

**RAMAKRISHNAN SADASIVAN**

B.COM., F.C.A., A.C.M.A, D.I.S.A. (ICA), RV-SFA

LIQUIDATOR

IBBI REGN NO: IBBI/IPA-001/IP-P00108/2017-18/10215

13-01-2022

<b>National Stock Exchange Ltd</b> Exchange Plaza C-1, Block G Bandra Kurla Complex Bandra (E) Mumbai - 400 051	<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001
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Sir,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements Regulations 2015**

**Ref: THIRU AROORAN SUGARS LTD - Security Name / Code - THIRUSUGAR / 507450**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform you that the Chennai Bench of the National Company Law Tribunal (NCLT), vide its order dated December 24, 2021, against the Application No. CA(CAA)/113(Che)/2021, filed by the undersigned, has directed to convene a "Stakeholders Committee Meeting" of M/s. Thiru Arooran Sugars Ltd, Company under Liquidation (TASL-CUL), for the purpose of considering, and if thought fit, approving with or without modifications the Scheme of Compromise Arrangement proposed by M/s. KALS DISTILLERIES PRIVATE LIMITED, with the stakeholders/ creditors of TASL-CUL. Pursuant to the aforesaid Order, we wish to inform you that the Stakeholders Committee Meeting is scheduled to be convened on Monday, 7<sup>th</sup> February 2022 at 4.30 P.M. Copy of the following documents related to the aforesaid meeting are enclosed:

1. NCLT Order on Stakeholders Committee Meeting
2. Notice for the Meeting to be held on 7<sup>th</sup> February, 2022
3. Copy of the Scheme Submitted by KALS Distilleries Private Limited
4. Form CAA 2

Kindly take the above notice on record.

Thanking you,

Yours faithfully

For THIRU AROORAN SUGARS LTD

*R. Sadasivan*



**RAMAKRISHNAN SADASIVAN**  
**LIQUIDATOR OF THIRU AROORAN SUGARS LTD**  
**REG. NO. IBBI/IPA-001/IP-P00108/2017-18/10215**

Encl: As above

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH – II, CHENNAI**

**CA(CAA)/113(CHE)/2021**

**in**

**IBA/243/2019**

(filed under Section 230(1) and Section 66 of the Companies Act, 2013  
r/w applicable provisions of the I&B Code, 2016, its related Regulations,  
2016 and Rule 11 of NCLT Rules, 2016)

In the matter of **M/s. Thiru Arooran Sugars Limited**

**Ramakrishnan Sadasivan**

Liquidator of  
M/s. Thiru Arooran Sugars Limited  
Old No. 22, New No. 28,  
Menod Street, Purasawalkam,  
Chennai – 600 007

... Applicant

*Order Pronounced on 24<sup>th</sup> December 2021*

CORAM

**Justice (Retd.) S.RAMATHILAGAM, MEMBER (JUDICIAL)**  
**ANIL KUMAR B, MEMBER (TECHNICAL)**

For Applicant : B. Dhanaraj, *Advocate*

ORDER


**Per: Justice (Retd.) S.RAMATHILAGAM,  
MEMBER (JUDICIAL)**

CA(CAA)/113(Che)/2021 is an Application filed by the  
Liquidator of M/s. Thiru Arooran Sugars Limited, being the  
Company Under Liquidation, under Section 230 of the Companies  
Act, 2013 read with the Insolvency and Bankruptcy Code, 2016  
seeking the reliefs as extracted below: -

- a) Direct the Creditors and all other Stakeholders being  
Secured Financial Creditors, Unsecured Financial  
Creditors, Operational Creditors and other Operational

Creditors; be represented in the same manner as stipulated in Paragraph No.22 of this Application;

- b) Permit the Applicant/ Liquidator to cause paper publication of Notice for conducting meetings in Newspapers in English and vernacular language in Chennai Edition;
- c) Permit the Applicant to convene the meeting of Creditors/ stakeholders of the Corporate Debtor by video conference/electronically with 15 days notice.
- d) Permit the Applicant/Liquidator to call for a meeting through Video Conference and E-voting.
- e) Direct the Applicant/Liquidator to take notices to the authorities contemplated under Section 230(5) of the Companies Act, 2013.
- f) Dispense with calling for a meeting of the Shareholders of the Corporate Debtor.
- g) Pass any other Order/Directions which are necessary to empower the Applicant /Liquidator to discharge his functions effectively.
- h) Pass such further or other orders as may be deemed fit and proper in the facts and circumstances of the case and thus render justice.

2. The Corporate Insolvency Resolution Process (*hereinafter referred to as "CIRP"*) of the Corporate Debtor/Company under Liquidation was initiated by this Tribunal on 07.06.2019 based on an Application filed the Financial Creditor in IBA/243/2019. Since no viable Resolution Plan in relation to the Corporate Debtor was forthcoming, the Company was ordered for Liquidation by this Tribunal on 08.04.2021 in IA/1186/IB/2020. 

