Date as well as Allocated CIRP Costs Amount is not sufficient to pay the CIRP Costs in full, the FC Payment shall stand reduced by Excess CIRP Costs.

## 6.3.4. Security Release

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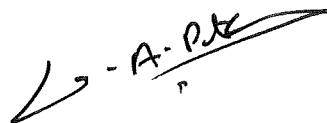
The approval of the NCLT shall be deemed to be approval of the Financial Creditors for release modification/ revision of the Underlying Company Security for purpose of securing/ guaranteeing the FC Payment. Further, upon payment of the FC Payment, the Underlying Company Security shall stand irrevocably released. Upon deposit of Initial Infusion Amount by the Resolution Applicant/SPV, the Monitoring Agent shall release the payment to the Financial Creditors and simultaneously, the security trustee/ lenders agents/ facility agents of the Financial Creditors (as may be applicable) shall:

- (i) provide requisite 'certificates of no dues' in a format provided in **Annexure 3** (Form of No Dues Certificate) to the Company;
- (ii) provide signed charge satisfaction forms in respect of the Underlying Company Security to the Company;
- (iii) return all documents and title deeds relating to the Underlying Company Security and shall undertake such steps as may be required by the Resolution Applicant, without any further payment, to ensure the satisfaction/ discharge of Underlying Company Security.

(all such certificates/ forms/ documents and title deeds to be provided by the Financial Creditors shall be referred as the "**Security Documents**").

For avoidance of doubt, it is clarified that the FCs will continue holding their first and exclusive charge on the entire fixed assets of the Corporate Debtor until the FC Payment as envisaged under the Resolution Plan is not released and made to them by the Resolution Applicant through the Monitoring Agent as provided above.

- 6.3.5. Subject to the Code and CIRP Regulations (and any amendments thereto), the CoC shall be free to decide the manner of distribution of the FC Payment amongst various Financial Creditors. Provided that if there are any Financial Creditors who do not vote in favour of this Resolution Plan, then, in accordance with Section 30(2)(b) of the IBC, the amount payable to such creditor in terms of Section 53 of the IBC, attributable to such creditors shall be paid out of the FC Payment amount in priority to payment to the other Financial Creditors (without changing the overall amount or timeline of FC Payment).
- 6.3.6. If any further claims of Financial Creditors relating to the period prior to the Closing Date are verified and/ or are admitted, then the FC Payment amount shall be re-distributed pro rata to include such further claims, without increasing the total FC Payment.
- 6.3.7. In consideration of the FC Payment, all litigations/ proceedings by Financial Creditors under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI) or any other law or before any court, tribunal or any other recovery suits/actions initiated by the Financial Creditors against the Company before any forum shall stand quashed as on the NCLT Approval Date and except as provided herein, the Company shall not be required to make any payments to Financial Creditors, with respect to such litigations/proceedings, for the period prior to the Closing Date. It is clarified that the Financial Creditors will not pursue such litigations/ proceedings after the NCLT Approval Date and shall withdraw all existing litigations/ proceedings, wherever pending. Further, the Financial Creditors shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant before any court, tribunal or authority and will

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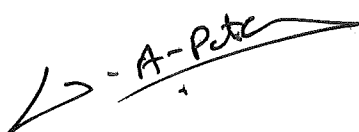


not demand or levy distress, in any jurisdiction whatsoever for the purpose of obtaining payment of any Claims prior to the Closing Date, or for the purpose of placing the Company into liquidation or any analogous proceedings with respect to their claims prior to the Closing Date. Further, on receipt of payments as per this Resolution Plan, the Financial Creditors shall withdraw the pending proceedings/ litigations against the Corporate Debtor.

- 6.3.8. Except to the extent of payment of FC Payment, any and all Claims made by or liabilities/ obligations owed or payable to any actual or potential financial creditor of KCL (including for any losses or damages, principal, interest, compound interest, penal interest, charges or commissions), which relate to a period prior to the Insolvency Commencement Date, shall be written off in full and shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order, irrespective of whether such Claims, liabilities or obligations are admitted or disputed, due or contingent, asserted or unasserted, crystallised or uncrystallised, present or future, known or unknown. No interest or other additional costs/ liabilities shall be deemed to have accrued after the Insolvency Commencement Date on any amounts that are Claimed by the Financial Creditors as on Insolvency Commencement Date.
- 6.3.9. Except for Financial Creditors to the extent of FC Payment amount, no person, claiming to be a present or future financial creditor of the Company shall have the right to demand any amounts or any security or asset from the Company or the Resolution Applicant, in respect of such claims, demands, liabilities or obligations, which relate to a period prior to the Closing Date and neither the Company nor the Resolution Applicant shall be directly or indirectly responsible or liable in respect of the same.
- 6.3.10. As of the NCLT Approval Date, any debt owed by KCL to any creditor, which is barred by limitation under the Applicable Laws, shall immediately, irrevocably and unconditionally stand extinguished, waived and withdrawn on and from the Closing Date, and no person shall have any further rights or claims against the Company in this regard.
- 6.3.11. Immediately after the Closing Date, all notifications with regards to defaults by the Company filed with Credit Information Bureau (India) Limited ("CIBIL"), TransUnion, any credit rating agency, any Information Utility, RBI or any other regulatory authority shall be withdrawn by the respective Financial Creditors. It is clarified that the Financial Creditors shall not be required to withdraw notifications in respect of current promoters of the Company.

#### 6.4. Payment to Workmen and Employees

- 6.4.1. As per the updated list of Operational Creditors (Workmen and Employees) the total claims filed by Operational Creditors (employees and workmen) is INR 7,17,37,101 (excluding related parties). Out of the total admitted amount, INR 1,30,93,470 is owed towards workmen and INR 3,47,11,918 is owed towards employees.
- 6.4.2. The Resolution Applicant proposes payment of INR 1,40,00,000 (Indian Rupees One Crore Forty Lakhs) to the non-related Workmen and Employees of the Corporate Debtor ("**Workmen and Employees Payment**"), as against and in settlement and discharge of all their Claims (admitted or not) in the following manner:

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- (a) Non-related workmen shall be paid a percentage of their respective admitted claim equal to percentage of admitted claims being paid to secured financial creditors. For instance, if secured financial creditors are paid 61.32% of their admitted claims, non-related workmen shall also be paid 61.32% of their admitted claims;
- (b) The balance amount of Workmen and Employees' Payment shall be paid to non-related employees;

in each case, in proportion to their admitted claims. It is clarified that the Resolution Applicant shall rely on bifurcation of workmen and employees undertaken by the Resolution Professional.

- 6.4.3. The Workmen and Employees Payment shall be made within 30 days of the NCLT Approval Date, in priority to payment to the Financial Creditors. Such Workmen and Employees Payment shall be made by the Company, from the Initial Infusion Amounts.
- 6.4.4. Since the liquidation value of the Company is not known, it is assumed that the payment proposed to the Workmen and Employees as per the aforesaid is in accordance with Section 30 (2)(b) of the Code. However, in case the RP determines that the payment proposed to any employee/workman is less than the minimum amount that such employee/workman would be entitled to Section 30 (2)(b) of the Code ("**Minimum Amount**"), the Resolution Applicant shall pay such Minimum Amount to the relevant employee/workman. However, any such additional payment shall at first instance be adjusted/deducted from the payment to be made to other Workmen and Employees without increasing the overall pay-out for the Resolution Applicant. In case such adjustment is not enough to satisfy the payment of Minimum Amount in full, any additional amount required shall be adjusted/deducted from the payment to be made to Financial Creditors without increasing the overall pay-out for the Resolution Applicant.
- 6.4.5. If any further claims of Operational Creditors (Workmen and Employees) relating to the period prior to the NCLT Approval Date are verified and/or are admitted, then the Workmen and Employees Payment amount shall be re-distributed pro rata (in accordance with principle set out in para 6.4.2) to include such further claims, without increasing the total amount allocated to Operational Creditors (Workmen and Employees).
- 6.4.6. In consideration of the aforesaid payments, any and all Claims made by or liabilities/ obligations owed or payable to any past or present employees or workmen or contract labour of KCL, which relate to a period prior to the NCLT Approval Date, including without limitation, any terminal benefits or retrenchment payments shall be written off in full and shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order, irrespective of whether such claims, demands, liabilities or obligations are admitted or disputed, due or contingent, asserted or unasserted, crystallised or uncrystallised, present or future, known or unknown. No person, claiming to be a past, present or future employee/ workman/ contract labour of the Company shall have the right to demand any amounts or any security or asset from the Company or the Resolution Applicant, in respect of such Claims, liabilities or obligations, which relate to a period prior to the Closing


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Date and neither the Company nor the Resolution Applicant or the SPV shall be directly or indirectly responsible or liable in respect of the same.

- 6.4.7. All the litigations/ proceedings by employees/ workmen or before any labour department for non-payment of any dues/ contribution or for reinstatement or otherwise shall stand quashed on the NCLT Approval Date and the Company and the Resolution Applicant shall no longer be required to make any payments in relation to such litigations/ proceedings. It is clarified that the Workmen and Employees will not pursue such litigations/ proceedings after the NCLT Approval Date and shall withdraw all existing litigations/ proceedings, wherever pending. Further, the Workmen and Employees shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant or the SPV before any court, tribunal or authority with respect to their claims prior to the NCLT Approval Date.
- 6.4.8. In case any stock options or warrants or rights to Equity Shares have been granted to Workmen and Employees pursuant to any employee stock option plan/ policy of KCL, such options/ warrants/ rights, whether vested or unvested, exercised or un-exercised shall stand revoked with no Claims or liabilities against KCL or the Resolution Applicant/SPV.
- 6.4.9. The Resolution Applicant has been informed that of the 86 employees/workmen of the Company:
- (a) 51 employees/ workmen have joined some other company before CIRP and that a Letter of Abandonment has been issued to 50 employees/workmen. As per the said Letter, the employment of such employees/workmen has deemed to be terminated as of the date of their joining such other company. However, Resolution Applicant has been informed that 17 of such Workmen/ Employees have joined back duty/service.
  - (b) 2 employees/ workmen resigned during CIRP;
  - (c) 1 employee/ workman is no more;
  - (d) Only 5 are currently attending the Plant;
  - (e) Letters were issued to the remaining employees/workmen seeking explanation and asking them to join the duty/service;
- 6.4.10. The Resolution Applicant proposes to continue the employment of the employees/workmen who have not abandoned the Corporate Debtor and are currently attending the Plant/office. Provided however that the Resolution Applicant shall have the right to augment and/ or rationalise the work force as per their operational requirements and needs of the business, in accordance with law. The Resolution Applicant assumes that all employees/workmen who were/are currently working for the Corporate Debtor during the CIRP period are being paid their salaries in normal course and hence, such salaries shall be paid out as CIRP Costs.
- 6.4.11. Since all other employees/ workmen have resigned and/or are working with other entities and/or their status is not known and/or had abandoned the Corporate Debtor, the Resolution Applicant or the SPV or the Corporate Debtor shall not be liable to either offer or continue their employment with the Corporate Debtor. To the extent not formally terminated, all such employees shall be deemed to have resigned/ their employment terminated as on insolvency commencement date.

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6.4.12. Further, except for Workmen and Employees Payment proposed to be made in accordance with Clause 6.4.2, the Resolution Applicant or the SPV or the Corporate Debtor shall not be liable or responsible to make any other payments or terminal benefits or retrenchment compensation to such employees/ workmen and any and all Claims made by or liabilities/ obligations owed or payable to such Workmen and Employees or contract labour of KCL shall be written off in full and shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order. It is clarified that for the continuing workmen and employees, the liability on account of retiral benefits as and when it devolves shall be borne by KCL or the Resolution Applicant.

**6.5. Payment to Operational Creditors (Other Than Workmen and Employees)**

As per the updated information of Operational Creditors (other than Workmen and Employees) shared by the RP, as of March 20, 2021, the total claims filed by Operational Creditors (other than employees/workmen) is INR 5,66,27,46,432. Out of the claims filed, the RP has admitted claims of Operational Creditors (other than employees/workmen) to the extent of INR 22,41,65,084.

- 6.5.1. The Resolution Applicant proposes a payment of INR **INR22,41,651** (Indian Rupees Twenty-Two Lakh Forty-One Thousand Six Hundred Fifty One) to the Operational Creditors (other than Workmen and Employees) ("**Non W/E OC Payment**") as against and in discharge of their Claims (admitted or not), within 30 days of the NCLT Approval Date, in priority to payment to the Financial Creditors. Such Non-Workmen /Employees OC Payment shall be made by the Company, from the amounts infused by the Resolution Applicant into the Company on the Closing Date (i.e. from the Initial Infusion Amounts).
- 6.5.2. If any further claims of Operational Creditors (other than Workmen and Employees) relating to the period prior to the Closing Date are verified and/or are admitted, then the Non-Workmen/Employee OC Payment amount shall be re-distributed pro rata to include such further claims, without increasing the total amount allocated to Operational Creditors (other than Workmen and Employees).
- 6.5.3. Since the liquidation value of the Company is not known, it is assumed that the payment proposed to Operational Creditors (other than Workmen and Employees) as per the aforesaid is in accordance with Section 30 (2)(b) of the Code. However, in case the RP determines that the payment proposed to Operational Creditors (other than Workmen and Employees) is less than the minimum amount that they would be entitled to Section 30 (2)(b) of the Code ("**Minimum Amount**"), the Resolution Applicant shall pay such Minimum Amount to the Operational Creditors (other than Workmen and Employees). However, any such additional payment shall at be adjusted/deducted from the payment to be made to Financial Creditors without increasing the overall payout for the Resolution Applicant.
- 6.5.4. A claim under the Export Promotion Capital Goods Scheme ("**EPCG**") has been submitted for an amount of INR 9,18,56,663 (Indian Rupees Nine Crore Eighteen Lakh Fifty-Six Thousand Six Hundred Sixty-Three) of which INR 8,55,00,000 (Indian Rupees Eight Crore Fifty-Five Lakh) has been admitted by the Resolution Professional. Since the Corporate Debtor may not be able to fulfil the export related requirements within the stipulated time, the Resolution Applicant proposes a settlement in terms of

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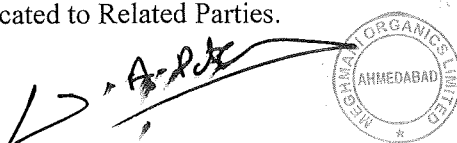


Clause 6.5.2 above. Such settlement shall be in settlement of all liabilities of the Corporate Debtor in respect of its export obligations in the past or arising in future.

- 6.5.5. In consideration of the above payments to be made to the Operational Creditors and by virtue of the NCLT Approval Order, all the litigations/ proceedings by Operational Creditors (or any person claiming to be an operational creditor) before any court, tribunal, arbitration tribunal for non-payment of any dues/ contribution shall stand quashed on the Closing Date and except as provided herein, the Company shall no longer be required to make any payments to the Operational Creditors (or any person claiming to be an operational creditor) for the period prior to the Closing Date. It is clarified that the Operational Creditors shall not take any actions in respect of any such litigations/ proceedings after the NCLT Approval Date and shall withdraw all existing litigations/ proceedings, wherever pending. Further, the Operational Creditors shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant before any court, tribunal or authority with respect to their claims prior to the NCLT Approval Date.
- 6.5.6. Any and all Claims made by or liabilities/ obligations owed or payable to any actual or potential operational creditor of KCL (including for any services, goods, losses or damages, interest, penalties, charges, Taxes or commissions, including any penalties payable to SEBI or stock exchanges), which relate to a period prior to the NCLT Approval Date, shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order, irrespective of whether such Claims, liabilities or obligations are admitted or disputed, due or contingent, asserted or unasserted, crystallised or uncrystallised, present or future, known or unknown.
- 6.5.7. Except for Operational Creditors to the extent of payments to be made to them as above, no person, claiming to be a present or future operational creditor of the Company shall have the right to demand any amounts or any security or asset from the Company or the Resolution Applicant, in respect of such Claims, liabilities or obligations, which relate to a period prior to the Closing Date and neither the Company nor the Resolution Applicant or the SPV shall be directly or indirectly responsible or liable in respect of the same.

#### 6.6. Payment to Related Parties

- 6.6.1. As per the updated list of Related Party claims, as of 16 December 2020, the total claims filed by the Related Parties is INR 24,07,56,199. Out of the said claims, the RP has admitted Related Party claims to the extent of INR 24,07,56,199.
- 6.6.2. The Resolution Applicant proposes a payment of INR 1,00,000(Indian Rupees One Lakh) to the Related Parties as against and in discharge of their Claims (admitted or not), within 30 days of the NCLT Approval Date. Such payment shall be made by the Company, from the amounts infused by the Resolution Applicant into the Company on the Closing Date (i.e., from the Initial Infusion Amounts).
- 6.6.3. If any further claims of Related Parties relating to the period prior to the Closing Date are verified and/or are admitted, then INR 1,00,000(Indian Rupees One Lakh) shall be re-distributed pro rata to include such further claims, without increasing the total amount allocated to Related Parties.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "MEGHNA ORGANICS LIMITED" around the top edge and "AHMEDABAD" in the center. There is a small star symbol at the bottom of the stamp.


- 6.6.4. In consideration of the above payments to be made to the Related Parties and by virtue of the NCLT Approval Order, all the litigations/ proceedings by Related Parties (or any person claiming to be a related party of the Corporate Debtor) before any court, tribunal, arbitration tribunal for non-payment of any dues/ contribution shall stand quashed on the NCLT Approval Date and except as provided herein, the Company shall no longer be required to make any payments to the Related Parties (or any person claiming to be a related party) for the period prior to the Closing Date. It is clarified that Related Parties shall not take any actions in respect of any such litigations/ proceedings after the NCLT Approval Date and shall withdraw all existing litigations/ proceedings, wherever pending. Further, the Related Parties shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant before any court, tribunal or authority with respect to their claims prior to the NCLT Approval Date.
- 6.6.5. Any and all Claims made by or liabilities/ obligations owed or payable to any actual or potential related party of KCL which relate to a period prior to the NCLT Approval Date, shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order, irrespective of whether such Claims, liabilities or obligations are admitted or disputed, due or contingent, asserted or unasserted, crystallised or uncrystallised, present or future, known or unknown.

#### 6.7. Contractual Claims and Liabilities

- 6.7.1. The Resolution Applicant/SPV will, after the Closing Date, make an assessment of whether it wants to continue with or terminate the contracts/agreements entered into by KCL. It is clarified that in case the Resolution Applicant terminates any such old contracts/agreements, no termination payments or liquidated damages shall be payable by the Resolution Applicant or the Corporate Debtor on account of such termination.
- 6.7.2. Except as provided in Clause 6.8.3, all Claims and liabilities of KCL, arising from any contractual arrangements entered into by KCL, any claims against KCL, or liabilities of KCL, arising or having crystallized prior to the Closing Date shall be deemed to be settled at NIL value on the NCLT Approval Date pursuant to NCLT Approval Order. Further, any Claim against KCL, arising from any contractual arrangements, in relation to any period prior to the Closing Date, will be written off in full and/ or will be deemed to be permanently extinguished and/or settled at NIL value by virtue of the NCLT Approval Order and the Resolution Applicant, KCL and/ or the new management of KCL shall, at no point, be made directly or indirectly responsible or liable for the same.
- 6.7.3. *Contract with GAIL*

The Resolution Applicant understands that, in July 2016, KCL had entered into a Long-term Contract (10 years) for sourcing Natural Gas from Gas Authority of India Limited (GAIL), Ahmedabad Zonal Office, at a minimum level of consumption of 51000 standard cubic metres (scm) per day (GAIL Contract). As per initial estimates, GAIL was to have completed laying of its pipeline from their nearest Delivery Point to KCL's Plant within a year i.e., July 2017. However, there were delays at their end and pipeline completion was achieved by GAIL in July 2018. KCL had also completed internal

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pipeline work to receive gas supplies by May 2018. In the interim 2 years (2016-18), due to change in market dynamics brought about by demonetisation and GST introduction, it was apparent to KCL that off-take quantities would be lower than the committed 51000 scm per day and attaining full capacity production could take time. Hence, KCL had approached GAIL in July 2018 for reduction in minimum lifting quantity, which proposal was taken up by GAIL in August 2018 and finally consented to in December 2018, with an extension of the contract to 13 years. KCL had repeatedly requested GAIL for time to resolve the financial impasse so that regular supplies could be commenced once Plant could be restarted. GAIL invoked the Bank Guarantee of INR 75 lakhs in January 2019 and also raised claims of INR 25 Crores against the 2 agreements for the period from August 2018 to December 2018, without supply of even 1 scm of Natural Gas.