3. In pursuance of the Liquidation Order, the Applicant herein caused Public Announcement informing commencement of Liquidation of the Corporate Debtor and calling for claims was published in Form-B on 12.04.2021 in English Daily "The Hindu" and Tami Daily "Dinamalar" in Chennai, Thiruvarur, Thanjavur and Cuddalore Edition and fixed the last date for submission of claims on 08.05.2021.
4. The Applicant has submitted that the Stakeholders Consultation Committee ("SCC") was constituted on 30.06.2021 and that, due to the sudden rise in the cases of Phase II of COVID-19, the Applicant received various claims beyond the prescribed due date and the same were collated, verified and admitted by him totalling 14,727 claims. The Preliminary Report dated 28.06.2021, Asset Memorandum dated 28.06.2021 and List of Stakeholders dated 30.06.2021 were filed before this Tribunal.
5. Upon filing the List of stakeholders before this Tribunal, the Applicant/Liquidator made a public announcement on 07.07.2021 by causing paper publication in English Daily "The Hindu" and Tamil Daily "Dinasuryan" and further uploaded the List of Stakeholders in the website of the Corporate Debtor.
6. The Applicant states that in view of complete lockdown and various restrictions imposed by the State of Tamil Nadu due to



COVID-19 phase-II, the inspection and factory visits of manufacturing units of the Corporate Debtor i.e., Thirumandangudi Unit and Chittur Unit got delayed and the same was resulted in procuring time for compilation of information for the purpose of issue of Expression of Interest ("EOI") for Compromise and Arrangement under Section 230 of the Companies Act, 2013 per Regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("IBBI(LP)Regulations, 2016").

7. The Applicant/ Liquidator had filed an Application bearing No. IA(IBC)/816(CHE)/2021 seeking exclusion of 43 days of COVID-19 Lockdown period from 10.05.2021 till 21.06.2021 from the computation of the lockdown Period and correspondingly extend the Liquidation Period from 09.04.2022 to 22.05.2022. The same was granted by this Tribunal vide Order dated 27.09.2021.

8. In response to the EoI, the Applicant/Liquidator received two Interested Parties namely (1) M/s. KALS Distilleries Pvt. Ltd (hereinafter "KALS") and (2) M/s. Agniti Industrial Parks Pvt. Ltd. along with M/s. Meridian Global Ventures Pvt. Ltd. which was later replaced solely by M/s. Meridian Global Ventures Pvt. Ltd. (hereinafter "MGVPL"), for submitting a Composite Scheme of



Compromise and Arrangement ("Scheme") under Section 230-232 of the Companies Act, 2013.

9. The Applicant/Liquidator further submits that KALS submitted their EoI on 13.08.2021, which was the last date fixed for EoI, and further on 13.10.2021 submitted a Final Composite Scheme of Compromise and Arrangement under Section 230 of companies Act, 2013

10. The Learned Counsel for the Liquidator submitted that in respect to the meeting of the Shareholders of the Corporate Debtor is concerned, this Tribunal vide Order dated 14.10.2019 in MA/1030/2019 in CP/698/IB/CB/2019 in the matter of M/s. Frontier Lifeline Pvt. Ltd. observed as follows:

*"3. Looking at the reliefs sought by the Applicant, once Company Petition is admitted for CIRP Process, the CoC being the ultimate authority to take call in respect to the management and affairs of the Corporate Debtor, we believe that the Shareholders will not come into picture to take a call in respect of the affairs of the Corporate Debtor because, especially in this case, the liabilities of the debtor company are more than the liquidation value of the company. We do not therefore think the shareholders of this Corporate Debtor are left with any economic interest in the Corporate Debtor."*

11. The Applicant/Liquidator, taking into account the above position of law, has proposed the basis on which each class of



members or creditors has been identified for the purpose of convening the meeting of the Corporate Debtor.

12. The Applicant states that as per Section 53 of the I&B Code, 2016, the Farmers being categorised as Operational Creditors may not receive any amount of distribution if in case, the regular auction sale is opted rather than preferring a scheme, as the realisation proceeds may not even suffice the amount outstanding to Financial Creditors. This was the main reason for opting for issuance of EoI for inviting Scheme of arrangement under Section 230-232 of the Companies Act, 2013.

13. The Applicant/ Liquidator states that this Scheme of Compromise and Arrangement of M/s. Thiru Arooran Sugars Limited (in Liquidation) proposes the settlement and payment of dues of all the Creditors of the Company. The Scheme also proposes reconstruction of capital, reduction of share capital and infusion of fresh equity share capital pursuant to Section 230 read with Section 66 and relevant provisions of the Companies Act, 2013.

14. While considering the Scheme placed by a Liquidator appointed under the provisions of IBC, 2016 in relation to a Company under Liquidation under Section 230 of the Companies Act, 2013, this Bench of the Tribunal had an occasion to consider, in the matter of **S. Dhanpal vs. Indian Overseas Bank and 4**

**Ors.** in CA/1266/2019 elaborately the procedure to be followed taking into consideration the dictum of the Hon'ble NCLAT laid down in *Company Appeal (AT)(Insolvency) No.224 of 2018* and an another connected appeal following its own decision rendered in **S. C. Sekaran v. Amit Gupta & Ors, Company Appeal (AT) (Insolvency) Nos.495 & 496 of 2018** and since being apposite to the present instance the relevant portion alone is reproduced as under:-