In view of the dispute which arose with GAIL, KCL referred the matter to arbitration, which is currently pending. GAIL has continued to raise monthly and annual claims/ invoices against the GTA and the GSA.

GAIL has filed a claim of INR 5,39,75,00,000 on the Corporate Debtor, which has been rejected by the RP (“GAIL Claim”).


The Resolution Applicant believes that the GAIL Contract is onerous and commercially unviable and its continuation is not in the long-term interest of the Company. Further, since the Resolution Applicant does not propose to use gas from GAIL for purpose of its revival, the GAIL Contract is not required to be continued. Hence, as an integral part of this Resolution Plan, the GAIL Contract shall stand terminated on the NCLT Approval Date without the requirement of any further act or deed on the part of the Resolution Applicant, SPV, KCL and/ or the new management of KCL.

Any claims or liabilities against KCL, arising under the GAIL Contract, including GAIL Claim and any other contingent, unclaimed, disputed or undisputed, asserted or unasserted, present or future Claims of GAIL, including Claims in respect of termination of the GAIL Contract shall be settled by the Company at NIL value. No amounts shall be payable by the Resolution Applicant, SPV, KCL and/ or the new management of KCL to GAIL and neither of them shall, at any point, be made directly or indirectly responsible or liable for any Claims that GAIL has or may have against KCL.

#### 6.7.4. GIDC Lease

The Resolution Applicant affirms that after the Closing Date, the Corporate Debtor shall make payment to GIDC under the GIDC Lease in accordance with the terms thereof. Further, the Resolution Applicant/ SPV/ Corporate Debtor shall make necessary applications with GIDC for registering change in control of the Corporate Debtor from erstwhile shareholders/ management to the SPV/Resolution Applicant. The relevant transfer charges/ transfer premium will be paid to GIDC for such transfer. The Resolution Applicant estimates this to be INR 18.00Crores (Indian Rupees Eighteen Crores) and clarifies that this is over and above the payments to be made to the creditors under this Resolution Plan and payment of CIRP costs and in no way will impact implementation of the plan.

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6.7.5. It is clarified that all shareholders' agreements, sale purchase agreements, share subscription agreements and any other agreements governing the affairs of KCL and/ or governing the inter-se rights of the shareholders shall stand terminated, without any recourse against the Resolution Applicant, KCL and/ or the new management of KCL.

**6.8. Failure to Submit Claims and Rejected/Unverified Claims**

6.8.1. The Interim Resolution Professional had issued a public notice dated 12 August 2020, in accordance with the Code, inviting all creditors of the Company to submit their claims on or prior to 24 August 2020. Further, significant time has lapsed from the date of public notice, thereby providing sufficient time to all creditors of the Company to submit their Claims. Hence, we assume that all persons that have any Claim(s) against the Company (including Financial Creditors, Operational Creditors, Other Creditors, Governmental Authorities, persons who have paid any advances to the Company against supply of goods or services by the Company) have all filed their claims and all verifiable claims as on the date of approval of this Plan by the CoC, have been admitted by the Resolution Professional and are disclosed in the Information Memorandum.

6.8.2. Hence, if any person that has any Claim(s) against the Company have not submitted its Claim(s) (whether or not it was aware of such Claim), or if the Claim(s) filed by any person has been rejected and/or not been admitted and/or not verified by the Resolution Professional, then, subject to payments proposed in Clause 6.7.3 and 6.9: (a) all such Claims (whether final or contingent (whether crystallized or not), whether disputed or undisputed, and whether or not notified to or claimed against the Company); (b) all outstanding disputes or legal proceedings in respect of such Claims; and (c) all rights or claims of such persons against the Company; in each case, relating to the period prior to the NCLT Approval Date, shall immediately, irrevocably and unconditionally stand extinguished and/or settled at NIL value on the NCLT Approval Date, and the Company or the Resolution Applicant or the SPV shall have no liabilities in respect of such Claim(s).

**6.9. Certain Other liabilities – Annexure 4**


6.9.1. Certain liabilities as set out in **Annexure 4** are reflected in the IM or data shared by the Resolution Professional or the balance sheet of the Company.

6.9.2. In respect of these liabilities, if any Claims have been filed and verified by the Resolution Professional, the Resolution Applicant shall make payments as set out in Clause 6.2 – 6.7 (as relevant).

6.9.3. In case no Claim has been filed with and verified by the Resolution Professional in respect of such liabilities, the Resolution Applicant proposes to settle such liabilities by making payments as specified in **Annexure 4** within the timelines as provided in **Annexure 4**.

6.9.4. Except for the settlement amounts specified in **Annexure 4**, (a) any and all Claims of such persons, whether final or contingent (whether crystallized or not), whether disputed or undisputed, and whether or not notified to or claimed against the Company; and (b) all outstanding disputes or legal proceedings in respect of such Claims; and (c) all rights or claims of such persons against the Company; in each case, relating to the period prior to the Closing Date, shall immediately, irrevocably and unconditionally

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stand extinguished and/or settled at NIL value on the NCLT Approval Date, and the Company or the Resolution Applicant or the SPV shall have no liabilities in respect of such Claim(s).


**6.10. Related Party Transactions**

- 6.10.1. The Resolution Applicant/SPV/KCL shall have the right to terminate all related party transactions (whether known or unknown), entered into between the Company and its related parties (as of the date prior to the Effective Date) without incurring any liability in respect of such termination.
- 6.10.2. Provided, however, in case any amounts are due from any related party as on NCLT Approval Date, the Company shall retain all rights to recover such amounts and/or take any action to recover such amounts from such related party.
- 6.10.3. All corporate guarantees, indemnities, letters of comfort, undertakings provided by KCL, in respect of any third-party liability (including for any related party) shall stand revoked and extinguished on the Effective Date pursuant to the NCLT Approval Order, without the requirement of any further act or deed by the Resolution Applicant and/or KCL.

**6.11. Third Party Guarantees and No-Subrogation**

- 6.11.1. It is hereby clarified that the Resolution Applicant has proposed the payment of the amounts contemplated under this Resolution Plan to the Financial Creditors towards a part of the Financial Debt and the Financial Creditors shall irrevocably forbear from proceeding against the Corporate Debtor and/or the Resolution Applicant for the Unpaid Debt. Further, the Corporate Debtor and the Resolution Applicant shall not have any liability towards the Financial Creditors for Unpaid Debt. However, the said forbearance or any other variance made in the terms of payment of the Financial Debt or any release of any other security under this Resolution Plan shall not (in any manner) tantamount to discharge or release of any of the obligations or liability of the Guarantors under their Guarantees for the Unpaid Debt.
- 6.11.2. Nothing contained in this Resolution Plan shall, in any manner, limit or restrict the right (and its exercise) of the Financial Creditors in relation to any of the Guarantees or any collateral security created by third party (whether over immovable, movable assets, fixed deposits, margin money, cash collateral or any other rights) for recovering or realising the unpaid debt from the Guarantors or from third parties. The Guarantors or third-party security provider shall continue to be liable to the Financial Creditors for the Unpaid Debt under the Guarantees. The Financial Creditors shall have all rights and benefits available to them to enforce the Guarantees or third-party security provided at their sole discretion, at any time in future to recover and realise the Unpaid Debt.
- 6.11.3. In the event, any amount of the Unpaid Debt is paid or becomes payable by the Guarantors under the Guarantees on demand by the Financial Creditors, the Guarantors shall not be entitled to exercise any right of subrogation in respect of such amounts against the Corporate Debtor and/or the Resolution Applicant and they shall have no rights or claims against Corporate Debtor and / or its assets and / or the Resolution Applicant and/or any other security available to the Financial Creditors. The Corporate Debtor shall not be required to indemnify the Guarantors for any payment made under

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the Guarantees to the Financial Creditors. All rights of subrogation, claims and/or indemnity of the Guarantors arising therefrom shall be deemed to have been irrevocably and unconditionally extinguished, waived, withdrawn and abated.

## 6.12. LITIGATIONS, ENQUIRIES AND PROCEEDINGS

- 6.12.1. Basis the information provided in the Information Memorandum and VDR, we understand that there are various legal proceedings against the Company, as more specifically provided in Annexure 4. These include cases pertaining to income tax, GST, provident fund etc. pending before relevant forums. To the extent such claims by the Tax Authorities are filed and admitted by the Resolution Professional, the claims shall be treated as Operational Debt and shall be paid/discharged in accordance with Clause 6.6. For any other amounts which are disputed or under litigation/ assessment/ proceedings, no amounts are proposed to be paid (at any time in future) against any liabilities of the Company that may arise on account of the same. Accordingly, such liabilities shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order and the counterparty to such proceedings shall not have the right to demand any amounts or any security or asset from the Company or the Resolution Applicant, in respect of any liability arising therefrom and neither the Company nor the Resolution Applicant shall be directly or indirectly responsible or liable in respect of the same.
- 6.12.2. Further, except for any cases filed by KCL or for the benefit of KCL, all inquiries and investigations, notices, causes of action, claims, disputes, litigations, arbitration or other legal, judicial, regulatory or administrative proceedings against KCL or the affairs of KCL (including proceedings by any Governmental Authority including SEBI or stock exchanges), pending or threatened, present or future, that relate to the responsibilities, duties, obligations and liabilities of KCL prior to the NCLT Approval Date, shall immediately, irrevocable and unconditionally stand extinguished, waived, revoked, cancelled, withdrawn, dismissed and abated (vis-à-vis, KCL or the new management of KCL) on the NCLT Approval Date pursuant to the NCLT Approval Order, and no person shall have any further rights or claims against the Resolution Applicant/ SPV, KCL or its new management in this regard.
- 6.12.3. By virtue of the NCLT Approval Order, new inquiries, investigations, notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings will not be initiated or admitted against KCL, the Resolution Applicant, the SPV or the new management of KCL, if these relate to responsibilities, duties, obligations and liabilities of KCL (or ex-management) for any period prior to the NCLT Approval Date.
- 6.12.4. Any and all legal proceedings (including any show cause, notice, adjudication proceedings, assessment proceedings, regulatory orders etc.) initiated before any forum by or on behalf of any creditor or Governmental Authorities including SEBI and stock exchanges, to enforce any rights or claims against KCL prior to the NCLT Approval Date shall stand immediately, irrevocably and unconditionally withdrawn, abated, settled and/ or extinguished, and the counterparties to such proceedings shall take all necessary steps to ensure the same. The Resolution Applicant/ SPV/ Company may

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approach the relevant courts or judicial/ arbitral tribunals to request for the abatement of such legal proceedings against the Company.