In, "**S. C. Sekaran v. Amit Gupta & Ors.** Company Appeal (AT) (Insolvency) Nos. 495 & 496 of 2018, holding as follows;

8. In view of the provision of Section 230 and the decision of the Hon'ble Supreme Court in 'Meghal Homes Pvt. Ltd.' and 'Swiss Ribbons Pvt. Ltd.,' we direct the 'Liquidator' to proceed in accordance with law. He will verify claims of all the creditors; take into custody and control of all the assets, property, effects and actionable claims of the 'corporate debtor', carry on the business of the 'corporate debtor' for its beneficial liquidation etc., as prescribed under Section 35 of the I&B Code. The Liquidator will access information under Section 33 and will consolidate the claim under Section 38 and after verification of claim in terms of Section 39 will either admit or reject the claim, as required under Section 40. Before taking steps to sell the assets of the 'corporate debtor(s)' (companies herein), the Liquidator will take steps in terms of Section 230 of the Companies Act, 2013. The Adjudicating Authority, if so required, will pass appropriate order. Only on failure of revival, the Adjudicating Authority and the Liquidator will first proceed with the sale of company's assets wholly and thereafter, if not possible to sell the company in part and in accordance with law."

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18. During proceeding under Section 230, if any, objection is raised, it is open to the Adjudicating Authority (National Company Law Tribunal) which has power to pass order under Section 230 to overrule the objections, if the arrangement and scheme is beneficial for revival of the 'Corporate Debtor' (Company). While passing such order, the Adjudicating Authority is to play dual role, one as the Adjudicating Authority in the matter of liquidation and other as a Tribunal for passing order under Section 230 of the Companies Act, 2013. As the liquidation so taken up under the 'I&B Code', the arrangement of scheme should be in consonance with the statement and object of the 'I&B Code'. Meaning thereby, the scheme must ensure maximisation of the assets of the 'Corporate Debtor' and balance the stakeholders such as, the 'Financial Creditors', 'Operational Creditors', 'Secured Creditors' and 'Unsecured Creditors' without any discrimination. Before approval of an arrangement or Scheme, the Adjudicating Authority (National Company Law Tribunal) should follow the same principle and should allow the 'Liquidator' to constitute a 'Committee of Creditors' for its opinion to find out whether the arrangement of Scheme is viable, feasible and having appropriate financial matrix. It will be open for the Adjudicating Authority as a Tribunal to approve the arrangement or Scheme in spite of some irrelevant objections as may be raised by one or other creditor or member keeping in mind the object of the Insolvency and Bankruptcy Code, 2016.

19. In view of the observations aforesaid, we hold that the liquidator is required to act in terms of the aforesaid directions of the Appellate Tribunal and take steps under Section 230 of the Companies Act. If the members or the 'Corporate Debtor' or the 'creditors' or a class of creditors like 'Financial Creditor' or 'Operational Creditor' approach the company through the liquidator for compromise or arrangement by making proposal of payment to all the creditor(s), the Liquidator on behalf of the company will move an application under Section 230 of the Companies Act, 2013 before the Adjudicating Authority i.e., National Company Law Tribunal, Chennai Bench, in terms of


the observations as made in above. On failure, as observed above, steps should be taken for outright sale of the 'Corporate Debtor' so as to enable the employees to continue."

15. Taking the lead from the above judgments of the Hon'ble NCLAT as to how the Liquidator appointed under IBC, 2016 and thereafter, this Tribunal is required to consider the Scheme if placed before it effectively intertwining the two Acts, namely IBC, 2016 on the one hand and Companies Act, 2013, this Tribunal in S. Dhanpal's case in CA/1266/2019 chose to give a direction in relation to calling, convening and holding of the meeting of the stakeholders. However in the said case, namely CA/1266/2019 it must be noted two different Schemes were placed by the Liquidator and in the circumstances provision was made in the order itself as to the manner in which, in case a tie arises in voting, for resolving it. In the instant case, this Tribunal is not encountered with such a situation and the only Scheme which is up for consideration is that of KALS Distilleries Pvt. Ltd.

16. In the circumstances we are inclined to issue directions for convening the meetings of the stakeholders comprising of Secured Creditors, Unsecured Creditors and other creditors and Members as was done in the decision of this Tribunal rendered in the matter of **S. Dhanpal's case** in CA/1266/2019 dated 13.03.2020, however suitably modified to suit the present instance taking into

consideration the facts and circumstances of the case, as was done by this Tribunal while issuing directions for consideration of the Scheme under Section 230 of the Companies Act, 2013 in relation to the shareholders in the matter of **V. Mahesh, Liquidator of M/s. Nagarjuna Oil Corporation Ltd. -Vs- Haldia Petrochemicals Ltd. & 22 Ors** in CA/216/2020 dated 20.08.2020.

17. The Liquidator of the Company under liquidation shall place the Scheme of the Scheme Proponents before the Stakeholders at their meeting to be called, convened and held as follows:-

- (a) In view of the wide powers vested with this Tribunal under Section 230 of the Companies Act, 2013, however, without being bogged down by the procedural rigmarole as prescribed therein for approval of a Scheme of Compromise or Arrangement including by way of Amalgamation and at the same time however, not ignoring the views and voting of the respective stakeholders in relation to the Scheme to be placed before them, be it a secured creditor, unsecured creditors, Operational Creditors or the members of the Company in Liquidation, the Liquidator is directed to constitute a Stakeholders Committee in terms of Regulation 31A of IBBI (Liquidation Process) Regulations, 2016 as prevalent on the date of liquidation for the consideration of the Scheme and voting thereon. 