- 6.12.5. However, the existing management, promoters, shareholders, managers, directors, officers, employees, workmen or other personnel of KCL shall continue to be liable for all the liabilities, claims, demand, obligations, penalties etc. arising out of any (i) proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc., whether civil or criminal, pending before any authority, court, tribunal or any other forum prior to the acquisition of control by the Resolution Applicant/SPV over KCL; or (ii) that may arise out of any proceedings, inquiries, investigations, orders, show cause, notices, suits, litigation etc., whether civil or criminal, that may be initiated or instituted post the approval of the Resolution Plan by the NCLT on account of any transactions entered into, or decisions or actions taken by, such existing management, promoters, shareholders, managers, directors, officers, employees, workmen or other personnel of KCL. KCL, the new management of KCL and/ or the Resolution Applicant or the SPV shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- 6.12.6. As of the NCLT Approval Date, the Resolution Applicant/ SPV and the Corporate Debtor shall be entitled to the benefit of Section 32A of the Code since the Resolution Plan shall result in the change in the management or control of the Corporate Debtor to the Resolution Applicant/ SPV. Hence, the liability of the Corporate Debtor for an offence committed prior to the commencement of its corporate insolvency resolution process shall cease, and the Corporate Debtor shall not be prosecuted for such an offence from the date the NCLT Approval Date. If a prosecution had been instituted during the corporate insolvency resolution process against the Corporate Debtor, it shall stand discharged from the NCLT Approval Date. Further, no action shall be taken or continued against the property of the Corporate Debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the Corporate Debtor as all such property is being covered under the Resolution Plan. In case of any pre-existing attachment on any property or bank account of the Corporate Debtor; all such attachment on any property or bank account of the Corporate Debtor shall stand released on the NCLT Approval Date without any action or deed from any party.

### 6.13. ALL OTHER LIABILITIES

- 6.13.1. Except to the extent of payments to be made under Clauses 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 and 6.9. the Resolution Applicant, SPV and KCL shall have no liability towards any Person with respect to any Claims, liabilities or obligations (each of the foregoing whether known or unknown or present or future) due to such Person, which relates in any manner to the period prior to the NCLT Approval Date. Hence any and all Claims made by or liabilities/ obligations owed or payable to any actual or potential creditor of KCL, including which relate to a period prior to the NCLT Approval Date, shall be written off in full and shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order, irrespective of whether such Claims, liabilities or obligations are admitted or disputed, due or contingent, asserted or unasserted, crystallised or uncrystallised, present or future, known or unknown. However, all existing counter claims filed by the Company or any unsettled liability/obligation owed or payable by any third party to the

*V. A. Patel*



Company, which relate to a period prior to the NCLT Approval Date, shall not be extinguished.

- 6.13.2. Except for the above, no amounts are proposed to be paid (at any time in future) against any direct or indirect contingent liabilities of the Company, including as mentioned in the audited/unaudited financial statements of the Company which relate to a period prior to the NCLT Approval Date. Accordingly, such Claims and liabilities shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order. Except as provided in this Resolution Plan, no person, to whom such contingent liability may be owed shall have the right to demand any amounts or any security or asset from the Company or the Resolution Applicant or the SPV, in respect of such liability, which relate to a period prior to the NCLT Approval Date and neither the Company nor the Resolution Applicant or the SPV shall be directly or indirectly responsible or liable in respect of the same.
- 6.13.3. In accordance with the foregoing, except as provided in this Resolution Plan, all Claims (whether present or arising in future) of all Governmental Authorities (including in relation to Taxes, and all other dues and statutory payments to any Governmental Authority) relating to the period prior to the NCLT Approval Date, shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order.

**6.14. INTERESTS OF ALL STAKEHOLDERS**

The Resolution Plan proposed by the Resolution Applicant adequately deals with the interests of all stakeholders, including Financial Creditors and Operational Creditors of KCL, in the manner set out above. The Resolution Applicant considers that the pay-outs made under this Resolution Plan to all the stakeholders of KCL are just, equitable and fair.



*Handwritten signature: A. P. J.*

## CHAPTER VII – ASSETS OF KCL/OPERATIONS OF KCL

### 7.1. Handover, Possession and GIDC Lease

- 7.1.1. The Monitoring Committee shall allow possession of the premises/offices of the Company, all passwords, bank account details, cheque books, statutory registers, minute books, financial and tax records, all communication with vendors, customers, government and regulatory authorities and all other documents pertaining to the Company and its business, information technology systems (including all software and hardware), access to ERP system etc. to the Resolution Applicant on the Closing Date.
- 7.1.2. Subject to Clause 6.3.3, any and all Encumbrance over the assets, property or bank account of the Corporate Debtor shall stand released and/or extinguished on the NCLT Approval Date. Any Person (including a creditor or a Governmental Authority) who is in possession of the assets, property or bank account of the Company shall allow possession of such assets, property or bank account to the Company on and from the NCLT Approval Date, irrespective of any symbolic or actual possession or attachment of asset, property or bank account by such Person prior to the NCLT Approval Date.
- 7.1.3. No Person (including a creditor or a Governmental Authority) shall take possession of and/or create Encumbrance or attach any asset of the Company after the NCLT Approval Date on account of any Claim against the Company (or its promoters/affiliates) which relates to a period prior to the Closing Date.
- 7.1.4. Where KCL is the lessee in respect of any land leased to it by third parties (i.e., the lease with GIDC for a period of 99 years), such lease shall continue and nothing herein shall have the effect of terminating the same.
- 7.1.5. The Resolution Applicant/ SPV/ Corporate Debtor shall make necessary applications with GIDC for registering change in control of the Corporate Debtor from erstwhile shareholders/ management to the SPV/Resolution Applicant. The relevant transfer charges/ transfer premium will be paid to GIDC for such transfer. The Resolution Applicant estimates this to be INR19.50 Crores including lease transfer fee and clarifies that this is over and above the payments to be made to the creditors under this Resolution Plan and payment of CIRP costs and in no way this will affect the implementation of the plan.

### 7.2. Utilities

- 7.2.1. Currently, the Dahej Plant is completely shut and not in operation and hence no utilities, such as water supply, electricity/power connection etc. are being provided. It is proposed vide this Resolution Plan that upon NCLT approval, the Dahej Plant will be re-started. For purpose of re-starting the operations of the Dahej Plant and the revival of KCL, it is essential that these utilities such as water supply, electricity/power connection etc. be provided by the relevant authorities/providers.
- 7.2.2. Therefore, on and after the Closing Date, the relevant authorities/ providers shall restore the relevant electricity/ water connection promptly upon an application by the Resolution Applicant/ Company, at current rates without insisting on payment of any

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dues prior to the NCLT Approval Date and irrespective of any defaults or non-compliances by the Company prior to the NCLT Approval Date.

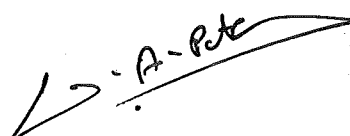

- 7.2.3. In respect of such past dues/pending liabilities, for which Claims have been filed by the authorities and verified by the Resolution Professional as Operational Debt, the Resolution Applicant shall make payments as set out in Clause 6. Further, the dues of the Corporate Debtor towards GIDC shall be paid after the Closing Date,
- 7.2.4. Except for the above, no amounts are proposed to be paid (at any time in future) against any such pending dues/liabilities of the Company, which relate to a period prior to the NCLT Approval Date. Accordingly, such Claims and liabilities shall be deemed to be permanently extinguished and/or settled at NIL value on the NCLT Approval Date, by virtue of the NCLT Approval Order. Further, the relevant authorities shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant before any court, tribunal or authority with respect to their pending claims/dues pertaining prior to the Closing Date.

### 7.3. Licenses/ Approvals for operation

- 7.3.1. With effect from the Effective Date, by virtue of NCLT Approval, all the consents/licenses / approvals as obtained by KCL for the Dahej Plant/ Project shall continue in favour of the Company. However, as far as consents/approvals/licenses which have not been obtained for the Dahej Plant/ Project, the Company will obtain fresh and requisite licenses/approvals and consents from relevant Governmental Authorities. Also, with respect to the consents, approvals and licenses which have expired, the same shall be renewed by the Resolution Applicant/ Company after Effective Date. Till the time such approvals are obtained by the Resolution Applicant/ Company, the Resolution Applicant/ Company shall be permitted to develop/ construct and operate the Dahej Plant/ Project for the revival of the Company.
- 7.3.2. The Resolution Applicant shall not be liable for any past liability of KCL, on account of not obtaining any relevant licenses/approvals for the Dahej Plant/ Project and/ or for any other past non-compliances of the conditions/provisions of licenses/approvals/permits as required for operation of the Dahej Plant/ Project. The relevant authorities shall grant approvals/ renew approvals required in respect of the Dahej Plant/ Project without insisting on payment of any dues/charges/penalties in respect of any defaults or non-compliance by the Corporate Debtor pertaining to any licenses and approvals, prior to the NCLT Approval Date.

### 7.4. Non-compliances under Applicable Law

- 7.4.1. The Resolution Applicant realizes that the Corporate Debtor may be in non-compliance of various Applicable Laws (including Companies Act) prior to the NCLT Approval Date. Once the Resolution Applicant takes over the Company on the Closing Date, the Resolution Applicant and the Company shall be provided a reasonable time (which shall not be less than 12 months following the Closing Date) to rectify such non-compliances. However, while the existing management may continue to be responsible for such non-compliances, under no circumstances will the Resolution Applicant or the Company or any of its directors ( appointed by RA) after the NCLT Approval Date be held responsible for such non-compliances and required to pay any penalties in respect of such non-compliances. Further, since the Resolution Applicant proposes to delist the

Corporate Debtor, the Resolution Applicant and the Company shall not be required to undertake any compliances or rectify any non-compliances under the SEBI LODR Regulations or other SEBI regulations.

- 7.4.2. The past non-compliances shall not affect the business continuity of KCL and shall not be a ground for the relevant authorities (including the MCA, the ROC, the SEBI or the BSE) to deny or stall any steps required for implementation of the Resolution Plan (including making of relevant filings with the ROC or delisting with stock exchanges or SEBI).
- 7.4.3. Further, the relevant authorities shall not bring, institute or file any future claim, litigation or take any action against the Company or the Resolution Applicant or the new management (after the Closing Date) before any court, tribunal or authority with respect to any such non-compliances pertaining prior to the Closing Date.

**7.5. Existing and future claims of KCL**

- 7.5.1. All existing and future claims of KCL and all its existing and future rights, entitlement, etc. with Governmental Authorities (including but not limited to unutilised Tax losses) or any other Person (including third parties) shall not be affected and shall remain enforceable after the Effective Date. Nothing in this Resolution Plan shall be deemed to affect the rights of KCL and/ or the new management of KCL to recover from and/or assert claims or rights against any Person and there shall be no set off of any such amounts recoverable by KCL or extinguishment of any liability of third party towards KCL, pursuant to this Resolution Plan. All existing counter claims filed by the Company or any unsettled liability/obligation owed or payable by any third party to the Company, which relate to a period prior to the Closing Date, shall not be extinguished and the Company shall be entitled to continue the same and recover any amount under such claims/proceedings from any third party.
- 7.5.2. No Person shall have any right to demand, adjust, set-off or settle any Claims that it may have against the Company in respect of the period prior to the NCLT Approval Date (from any amounts that may be recoverable from such Persons by the Company or the Resolution Applicant, whether on account of past dealings or on account of any new dealings with such Persons after the Closing Date).



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## CHAPTER VIII – CHANGE IN SHAREHOLDING

### 8.1. CURRENT STRUCTURE

- 8.1.1. The current Authorized share capital of the Company is INR 20,00,00,000 (Indian Rupees Twenty Crores) and the issued, subscribed and paid-up capital of the Company is INR 13,90,73,770 (Indian Rupees Thirteen Crore Ninety Lakh Seventy-Three Thousand Seven Hundred Seventy).
- 8.1.2. The summary of the shareholding pattern of the Company, has been discussed above in Section 4 (Corporate Structure) of Chapter IV (Our Understanding of KCL)

### 8.2. DELISTING OF THE SHARES

- 8.2.1. As an integral part of this Resolution Plan, the Corporate Debtor will undertake steps for delisting its Equity Shares. In this regard, we wish to bring to your attention that vide gazette notification dated 31 May 2018 (“**Notification**”), SEBI (Delisting of Equity Shares) Regulations, 2009 (“**Delisting Regulations**”) were amended. Pursuant to the Notification, SEBI has exempted applicability of Delisting Regulations to delisting of equity shares of a listed entity pursuant to a resolution plan approved under Section 31 of the Code, if
- (a) the resolution plan sets out a specific delisting procedure; or
  - (b) the resolution plan provides an exit option to existing public shareholders at a price which is higher of the liquidation value (as applied in the order of priority of claims prescribed under Section 53 of the Code) and the exit price being paid to the promoters.
- 8.2.2. Under this Resolution Plan, the Resolution Applicant is setting out a specific delisting procedure and, for the purpose of the same, the Company shall take the following steps for delisting in accordance with the provisions of Delisting Regulations read with the Notification. The procedure proposed to complete the delisting of Equity Shares is as follows:
- (a) The Company shall within 30 day of the NCLT Approval Date submit an application to the concerned stock exchange and SEBI for clarification/approval to delist its shares from the recognised stock exchange, along with a copy of the Resolution Plan.
  - (b) Given that the liquidation value due to the equity shareholders in terms of the Code is likely to be NIL, no exit price shall be paid to any of the shareholders of the Company.
  - (c) The application shall contain the details of delisting and the justification for no exit price being paid to any shareholder against cancellation of their shares. No approval from the stock exchanges on which the shares are listed shall be required and the approval of NCLT for the Resolution Plan shall be deemed to be the final approval for delisting.



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- (d) A public announcement shall be made in at least one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchange is located, within 30 day of the application to the stock exchanges.
- (e) Upon receipt of appropriate clarification/ approval from the stock exchanges and SEBI for delisting, the shares of the Company shall be deemed to be delisted. It is envisaged that such delisting shall take place within a period of 60 days from the NCLT Approval Date.

### 8.3. CAPITAL RESTRUCTURING AND CLOSING DATE ACTIONS

8.3.1. Within 30days from the NCLT Approval Date, the Resolution Applicant shall bring in an amount equal to INR 130.21Crores (“**Initial Infusion Amount**” and such date of infusion, the “**Closing Date**”) into the Company.

8.3.2. Such Initial Infusion Amount shall be brought in as:

- a) Debt of INR 118.06 Crores to be given by the Resolution Applicant or SPV to the Corporate Debtor along with the additional debt of up to INR 1.55 crore for Allocated CIRP cost amount will be infused by the RA or SPV.
- b) Equity of INR 12.15 Crores to be infused by the SPV into the Corporate Debtor.

8.3.3. On the Closing Date, the following steps shall be taken (in the following order):

- (a) Resolution Applicant/SPV shall bring in a debt of INR 118.06 Crores, additional debt of up to 1.55 crore for outstanding CIRP cost and a share application money of INR 12.15 Crores into the Corporate Debtor.
- (b) The beneficiary of the PBG shall return the PBG to the Resolution Applicant.
- (c) Existing directors of the Company shall vacate their office and the persons nominated by the Resolution Applicant shall be appointed as directors of the Company.
- (d) KCL shall undertake cancellation of the entire share capital held by all shareholders of the Company. Hence, all shares of the Company held by promoters, the Financial Creditors and the public shareholders shall be cancelled/ extinguished. No payment shall be made to any of the shareholders for such cancellation.
- (e) Simultaneously with the cancellation of shares, KCL shall issue and allot 1,21,50,000 Equity Shares to the SPV and its nominees (New Equity Shares) against the share application money of INR 12.15 Crores. The New Equity Shares of KCL will not be listed on any stock exchange.
- (f) Share certificates shall be issued to the Resolution Applicant (and its nominees) and relevant changes shall be made to the Registers of the Company.
- (g) The Articles of Association of the Company and the Memorandum of Association of the Company shall be amended and replaced by a new Articles of Association



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and Memorandum of Association (as provided by the Resolution Applicant). Such amendment may also provide for change in registered office of KCL, increase in the authorized share capital of KCL in case required for capital restructuring. Such increase in authorized share capital of KCL and the amendments of the Memorandum of Association and Articles of Association shall take place as integral part of the Resolution Plan.

- (h) The registered office of the Company shall be deemed to be shifted/ changed to Meghmani House, B/h SafalProfitaire, Corporate Road, Prahladnagar, Ahmedabad, Gujarat – 380015. Registrar Of Companies shall be changed from Kolkata to Ahmedabad.
- (i) Payments shall be made to the creditors as per the Resolution Plan;
- (j) The Financial Creditors shall provide requisite ‘certificates of no dues’ in a format provided in **Annexure 3** (Form of No Dues Certificate) to the Company/Monitoring Agent along with signed charge satisfaction forms in respect of the Underlying Company Security to the Company;
- (k) The Financial Creditors shall return all documents and title deeds relating to the Underlying Company Security to the Company/Monitoring Agent and shall undertake such steps as may be required by the Resolution Applicant, without any further payment, to ensure the satisfaction/ discharge of Underlying Company Security.

The Resolution Applicant, Monitoring Committee and Monitoring Agent will take steps to ensure that all the aforesaid steps take place on the same date. However, it may be possible that the Monitoring Agent takes some additional time for completing the distribution of monies to the creditors as per the Resolution Plan. However, such delay in distribution shall not stall the other steps contemplated on the Closing Date.

- 8.3.4. Consequently, after effecting the issuance and allotment of New Equity Shares to the Resolution Applicant/ RA Affiliate/ nominees and cancelling the other shares of the Company, the shareholding of the Company shall be as follows:

Name of shareholder	No. of Shares	Face value of shares (In INR)	Premium (INR in Crore)	%Equity
Existing shareholders	NIL	NA	NA	0
SPV and its nominees	12150000	10		100

- 8.3.5. It is clarified that the cancellation of the existing shares of the Company shall not result in cancellation of the current authorised capital of the Company, which shall continue to be available for purpose of issuance of New Equity Shares to the Resolution Applicant/ SPV/ its nominees.
- 8.3.6. It is clarified that the capital restructuring set out above, including the issuance of New Equity Shares to the SPV, delisting and cancellation of the shares of the existing shareholders shall not require the consent of any of the creditors of the Company or approval of the shareholders of the Company as the Resolution Plan upon being approved by the NCLT, shall be binding on the Company and its stakeholders



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(including its creditors and shareholders). Such restructuring shall take effect irrespective of anything to the contrary stated in the Articles of Association or any shareholders or share subscription agreements.

8.3.7. All rights of the existing shareholders in respect of their shares, either under the Articles of Association or under any shareholders or share subscription agreement shall stand extinguished on the NCLT Approval Date pursuant to the NCLT Approval Order and no such shareholder(s) shall be entitled to any shares or rights in any shares in the Company after the NCLT Approval Date.

8.3.8. The stock-exchanges/ SEBI shall not insist on any previous compliances or charge any fine or penalties from the Company or the Resolution Applicant/ SPV for allowing the delisting of shares of the Company.



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## CHAPTER IX- MANAGEMENT AND CONTROL OF KCL

### 9.1. CONTROL OF KCL BY RESOLUTION APPLICANT

- 9.1.1. The SPV and its nominees proposes to hold 100% (hundred percent) shareholding in the restructured share capital of KCL, as elaborated in Chapter VIII (Change in Shareholding).
- 9.1.2. On and from the Closing Date, the SPV and the Resolution Applicant shall be in control and management of affairs of the Company and the business of the Company shall be carried on by the new management as appointed by the Resolution Applicant/SPV.

### 9.2. RECONSTITUTION OF THE BOARD AND MANAGEMENT

- 9.2.1. The powers of the existing board of directors of KCL shall remain suspended till reconstitution of the board by the Resolution Applicant/SPV on the Closing Date.
- 9.2.2. On the Closing Date, the board of directors of KCL shall stand reconstituted, wherein all existing directors shall be deemed to have vacated their offices and new directors will be appointed to the board of directors of KCL by the Resolution Applicant/SPV. The new board will be professionally managed by experienced persons.
- 9.2.3. On the Closing Date, the existing statutory and internal auditor of the Company shall be removed and the Company shall appoint statutory and internal auditors of their choice, without any requirement of following the procedure for removal and appointment as set out in the Companies Act.
- 9.2.4. In order to successfully drive the operations, management and development of the Company, a team of experts of relevant field will be appointed who will work under the direct supervision and control of the new management.
- 9.2.5. The profiles of the KMPs and directors who will be appointed to the aforesaid roles for implementing the turnaround plan of the Company have been identified by the Resolution Applicant. Such personnel have been identified based on the following underlying principles:
- (a) Past experience of being engaged within the infrastructure industry in executive, directorial and/or monitoring roles;
  - (b) Projected consistent ability to lead and manage respective teams in previous roles;
  - (c) Demonstrated expertise in executing projects of similar nature from pre-due diligence stage until successful implementation;
  - (d) Appropriate referrals and extensive background checks have been conducted in respect of such personnel.