- (b) However, the said Regulation shall not apply *mutatis mutandis* as the following exceptions are required to be made taking into consideration the fact that even though the company is in liquidation, since a Scheme is under contemplation as envisaged under Rule 2B of IBBI (Liquidation Process) Regulations, 2016 and in view of the absence of substantive provisions or rules or regulations, save the judicial precedent for consideration of the Scheme without any commensurate procedure prescribed and primacy of Secured Creditors is required to be maintained as the process as such is kept in abeyance as discussed in paragraph 19 of **S. Dhanapal's case** cited as above.
- (c) Save the individual secured financial creditors, all the other stakeholders, be it financial creditors forming part of promoters or otherwise, the respective group of operational creditors, namely employees, statutory dues and other operational creditors and shareholders' shall be represented only by their respective Authorized Representative (AR) to be chosen for each class in the manner as contemplated under sub-section (6) and sub-section (6A) of Section 21 of IBC, 2016 read with Regulation 4A and Regulation 16A of IRPCP Regulations, 2016 as applicable during the CIRP of a Corporate Debtor. The exercise



shall be completed by the Liquidator within a period of 15 days from the date of this Order.

- (d) Immediately after the AR is chosen by the respective group, Stakeholders Committee Meeting shall be convened by the Liquidator within 45 days thereof not exceeding 60 days from the date of this Order wherein the Secured Financial Creditors will be entitled to participate and vote on individual basis and other stakeholders to be represented only by their respective Authorized Representatives and the voting shall be done similar to the one contemplated for the approval of a Resolution Plan under IBC, 2016 read with attendant regulations after proper circulation of notice to the individual stakeholders at their last known e-mail address along with a synopsis of the Scheme as proposed by the 3<sup>rd</sup> Respondent. The notice of the meeting shall be issued to the Stakeholders at least not less than 30 days prior to the date fixed for the meeting.
- (e) The Liquidator is directed to cause publication of notice in "Times of India" (English, All India Edition) and in "Daily Thanthi" (Tamil, Chennai Edition) within 7 days from the date of this order.
- (f) The voting share shall be determined in accordance with Section 5(28) of IBC, 2016 save instead of 'financial creditors', 'financial debt' and 'committee of creditors' specified therein, it

shall be substituted with the term `stakeholders',  
`debt' and `stakeholders committee'.

- (g) Let notices be sent to all the authorities without fail by the Applicant and in addition notice is also directed to be issued to the concerned RoC, RD and Income Tax Department including the Jurisdictional Assessing Officer mentioning clearly the PAN number as well as others as contemplated under Section 230 (5) of Companies Act, 2013. The said authorities to whom notices have been issued in terms of the provisions of Section 230(5) of the Companies Act, 2013 shall act in accordance thereof.
- (h) The Liquidator shall furnish an Affidavit of service of notice of meetings and publication of advertisement and compliance of all the directions contained herein at least a week before the proposed meeting.
- (i) The Chairman for Stakeholders' Committee meeting to be convened shall be **V. Nallasenapathy (Contact No. 9841527190)** who shall file his report in relation to the Stakeholders' Committee meeting and its outcome within seven (7) days from the date of the meeting. The remuneration payable to the Chairman shall be Rs. 1,00,000/-. The Alternate Chairman for the Stakeholders' Committee meeting shall be the Liquidator.



before this Tribunal for the consideration of its sanction within a period of 60 days from the date of this Order.

- (k) Since the Scheme has been propounded by the KALS Distilleries Pvt. Ltd., we direct them to make arrangement for the expenses likely to be incurred in relation to the meetings including the fees of the Chairman appointed as above and for placing the Scheme before the Stakeholders Committee. In case of any query being addressed by the Stakeholders in relation to the Scheme and with a view to address those queries which may be addressed by the Stakeholders and to offer clarifications, we deem it fit to allow a representative of the KALS Distilleries Pvt. Ltd. to be a participant but not being entitled to vote under any circumstances.

18. With the above directions the Application CA(CAA)/113(Che)/2020 stands **disposed of**. In case of any difficulty in implementing the procedure as directed above, the Liquidator is given liberty to approach this Tribunal as and when required for necessary directions at the earliest without any delay.