A brief profile of key officials of Resolution Applicant who will be appointed for development of the Project and revival of the Corporate Debtor is provided in **Annexure 2**.



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**9.3. NO APPROVALS/LIABILITY FOR CHANGE OF CONTROL**

- 9.3.1. Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership / control of KCL shall be deemed to have been granted on the NCLT Approval Date. Nevertheless, where required, after Closing, the Resolution Applicant/ SPV/ Corporate Debtor shall make necessary applications with Governmental Authorities (including GIDC) for registering change in control of the Corporate Debtor from erstwhile shareholders/ management to the SPV/Resolution Applicant.
- 9.3.2. Notwithstanding the terms of the relevant agreements with the suppliers/customers of the Company as the case may be, prior approval of the counter parties shall not be required to be separately obtained for change in control/constitution of the Company pursuant to the terms of the Resolution Plan and the counter parties shall not terminate or take any adverse actions against the Company of such change in control/constitution of the Company. All objections or liabilities of the Company, arising out of noncompliance by the Company for obtaining prior consent for appointment of the Resolution Professional and in respect of the implementation of this Resolution Plan shall stand waived on the NCLT Approval Date.



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## CHAPTER X – TERM, IMPLEMENTATION AND SUPERVISION

### 10.1. TERM OF THE PLAN

The Resolution Plan shall continue till such time the dues of the stakeholders, as specified in Chapter VI (Treatment of Stakeholders) herein are paid.

### 10.2. APPROVALS REQUIRED FOR THE PLAN

#### 10.2.1. NCLT Approval

The Resolution Plan of the Resolution Applicant shall be required to be approved by the Adjudicating Authority under Section 31 of the Code. We cannot predict the time-period within which such approval will be granted.

#### 10.2.2. Companies Act

10.2.2.1. The Resolution Plan provides for preferential allotment of Equity Shares of KCL to Resolution Applicant. Explanation to Section 30 (2) of the Code read with Ministry of Corporate Affairs (MCA) circular dated October 25, 2017 bearing No. IBC/01/2017 provides that there is no requirement of obtaining approval of shareholder/members of a company under insolvency, for a particular action, required in resolution plan, which would have been required under the Companies Act or any other law and such an approval is deemed to have been given once the resolution plan has been approved by the NCLT. In light of the above, no shareholder's approval under Companies Act is required to be obtained by KCL for issue of Equity Shares to Resolution Applicant and the procedure for issuance of shares as set out in Section 62 of Companies Act read with Rule 13 of Share Capital and Debenture Rules, 2014 shall be followed only to the extent relevant and required in light of Explanation to Section 30 (2) of the Code read with MCA Notification.

10.2.2.2. The restructuring of the capital of KCL (as elaborated in Chapter VIII (Change in Shareholding)) may require increase in authorized share capital of KCL and consequent amendment of the constitutional documents i.e., the Memorandum of Association of KCL. Further, since, upon NCLT approval of the Resolution Plan, the registered office of the Corporate Debtor shall be shifted/ changed from "Shantiniketan" 16th Floor, 8, Camac Street, Kolkata, West Bengal – 700 017 to Meghmani House, B/h SafalProfitaire, Corporate Road, Prahladnagar, Ahmedabad, Gujarat – 380 015 consequent amendment to the constitutional documents shall be required. As per Regulation 37 of the CIRP Regulations, the Resolution Plan may provide for amendment of the constitutional documents of the corporate debtor. Accordingly, as an integral part of the Resolution Plan, the amendment of the constitutional documents, including change in registered address and increase in authorized equity share capital of KCL shall be allowed, without any further act, instrument or deed by KCL and without any liability for payment of any fees or stamp duty in respect of such increase

10.2.2.3. On the Closing Date, the Articles of Association of the Company shall be amended and replaced by a new Articles of Association (as provided by the Resolution Applicant). As per Regulation 37 of the CIRP Regulations, the Resolution Plan may provide for amendment of the constitutional documents of the corporate debtor. Accordingly, no



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shareholder or board approval shall be required for such amendment of the Articles of Association.

10.2.2.4. The Resolution Plan provides for a cancellation of entire share capital (held by the promoter group. Section 66 of the Companies Act, read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 provides for reduction of share capital by a company. For this, the company desiring cancellation is required to file an application with NCLT with prescribed documents. The NCLT would approve a cancellation application if (A) shareholders consent has been obtained; (B) creditors interests have been protected (or their consent taken). Since the cancellation of share capital of KCL is contemplated as part of the Resolution Plan and will be approved by the NCLT (acting as Adjudicating Authority under the Code), such cancellation would be binding on the shareholders and creditors of KCL. Further, in light of Explanation to Section 30 (2) of the Code read with the MCA Clarification, shareholders' approval would not be required for cancellation of share capital. Further, as per Regulation 37 of the CIRP Regulations, the Resolution Plan may provide for cancellation of capital of the corporate debtor. Accordingly, the cancellation of the share capital of KCL will be treated as integral part of the Resolution Plan and shall be deemed to have been undertaken on the Closing Date, pursuant to the NCLT Approval Order and no separate order of the NCLT under Section 66 of the Companies Act for cancellation and/or reduction of shareholding of KCL shall be required. Also, there shall be no requirement to add "and reduced" in the name of the Corporate Debtor.

10.2.2.5. The MCA, the NCLT, SEBI and stock exchanges shall permit the extinguishment and delisting of the existing shareholding in the manner contemplated in this Resolution Plan, by exempting compliance with the requirements set out in Companies Act, 2013 (and the rules framed thereunder) and under any other Applicable Laws (including any circulars issued by the SEBI in this regard), with respect to / delisting of shares. It is clarified that no penalties for non-compliances for a period prior to the Closing Date shall be insisted by the MCA, the ROC, SEBI or stock exchanges in respect of any cancellation of existing shares or issuance of new shares or delisting of the shares.

10.2.2.6. Since no separate approval for the capital restructuring is required, time-period for approval is not relevant.

### 10.2.3. Competition Commission of India (CCI)

10.2.3.1. The Competition Act, 2002 (Competition Act) provides for de minimis exemption for the target company. The de minimis exemption is provided by way of revenue and asset thresholds for the target company. Thus, if KCL meets these thresholds, and falls within the de minimis exemption, a pre-merger notification can be excluded.

10.2.3.2. As per the audited financials of KCL, for the financial year ended 31 March 2019, KCL had assets worth approx. INR 268.88 Crore and turnover approx. INR 0.93 Crore. Further, as per the draft financials of KCL, as at 9 August 2020, KCL had assets worth approx. INR 251.88 Crore and NIL turnover. Since KCL's revenue is less than INR 1,000 Crore, the acquisition of KCL would fall within the scope of de minimis exemption and would not require approval from the CCI. Hence, a pre-merger notification under the Competition Act can be ruled out. Since no approval of CCI is required, time-period for approval is not relevant.



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10.2.4. SEBI

10.2.4.1. As an integral part of this Resolution Plan, the Corporate Debtor will undertake steps for delisting its Equity Shares. In this regard, the vide a SEBI notification dated 31 May 2018, Delisting Regulations were amended. As per the same, SEBI has exempted applicability of Delisting Regulations to delisting of equity shares of a listed entity pursuant to a resolution plan approved under Section 31 of the Code, if

- (a) the resolution plan sets out a specific delisting procedure; or
- (b) the resolution plan provides an exit option to existing public shareholders at a price which is higher of the liquidation value (as applied in the order of priority of claims prescribed under Section 53 of the Code) and the exit price being paid to the promoters.

10.2.4.2. Since a specific delisting procedure has been provided and since the liquidation value to the existing public shareholders is NIL, the procedure set out in Delisting Regulations shall not apply. However, an application for delisting would need to be made to SEBI for actual delisting of the Equity Shares of the Company. Such application shall be made within 30(thirty) day of the Effective Date. SEBI and stock exchanges shall permit the delisting of the shares of the Company without insisting on any compliances and without charging any penalties for non-compliances with any SEBI or stock exchange guidelines/ regulations.

10.2.4.3. Approval of GIDC

After the Closing Date, the Resolution Applicant/ SPV/ Corporate Debtor shall make necessary applications with GIDC for registering change in control of the Corporate Debtor from erstwhile shareholders/ management to the SPV/Resolution Applicant. The relevant transfer charges/ transfer premium will be paid to GIDC for such transfer. The Resolution Applicant estimates this to be INR19.50 Crores(Indian RupeesNineteen CroresFifty lakhs) and clarifies that this is over and above the payments to be made to the creditors under this Resolution Plan and payment of CIRP costs and in no way will impact implementation of the plan.

10.3. CONDITIONS FOR IMPLEMENTATION OF THE RESOLUTION PLAN

10.3.1. The implementation of the Resolution Plan is subject to satisfaction of the following conditions (“**Conditions Precedent**”), and the Resolution Applicant shall not be obligated to undertake any of the steps for implementation of this Resolution Plan (or make payments under the Resolution Plan) unless the following Conditions Precedent are satisfied, or waived by the Resolution Applicant:

- (a) the NCLT shall have approved this Resolution Plan in accordance with its terms;
- (b) no injunction or stay being granted to implementation of the Plan in accordance with its terms and no order being passed which requires the Resolution Applicant to pay any amount in excess of the total amounts set out in Chapter VI with respect to implementation of the Resolution Plan.



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10.3.2. The various steps and timelines for implementing the Resolution Plan are set out in Chapter XI (Implementation steps and schedule).

#### 10.4. MONITORING AND SUPERVISION

10.4.1. In order to ensure that the Resolution Plan is implemented in accordance hereof and that the obligations undertaken herein are adhered to in letter and spirit, an appropriate monitoring committee shall be constituted on the NCLT Approval Date (Monitoring Committee), which shall comprise of the Resolution Professional, two representatives as appointed by the Resolution Applicant and two representatives of the Financial Creditors. The Resolution Professional shall act as the Chairman of the Monitoring Committee and shall hold office from the NCLT Approval Date till the Closing Date.

10.4.2. The Monitoring Committee shall convene its first meeting within 7 days of the NCLT Approval Date. All decisions of the Monitoring Committee shall be undertaken with unanimous consent until the Closing Date. After the NCLT Approval Date, the Resolution Professional/ Monitoring Committee shall run the Company in ordinary course, without undertaking or incurring any liabilities on behalf of the Company (except liabilities arising in ordinary course).

10.4.3. The Monitoring Committee, so appointed, shall have inter alia the following roles and responsibilities:

- (a) To supervise the implementation of the Resolution Plan and ensure that the Resolution Plan is implemented as approved without any deviations;
- (b) To ensure timely disbursement of funds to the stakeholders, as per the payment terms set out herein;
- (c) To ensure that approvals, to the extent required for implementation of the Resolution Plan, are applied for and obtained in a timely manner.
- (d) To bring to the notice of Adjudicating Authority, any deviations/violations, of the Resolution Plan, by any person;
- (e) To provide regular updates to the Adjudicating Authority, as and when required; and
- (f) Control and management of the Company from NCLT Approval Date till the Closing Date.

10.4.4. On and after the Closing Date, the role/ responsibility of the Monitoring Committee shall be limited to supervise the payments to be made to Financial Creditors, Operational Creditors and Other Creditors as stipulated under the Resolution Plan and for implementation of the Resolution Plan. On and from the Closing Date, the reconstituted Board of Resolution Applicant shall control and manage the Company.

10.4.5. The Resolution Applicant and Financial Creditors shall reserve the right to change their nominees to the aforesaid Monitoring Committee, if required for better and effective management of the assets, subject to consent from Financial Creditors.



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- 10.4.6. For facilitating the implementation of the Resolution Plan and for purpose of control and management of the Company from the NCLT Approval Date till the Closing Date, the Monitoring Committee shall have the powers and functions of a board of directors (including as per the Companies Act, 2013). Therefore, the Monitoring Committee shall be entitled to undertake corporate actions/ pass resolutions in connection with any step required for implementation of the Resolution Plan.
- 10.4.7. The payment terms for payment to the Resolution Professional (to continue as part of the Monitoring Committee after the NCLT Approval Date till the Closing Date) shall be agreed mutually between the Resolution Applicant and the Resolution Professional prior to the NCLT Approval Date. No amounts shall be paid to the other members of the Monitoring Committee.
- 10.4.8. Any amount incurred by the Monitoring Committee (including any legal costs which have arisen or may arise out of or in connection with the Monitoring Committee) shall be met out of the accruals of the Company and to the extent the internal accruals are not sufficient to meet the aforesaid costs and expenses, the same shall be paid by the Resolution Applicant.



✓ - A. P. J.

**CHAPTER XI – IMPLEMENTATION STEPS AND SCHEDULE**

The Resolution Plan shall be implemented in the following manner, as per the timelines stated below.

Steps	Activity	Indicative Time Line
1.	Formation of SPV by the Resolution Applicant	Before X
2.	NCLT Approval Date	X
3.	Monitoring Committee comes into force	X
4.	Application made to stock exchanges and SEBI in respect of delisting of shares of the Company	X+30
5.	Public announcement for delisting	X+30
6.	Capitalisation of SPV by the Resolution Applicant	X + 30days (Closing Date)
7.	Infusion of debt and equity by the Resolution Applicant and SPV into KCL	X + 30 days (Closing Date)
8.	Return of PBG by the beneficiary	X + 30 days (Closing Date)
9.	Board Reconstitution: (a) Automatic Vacation of Office by the existing directors (b) Automatic appointment of directors nominated by the Resolution Applicant	X + 30 days (Closing Date)
10.	Capital restructuring: (a) Extinguishment of existing shareholding of the Company (b) Issuance of Equity Shares to the Resolution Applicant against the share capital of the Company	X + 30 days (Closing Date)
11.	Payment of outstanding CIRP Costs	X + 30 days (Closing Date)
12.	Payment to Operational Creditors (Workmen and Employees)	X + 30 days (Closing Date)
13.	Payment to Operational Creditors (other than Workmen and Employees)	X + 30 days (Closing Date)
14.	Payment to Other Creditors	X + 30 days (Closing Date)
15.	Payment to Financial Creditors	X + 30 days (Closing Date)
16.	Financial Creditors to issue No-Dues Certificate and handover charge satisfaction forms and title documents for the Underlying Company Security	Within X + 30 days (Closing Date)
17.	Delisting clarification/ approval	X+ 60 days

*Disclaimer: The above steps are broad in nature and do not include minutiae involved in implementation of these steps. These steps may be carried out simultaneously or in any other order as deemed fit by the Resolution Applicant / Monitoring Committee/ any other concerned*



*Handwritten signature: A-Peter*

*party. Further, the timelines are merely indicative in nature and shall not in any manner create a binding obligation on any party to take any of the aforesaid steps within the timelines provided thereto. In case of any inconsistency between the aforesaid table and the contents of the Resolution Plan, the provisions of the Plan shall prevail for all purposes and effect.*



*V. A. P. J.*

## CHAPTER XII – RELIEFS AND CONCESSIONS

### 12.1. RELIEFS AND CONCESSIONS

The Resolution Applicant requests the Adjudicating Authority for the reliefs and concessions set out below for the successful implementation of the Resolution Plan. By approving this Resolution Plan, the Adjudicating Authority shall approve the waivers, reliefs and concessions listed below:

- (a) Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation, including an increase of authorised capital and issuance of Equity Shares to Resolution Applicant.
- (b) KCL and the Resolution Applicant shall be granted an exemption from all taxes, levies, fees, transfer charges (except to GIDC), transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable.
- (c) The Resolution Applicant except for the payment mentioned in Annexure 4 shall not be liable to pay any Taxes (direct or indirect) whatsoever arising (directly or indirectly on such entity) as a result of the actions taken by the Corporate Debtor prior to the Closing Date. It may also be clarified that any Tax liabilities pertaining to any period or action prior to the Effective Date, whether assessed or unassessed, whether crystallized or not crystallized by any of the relevant Government Authority shall be deemed to have been extinguished and written off on the NCLT Approval date.
- (d) Waiver of any income-tax and Minimum Alternate Tax (MAT) liability or consequences (including interest, fine, penalty, etc) on KCL, Resolution Applicant and its shareholders, including but not limited to waiver from applicability of Section 50CA and liabilities, if any, arising on account of Section 41 (1), Section 56, , Section 28, Section 115JB and of the Income-tax Act, 1961, arising as a result of giving effect to all the steps as proposed in the Resolution Plan without any impact on brought forward tax and book loss / depreciation, pursuant to this Resolution Plan.
- (e) Any requirements to obtain reliefs / exemptions / waivers from any Tax Authorities including in terms of Sections 170 and 281 of the Income-tax Act is deemed to have granted upon approval of this Resolution Plan on the NCLT Approval Date.

*It is understood that the concessions, waivers and exemptions asked above are an integral part of the Resolution Plan. Hence if any of these waivers and exemptions are not granted and/or rejected, the same will have an adverse impact on the business condition of KCL, its stakeholders and inter alia may result in failure of the Resolution Plan to resolve insolvency.*

*However, it is understood that the same are discretionary reliefs/concessions and hence the grant of such concessions, waivers and exemptions are not a condition to the implementation of the plan. Provided that unless a relief/concession is specifically*



*19. A. P. J.*

*denied or rejected by the Adjudicating Authority, the same shall be deemed to have been granted.*

*It is hereby clarified that any benefit /relief/concession/approval/continuation/exemptions/availmentetc sought in the Resolution Plan is/are subject to applicable laws/act and judicial pronouncement/s.*



*V. A. Patel*

### CHAPTER XIII- MISCELLANEOUS

#### 13.1. Governing law

The terms of this Resolution Plan shall be governed by and construed in accordance with the laws of India.

#### 13.2. Eligibility

As on the date of submission of this Resolution Plan, the Resolution Applicant and its Connected Persons are not, and till the Effective Date the Resolution Applicant will not be, disqualified from submitting a Resolution Plan under Section 29A and other provisions of the Code.

Hence, the undertaking submitted by the Resolution Applicant under Section 29A of the Code, continues to be true and correct as of the date of this and will continue to be true and correct as of the Effective Date.

#### 13.3. Accounting Standards

On and after the Effective Date, the Resolution Applicant shall be permitted to draw up the financial statements of the Company, for a period ending on the Effective Date (or any date closest to that date as may be practicable) in compliance with applicable accounting standards such that it truly reflects the claims verified and the realisable, fair value of the assets as may be determined by the board of directors of the Company. For this purpose, Company shall be permitted to carry out necessary write off of assets, creation of additional liability or expenses or write back of liability or provision (as the case may be) in the books of accounts of Company.

Pursuant to the NCLT Approval Order, any debit or credit, being the balancing figure, arising as a result of giving effect to the Resolution Plan, shall be adjusted by the Company directly in the capital reserve account.

#### 13.4. Section 79 (If Applicable)

Any requirements to obtain waivers from any Tax Authorities including affording a reasonable opportunity of being heard to Jurisdictional Principal Commissioner in terms of Section 79 of the Income Tax Act, 1961 shall be deemed to have been granted upon approval of this Resolution Plan on the NCLT Approval Date.

#### 13.5. Compliance

The Resolution Plan is feasible and viable in accordance with Section 30(4) of the IBC, 2016 and Regulation 38(3) of the CIRP Regulations. The Resolution Plan submitted by the Resolution Applicant does not violate any provisions of law for the time being in force. Further, neither the Resolution Applicant(s) nor any of its related parties have failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past under the Code. Further the Resolution Plan has included all the mandatory provisions prescribed in the Code and relevant Regulations as amended from time to time.



*A. P. K.*



**13.6. Rejection of the Plan**

If any Relevant Judicial Authority rejects or sets aside the Resolution Plan, then the payments/deposits, if any, already made under the Resolution Plan and all performance guarantees/ security provided by the Resolution Applicant shall be returned to the Resolution Applicant without any delay or demure and no liability shall lie on the Resolution Applicant subject to any order passed by Relevant Judicial Authority.

**13.7. Effective Date**

The obligations of the Resolution Applicant under the Resolution Plan shall come into effect only on the NCLT Approval Date. Nothing in this Resolution Plan shall be deemed to impose any obligation on the Resolution Applicant or the SPV to undertake any step or make any payment to any creditor prior to the NCLT Approval Date.

**13.8. Assignment by Creditors**

If at any time before the NCLT Approval Date, any creditor transfers/assigns its loans/debts to any other person or third party, such assignee/ transferee shall be bound by the terms of this Resolution Plan.