-Sd-

**B. ANIL KUMAR**  
MEMBER (TECHNICAL)

HP

-Sd-

**Justice (Retd.) S. RAMATHILAGAM**  
MEMBER (JUDICIAL)

**THIRU AROORAN SUGARS LIMITED (In Liquidation)**

**Registered Office:** Eldorado Building, 112, Uttamar Gandhi Salai  
Nungambakkam, Chennai-34.

**CIN: L15421TN1954PLC002915**

**E-Mail ID:** [thiruarooransugarsltd@gmail.com](mailto:thiruarooransugarsltd@gmail.com) **Website:** [www.tasugars.in](http://www.tasugars.in)

**NOTICE OF THE MEETING OF THE STAKEHOLDERS/CREDITORS OF  
THIRU AROORAN SUGARS LTD CONVENED ON THE ORDERS OF THE  
HON'BLE NATIONAL LAW TRIBUNAL FOR THE APPROVAL OF THE  
SCHEME SUBMITTED BY KALS DISTILLERIES PVT LTD**

<b>Day</b>	Monday
<b>Date</b>	February 7 <sup>th</sup> , 2022
<b>Time</b>	4.30 P.M IST
<b>Venue</b>	Convened electronically via Video Conferencing at the Office of the Liquidator, Shri. Ramakrishnan Sadasivan, located at Old no. 22, New No. 28, Menod Street, Purasawalkam, Chennai - 600 007.

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**1. FORM NO. CAA. 2**

[Pursuant to Section 230 (3) and Rule 6 and 7]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – II, CHENNAI.  
CA (CAA)/113 (CHE)/2021 IN IBA/243/2019**

**IN THE MATTER OF:**

**THIRU AROORAN SUGARS LIMITED (IN LIQUIDATION)  
AND  
SECTION 230 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES  
ACT, 2013 READ WITH APPLICABLE PROVISIONS OF THE  
INSOLVENCY AND BANKRUPTCY CODE, 2016.**

Notice is hereby given that by an Order dated 24<sup>th</sup> Day of December, 2021, the Hon'ble National Company Law Tribunal, Chennai, Bench - II has directed a "**Stakeholders Committee Meeting**" of M/s. Thiru Arooran Sugars Limited, Company Under Liquidation, hereinafter referred as "**TASL-CUL**" for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement or Compromise proposed by M/s. KALS Distilleries Private Limited (hereinafter referred as "**KDPL**") with the Stakeholders/Creditors of **TASL-CUL**.

In pursuance of the aforesaid Order and as directed therein, further Notice is hereby given that a "**Stakeholders Committee Meeting**" of **TASL-CUL** will be convened electronically (via video conferencing facility) on Monday, 7<sup>th</sup> day of February, 2022 (07.02.2022) at 4.30 P.M at which time and place the Secured Financial Creditors (individually) and the Authorized Representatives for each class or category of Other Stakeholders as appointed are requested to attend and, if thought fit, to pass following Resolution with or without modification(s);

**RESOLVED THAT** pursuant to the provisions of Section 230 of the Companies Act, 2013 and Other applicable provisions of the Companies Act, 2013 read with applicable provisions of the Insolvency And Bankruptcy Code, 2016 read with Section 33 & 60 (5) of the Insolvency and Bankruptcy Code, 2016 and any other applicable Laws, Rules, Regulations, circulars and notifications issued there under, including any statutory modifications or re-enactments thereof and subject to the approval of the Hon'ble National Company Law Tribunal ["**NCLT**"], Chennai Bench, the consent of the Stakeholders (*precisely meaning the Secured Financial Creditors individually and other class/categories namely, Unsecured Financial Creditors, Operational Creditors (Statutory authorities), Operational Creditors(Farmers), Operational Creditors (Employees and Workmen) and Operational Creditors (Other Creditors) and shareholders each represented ONLY through a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative and as approved by the Hon'ble NCLT*) be and is hereby accorded to the Scheme of Arrangement or

Compromise proposed by M/s. KALS Distilleries Private Limited (KDPL) with the aforementioned Stakeholders/Creditors of M/s. Thiru Arooran Sugars Limited, Company Under Liquidation placed before this Stakeholders Committee Meeting and initialed by the Chairman of the Meeting for the purpose of Identification, be and is hereby approved

**RESOLVED FURTHER THAT** Shri. Ramakrishnan Sadasivan, the Liquidator of TASL be and is hereby authorized to do all such acts, deeds, matters and things, as it may in his absolute discretion deem necessary, fit, appropriate or requisite to give effect to the aforesaid Resolution and effectively implement the Arrangement/ Compromise as embodied in the Scheme proposed by KDPL and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Hon'ble NCLT while approving/ sanctioning the Scheme or by any other Authorities under Law, as may be required for the purpose of resolving any questions or doubts or difficulties that may arise during the course of approval and implementation of the said Scheme.

**RESOLVED FURTHER THAT** all the Secured Financial Creditors of TASL-CUL individually and other class/ categories of stakeholders/creditors namely Unsecured Financial Creditors, Operational Creditors (Statutory authorities), Operational Creditors(Farmers), Operational Creditors (Employees and Workmen) and Operational Creditors (Other Creditors) and shareholders each represented ONLY THROUGH a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative may vote in the Meeting on 07-02-2022 or through E-Voting facility for which the poll shall commence on 09-02-2022 (11.00 A.M) and shall remain open till 11-02-2022 (12.30 P.M).

Copies of the said Scheme of Arrangement or Compromise proposed by KDPL with the Stakeholders/Creditors of TASL can be obtained free of charge at the office of the Liquidator, Shri. Ramakrishnan Sadasivan, at Old no. 22, New no. 28, Menod Street, Purasawalkam, Chennai 600 007 or electronically through [thiruaroorsugarsltd@gmail.com](mailto:thiruaroorsugarsltd@gmail.com)

The Hon'ble National Company Law Tribunal has appointed **Shri. V. Nallasenapathy** as the Chairman of the Stakeholders Committee Meeting of **TASL - CUL** and failing him, **Shri. Ramakrishnan Sadasivan**, Liquidator of TASL-CUL shall chair the meeting. The Scheme of Arrangement, if approved at the Meeting will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chennai, Division Bench-II.

Dated this 3<sup>rd</sup> day of January, 2022 at Chennai.

---/Sd/---

**Shri. V. Nallasenapathy**  
**Chairman of the Meeting.**

**ENCLOSURES:**

1. Explanatory Statements as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent relevant & applicable.
2. Synopsis of the Scheme of Compromise or Arrangement as provided by the Scheme proponent, M/s. KALS Distilleries Private Limited.

**NOTES:**

1. The Link for the Meeting to be held on 07-02-2022 (proposed to be held through Video Conferencing) shall be provided at least 48 hours before the commencement of the meeting. The Link shall be provided to the all the Secured Financial Creditors and to the Authorised Representatives for all other classes of stakeholders.
2. The facility for E-Voting shall be provided via a Secured and Approved E-Voting Platform and the Poll shall commence from Wednesday, the 9<sup>th</sup> day of February, 2022 (09-02-2022) at 11 A.M and shall remain open till 12.30 P.M, Friday, the 11<sup>th</sup> day of February, 2022 (11-02-2022). It would be duly communicated to all those who are entitled to vote individually or by their Authorised Representatives.
3. The Resolutions as proposed in the Notice calling for the Meeting together with a copy of the Scheme shall be made available in the aforesaid E-Voting Platform for the convenience of all the Participants (with voting rights).
4. The link to exercise their vote shall be sent to the last known electronic mail addresses of all the Secured Financial Creditors and to the Registered Insolvency Professionals as approved by the Hon'ble NCLT as Authorised Representatives to represent the class/categories of stakeholders at least 48 hours before the commencement of the Poll.

**2. EXPLANATORY STATEMENT TO THE NOTICE CALLING FOR THE  
STAKEHOLDERS COMMITTEE MEETING OF THIRU AROORAN SUGARS  
LIMITED (IN LIQUIDATION) PURSUANT TO RULE 6 OF THE COMPANIES  
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES,  
2016, TO THE EXTENT RELEVANT & APPLICABLE:**

**I. Details of the Order of the Tribunal directing the Calling, Convening and Conducting of the Meeting:-**

(a) Date of the Order	24th December, 2021
(b) Date, time & venue of the meeting.	7 <sup>th</sup> February, 2022 at 4.30 P.M, electronically through video conferencing

**II. Details of the company:**

a) Corporate Identification Number	L15421TN1954PLC002915
b) Permanent Account Number	AAACT2382B
c) Name of the Company	M/s. Thiru Arooran Sugars Limited (Company under Liquidation as per Insolvency and Bankruptcy Code, 2016)
d) Date of Incorporation	12/07/1954
e) Type of the Company (whether public or private or one-person company)	Public
f) Registered office address and e-mail address	Registered office at Eldorado Building, 112, Uttamar Gandhi Salai, Nungambakkam, Chennai-34. Mail Id: <a href="mailto:thiuarooransugarsltd@gmail.com">thiuarooransugarsltd@gmail.com</a>
g) summary of main object as per the Memorandum of Association and main business carried on by the company	To carry on the business of Sugar Manufacture and to purchase, manufacture, produce, boil, refine, prepare, imports, export, sell and generally to deal in sugar, sugar-candy, jaggery, sugar-beet, sugar-cane, molasses,syrups, melada, alcohol, spirits, and all sugar products such as confectionery, glucose sugar-candy, canned fruit, golden syrup and aerated waters and / or by-products.

h) Details of change of name, registered office and objects of the company during the last five years	NIL		
i) Name of the stock exchange (s) where securities of the company are listed, if applicable	Bombay Stock Exchange (BSE) National Stock Exchange (NSE)		
j) Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital.	<b>Particulars</b>	<b>No. of Securities</b>	<b>Amount in INR</b>
	Authorised Capital of Rs. 10/- each		
	Equity Shares	1,50,00,000	15,00,00,000
	Preference Shares	3,50,00,000	35,00,00,000
k) Names of the promoters and directors along with their addresses.	Subscribed Issued Capital & Paid of Rs. 10/- each up capital.		
	Equity Shares	1,13,16,724	11,31,67,240
III. Parties involved in the Compromise or Arrangement	As on date, the Company is undergoing Liquidation Proceedings and its affairs are managed by the Liquidator, Shri. Ramakrishnan Sadasivan appointed by the Hon'ble NCLT, Chennai Bench, vide Order dated 8th April, 2021.  <b>Address of the Liquidator:</b> Old no. 22, New no. 28, Menod Street, Purasawalkam, Chennai – 600 007.		
V. The Synopsis of this Scheme of Compromise or Arrangement proposed by KDPL is also circulated together with the Notice & Explanatory Statements. The entire copy of the Scheme can be sought for from the office of the Liquidator Shri. Ramakrishnan Sadasivan via electronic mail in the addresses as mentioned below: thiruaroorsugarsltd@gmail.com.	The Scheme of Compromise or Arrangement has been proposed by M/s. KALS Distilleries Private Limited with the Stakeholders/ Creditors of TASL.		