**13.9. Severability**

In the event it is determined that any provisions of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the Resolution Applicant may apply to the Adjudicating Authority for appropriate modification of such provisions of the Resolution Plan, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective unless it prejudices the Resolution Applicant or alters a key term of the Resolution Plan or unless otherwise directed by the Adjudicating Authority.

**13.10. Standstill**

After the approval of the Resolution Plan by the Committee of Creditors but before the constitution of the Monitoring Committee, the Resolution Professional and the Committee of Creditors shall not, without consulting with the Resolution Applicant, take any action or decision which is outside the ordinary course of business.

**13.11. Indemnity**

The Resolution Applicant undertakes to indemnify the Committee of Creditors, Resolution Professional and Resolution Professional's advisors, if any, for any liability that may arise with respect to the business of the Corporate Debtor or the assets of the Corporate Debtor after approval of Resolution Plan by the NCLT for all acts done in good faith. The said undertaking/indemnity will survive the CIRP period.



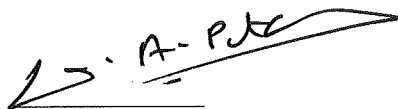
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**13.12. Confidentiality**

13.12.1. This Resolution Plan is confidential, and the Resolution Professional, the Committee of Creditors, the Company, and their respective Affiliates, directors, officers, workmen, employees, agents, advisers and representatives shall not, without our prior written consent, make any disclosure of any information pertaining to this Resolution Plan, or the Resolution Applicant, or any information which is provided by us or our representatives, to any person (except to their own representatives, who shall maintain confidentiality with respect to any such information), except where such disclosure or announcement is required under Applicable Law or are made to their advisors / consultants, and prior written notice thereof has been provided to us.

13.12.2. Until the date of passing of any order by the NCLT with respect to this Resolution Plan, the Resolution Applicant shall not disclose any information pertaining to this Plan or the Company and its affairs or any information which is provided to them by the Resolution Professional, except where such disclosure or announcement is required under Applicable Law, or when such disclosures is made to their advisors, lenders and consultants.

Signed for and on behalf of Resolution Applicant



Name: DARSHAN PATEL  
Designation: Authorised Signatory  
Date: 17.05.2021



ANNEXURE 1

A. CREDIT RATING CERTIFICATE FOR LAST 3 YEARS OF MEGHMANI ORGANICS LTD.

B. In principal approval received from the following banks as an evidence of funding/ monies available to fund the resolution plan as required under point no 12 of Appendix 2 of RFRP.

Sr. No	Name of the bank	Facility-Term Loan	Facility-Working Capital
1	SBI	275 Cr	75 Cr
2	Axis Bank	275 Cr	75 Cr
3	ICICI Bank	275 Cr	--
4	HDFC Bank	275 Cr	--



✓ A. Patel

**ANNEXURE 2**  
**DETAILS OF KMPs TO BE APPOINTED**

The turnaround of business will be led by a team of experts comprising multi-disciplinary professionals as under:

1. **Mr. Anand Patel, Executive Director:** He has 28 years of experience in pigments manufacturing and marketing. He has a BSc degree. Under his supervision company has grown from one plant of 2000 TPA to three plants with combined capacity of 33,180 TPA.
2. **Mr. Darshan Patel COO (Pigments) MOL:** M.S. (Engineering Management) from Australia. He currently heads the pigments business at MOL and has 7 years of experience in manufacturing and marketing of Pigments.
3. **SukhdevChunilalDamani (Senior Advisor):** He is a chemical engineer who has been associated with pigment industries for the last 25 years. Prior to that he had worked for 20 years with metallic inorganic industries. He has been a key technical person in setting up of CPC Blue / Green / Yellow / Violet pigment plants in Vatva (Ahmedabad), Panoli and Dahej of MOL, right from conceptualisation stage to commissioning stage. He has profound experience in operational trouble shooting and cost optimisation.
4. **Thakorbhaisomabhai Patel (Head, Dahej Pigment Plant):** He is a chemical engineer with Post Graduate Diploma in Business Management. He works as Unit head in MOL's pigment division of Dahej plant for the last 7 years and successfully increased the plant capacity utilisation and optimised the consumption norms. Prior to that he worked for 33 years in organic industries like Ashok Organics, Manish Organics, Star Oxochem.
5. **SatishMadhavlalShukla (Head, Vatva Pigment Plant):** He is a science graduate in Chemistry with Post Graduate Diploma in Industrial Safety. He works as Unit head in our pigment division of Vatva (Ahmedabad) since the last 19 years. Prior to that he had worked for 24 years in Atul Limited and Metrochem. He has immense experience in handling of various organic chemicals with respect to safety and environment compliance.
6. **Abhaykumar Sharma (Head, Panoli Pigment Plant):** A chemical engineer with Post Graduate Diploma in Business Management. He works as a Unit head in our pigment division of Panoli plant. His analytical ability has helped in successful execution of various debottlenecking exercise and thereby reduce the operation cost. Prior to that he worked with Deepak Nitrite, Rallies India, Bharat Rasayan, Panoli Intermediates and GSP Crop Science as unit head for 20 years.

The proposed management team of KCL post acquisition shall be as follows:

Board of Directors		
1	Jayanti Patel	Executive Chairman
2	Ashish Soparkar	Managing Director
3	Natwarlal Patel	Managing Director
4	Ramesh Patel	Executive Director
5	Anand Patel	Executive Director



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<b>KMPs</b>		
1	Darshan Patel	CEO
2	G S Chahal	CFO
3	K D Mehta	CS
<b>Operations Team</b>		
1	Mr. Abhay Sharma	Operations Head
2	K N Mehta	Head Projects/ Commercial
3	S C Dhamani	Head Technical
4	Vikram Singh Mihida	Head HR
5	Sunil Dasilva	Head Marketing



*19-A-Pat*

ANNEXURE 3

FORMAT OF NO DUES CERTIFICATE

(On the Letterhead of the Financial Creditor)

Date: [●]

To,  
KCL Limited (KCL)  
[insert address]

Attention: [●]

Dear Sir,

**Sub: No-Dues Certificate pursuant to the Resolution Plan**

We refer to the resolution plan dated [●], 2020 (**Resolution Plan**) of Meghmani Organics Limited (**Resolution Applicant**), in relation to the corporate insolvency resolution process of KCL, as approved by the National Company Law Tribunal, Mumbai Bench under Section 31(1) of the Code by way of its order dated [●] (**NCLT Order**).

Capitalized terms used herein but not defined shall have the meaning set out in NCLT Order.

We are one of the Financial Creditors of KCL and hereby confirm that:

1. We have been paid our pro-rata share in the FC Payment as provide in the Resolution Plan.
2. Our debt towards the KCL has been settled/ satisfied and no debt or payment is due or outstanding, as of date hereof, from the Company to us.
3. This certificate may be filed with the relevant government authorities including the Sub-Registrar of Assurances, the Ministry of Corporate Affairs and the Registrar of Companies for such purposes.
4. We hereby return all documents and title deeds relating to the Underlying Company Security and shall undertake such steps as may be required by the Resolution Applicant, without any further payment, to ensure the satisfaction/ discharge of Underlying Company Security.

Thanking you.

For and on behalf of [please insert name of Financial Creditor]

\_\_\_\_\_  
Name of authorized signatory: [●]

Designation: [●]

With a copy:

1. [●]



*Handwritten signature: A. Patel*

**ANNEXURE 4**  
**CERTAIN OTHER UNVERIFIED LIABILITIES**

S. No.	Party	Estimated Amount (INR)	Year Originatio n	Foru m	Current status	Settlement Amount (in INR)
1	Income Tax Authority	20,95,00,000	2012-13	ITAT	Related to LTCG on sale of old unit at Tuticorin.	75,000
2	Income Tax Authority	2,40,48,843	2006-07		Issue related to 10% additional depreciation allowance on wind mill related to old unit at Tuticorin.  Appeal filed by department. Last hearing date fixed was 15.06.2020 which was adjourned to 29.07.2020 but the related bench was not functional on the said date. Next date not yet known.	75,000
3	Income Tax Authority	53,43,330	2013-14	CIT (A)	Related to restriction on allowance under Section 80-IA	75,000
4	Income Tax Authority	8,50,920	2014-15	CIT (A)	Related to restriction on allowance under Section 80-IA	75,000
5	TDS	13,30,750	Q4 of 2019	Show cause notice	Not Known	75,000
6	GST - Assistant Commissioner	10,16,890			Order passed on 26 August 2020 (wrong availment of CENVAT credit)	75,000
7	Central GST and Central Excise	64,83,707			Order passed on 24 November 2020 (wrong availment of CENVAT credit)	75,000
8	EPFO	Not provided	October 2018 to June 2019	Show cause notice	Not Known	75,000

The aforesaid amounts shall be paid to the claimant within 30 days of verification of identity and bank account and other details of the claimant.



*15-A-2020*

ANNEXURE-1RESOLUTION PLANCOMPANY NAME: MEGHMANI ORGANICS LIMITEDSOURCES OF FUNDS

<b>Application of Funds</b>	<b>Sources of Funds</b>
<b>Insolvency Resolution Process Cost</b>	<b>1. Internal accruals ~INR 120.54crore.</b>  a. Liquid Mutual Funds: Axis Mutual Fund – INR 48.10 crore, LIC Mutual Fund INR 51.34 crore and SBI Mutual Fund INR 3.0 crore  b. Fixed Deposit (ICICI Bank): INR 18.10 crore  <b>2. Sanctioned unsecured term-loan of INR 50 crore from ICICI bank specifically to be utilized for the resolution plan of Kilburn Chemicals Limited under NCLT.</b>  <b>3. In-principal approval received for term-loan of INR 275 crore from SBI, HDFC Bank, Axis Bank and ICICI Bank and for working capital loan of INR 75 crore from SBI and Axis Bank.</b>
<b>Payment to operational Creditors</b>	
<b>Payment towards Workmen/Employees</b>	
<b>Payment to dissenting Financial Creditors</b>	
<b>Upfront payment to approving financial Creditors</b>	
<b>Deferred Payment to Financial Creditors</b>	<b>Not Applicable</b>
<b>Capex&amp; Working Capital</b>	<b>1. Sanctioned unsecured term-loan of INR 50 crore from ICICI bank specifically to be utilized for the resolution plan of Kilburn Chemicals Limited under NCLT.</b>  <b>2. In-principal approval received for term-loan of INR 275 crore from SBI, HDFC Bank, Axis Bank and ICICI Bank and for working capital loan of INR 75 crore from SBI and Axis Bank.</b>



25. A. P. K.