### **3. EXPLANATORY STATEMENT DISCLOSING DETAILS OF THE SCHEME OF COMPROMISE OR ARRANGEMENT**

#### **SALIENT FEATURES OF THE SCHEME:**

The Scheme is made and presented under Sections 230 to 232 of the Companies Act, 2013 read with relevant provisions of the IBC and Regulations thereto.

#### **A. BACKGROUND OF THE SCHEME PROPONENT:**

This Scheme of Compromise or arrangement is being submitted by the Proponent, M/s. KALS Distilleries Pvt. Ltd. (KDPL). The Proponent Resolution Applicant is part of "KALS Group" which is engaged in business of trading, distribution and manufacturing of Indian Manufactured Foreign Liquor (IMFL) and Beer. The Resolution Applicant was incorporated on 12-11-2007.

#### **B. FINANCIAL OUTLAY:**

Rs. in Lakhs

S. No.	Liability	Admitted Claim*	Settlement Amount Payable by the potential acquirer	% of claim settled to claim admitted.
1	Liquidation Cost	On Actuals	On Actuals	
2	Secured Financial Creditors	45,467.84	8,000.00	17.59
3	Unsecured Financial Creditors	99,990.73	499.95	0.50
4	Farmers for Cane Dues	7,848.21	4,501.46	57.36
5	Suppliers	874.69	8.75	1.00
6	Transport operators	47.61	0.48	1.01
7	Statutory dues EPFO	336.73	336.73	100.00
7.1	Statutory dues other than EPFO	513.91	1.77	0.34
8	Workers	1,900.83	319.48	16.81
9	Employees	344.83	51.73	15.00
10	Other Creditors	229.04	2.29	1.00
11	CIRP cost	798.88	798.88	100.00
	<b>Total</b>	<b>1,58,353.31</b>	<b>14,521.52</b>	<b>9.17</b>

*\*Some of the claims are subject to the approval/modification as directed by the Hon'ble National Company Law Tribunal.*

**C. SOURCES OF FUNDS:**

<b>Plan Outlay - post NCLT order confirming the proposed scheme of arrangement</b>	<b>Rs in Lakhs</b>
Total Settlement amount by the new acquirer	14,521.52
Liquidation Cost (Estimated)	400.00
Refurbishment Capex	3,000.00
Working Capital	8,000.00
<b>Total Resolution Outlay</b>	<b>25,921.52</b>
<b>Sources</b>	
Equity/Unsecured Loans from Group Companies	7,921.52
Term Loan from Banks / Institutions	10,000.00
Working Capital Loan from Banks / Institutions	8,000.00
<b>Total Sources</b>	<b>25,921.52</b>

**D. PAYMENT SCHEDULE:**

<b>S. No.</b>	<b>Liability</b>	<b>0-90 Days</b>	<b>91-180 Days</b>	<b>181-270 Days</b>	<b>271-365 Days</b>	<b>Additional - Payable in 3,4,5 Years of Rs. 500 lakhs each per annum.</b>
1	Liquidation Cost	Actuals				
2	Financial Creditors(Direct)	812.50	1,625.00	1,787.50	2,275.00	1,500.00
3	Unsecured Financial Creditors	124.99	124.99	124.99	124.99	
4	Farmers for Cane Dues	1,125.37	1,350.44	1,575.51	450.15	
5	Suppliers	8.75				
6	Transport operators	0.48				
7	Statutory dues EPFO	84.18	84.18	84.18	84.18	
7.1	Statutory dues other than EPFO	1.77				
8	Workers	159.74	159.74			
9	Employees	51.73				
10	Other Creditors	2.29				
11	CIRP cost	798.88				
	<b>Total</b>	<b>3,170.68</b>	<b>3,344.35</b>	<b>3,572.18</b>	<b>2,934.32</b>	<b>1,500.00</b>

## **E. RELIEFS AND CONCESSIONS SOUGHT IN THE SCHEME:**

### **1) Write off all dues towards Promoters/shareholder/Related entities of Promoters/Shareholders and director**

All the liabilities of the Corporate Debtor present/contingent towards the promoters, related parties of the Corporate Debtor /its promoters whether in respect of loans, goods, services, directors fee, professional fee or of any other description shall stand completely and fully written off. However, the same shall not prejudice the right of the Corporate Debtor to recover any amount due to the Corporate Debtor from any of the promoters/directors/ shareholders/ their related parties. Corporate Debtor's dues to M/s Terra Energy Ltd, subsidiary of the Corporate Debtor, will be dealt with as per this Resolution Plan/Scheme of Compromise or arrangement, which envisages cessation of all guarantees given & all rights on the CD's assets by whatever name it is called will also cease to exist.

### **2) Limitations of Liability**

- a. The Resolution Plan/Scheme of Compromise or arrangement has been worked based on the Details provided by the Liquidator. The Resolution Applicant has considered the claims received by the Liquidator and accordingly provide for settlement / resolution of the claims in the Resolution Plan/Scheme of Compromise or arrangement. It is specifically provided that any and every liability of the Corporate Debtor not specifically provided in the Resolution Plan/Scheme of Compromise or arrangement shall stand written-off in perpetuity on approval of the Resolution Plan/Scheme of Compromise or arrangement. In case any further claims are admitted by the Liquidator the settlement amount receivable by other creditors shall be proportionately reduced. The settlement amount provided in the Resolution Plan/Scheme of Compromise or arrangement are full and final settlement amount in respect of such liabilities up to the "Effective Date". Any further Claims admitted subsequently and the settlement with respect to any class of creditors, has to be shared among that class of creditors in proportion to the total claims admitted in that class. It is specifically provided that the liability of the Resolution Applicant towards settlement to creditors of the Corporate Debtor shall not exceed Rs 14,521.52 Lakhs, excluding the Liquidation costs, which will be paid on actuals.
- b. The limitation of liability of the Corporate Debtor towards the secured financial creditors to the settlement amount provided above shall be without prejudice to rights of each of the secured financial creditor to recover the balance dues from the personal guarantees/corporate Guarantors and other assets mortgaged by the promoters/guarantors. Any amount recovered by any of the Secured Financial Creditor from the guarantors/mortgaged assets shall not vest Personal/Corporate guarantors/mortgagors with any right to recover such amount from the Corporate Debtor.



**3) Immunity from any liability towards non-compliances for period prior to Effective Date:**

The Resolution Applicant shall endeavour to bridge any gap in statutory compliances on best effort basis and bring them up to date. However, no civil/criminal liabilities shall be attracted to the Resolution Applicants/Corporate Debtor/ directors nominated by the Resolution Applicant under the Resolution Plan/Scheme of Compromise or arrangement in relation to any noncompliance under any law for any period prior to the "Effective Date".

**4) Term of the Resolution Plan/Scheme of Compromise or arrangement:**

The term of this Resolution Plan/Scheme of Compromise or arrangement envisages 5 years from the Effective Date (i.e., Approval date of Hon'ble NCLT court). Further, in the event of any restriction imposed on the functioning of the Judicial, Financial, legal, and other systems in the country on account situations including but not limited to pandemic, epidemic, calamity or an act of God, then those days will have to be excluded from the Resolution Plan/Scheme of Compromise or arrangement and its settlement schedule, subject to the Hon'ble NCLT Court's approval.

**5) Share Holding Structure:**

The Resolution Applicant will have the right to include any of its Group/ Associate Companies/Promoters to infuse the envisaged equity as per the proposed plan. The equity shareholding will be in proportion to the funds infused by the respective shareholders

**6) Waiver/Exemption from requirement of No Objection Certificate:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as approval under Sec 281 of the Income Tax Act, 1961 by the Selling Shareholders and provision of taking over predecessor's tax liability under Sec 170 of the Income Tax Act, 1961 and Specific Order for treating such Transactions as VOID under Sec 281 of the Income Tax Act, 1961 for any claims in respect of tax or any other sum payable by Selling Shareholders.

**7) Liabilities/Litigations/Disputes/Appeals with Income Tax Dept:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver Approval/ Approval by NCLT for all kind of Liabilities, known or unknown for the period commencing from the Incorporation Date upto passing of the Effective Date (including income tax due or arrears, contingent liabilities, disputed liability, interest, penal interest, penalty, interest on penalty, any kind of late fee as well as taxes) related to Income Tax which may arise out of Ongoing Disputes which are Known/Unknown or due to non-filing of returns for any assessment year(s) or in abeyance for the assessment proceedings (completed / under process / not yet initiated) and any demand related to non-deposit of TDS which may arise out of any Ongoing Disputes Known/Unknown or in abeyance to the RA till the Effective Date for Approval of the Resolution Plan/Scheme of Compromise or arrangement, be treated as Finally Settled at "NIL Value" with closure of the all the past cases of any type/kind/related to.

As the Income Tax Assessment / Appeals for these previous years have not yet been completed, any kind of future liabilities on past actions including Tax Due or Arrears, Contingent Liabilities, Disputed Liability, Interest, Penal Interest, Penalty, Interest on Penalty, any kind of Late Fee as well as Taxes would be treated as waived under the Resolution Plan/Scheme of Compromise or arrangement and all such assessments / appeals will be deemed to have been assessed with NIL Liability and treated as CLOSED under the Resolution Plan/Scheme of Compromise or arrangement approved by NCLT.

**8) Liability which may accrue to Provisions of MAT and Other Sections of Income Tax Act:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver by NCLT for any liability (includes Tax, MAT, interest, fine, penalty etc) on Corporate Debtor, RAs on account of various actions proposed in the Resolution Plan/Scheme of Compromise or arrangement including but not limited to liabilities, if any, under Sec 41(1), Sec 56, Sec 43, Sec 28, Sec 115JB and Section 79 of the Income Tax Act, 1961.

**9) Approval by NCLT to allow -**

(a) Carry forward, set off and adjustment of losses of Corporate Debtor not available under Section 79 of Income Tax Act, 1961 as said Section not applicable for Companies under IBC.

(b) Aggregate of brought forward loss and unabsorbed depreciation to be adjusted as per amended Section 115JB of the Income Tax Act, 1961 related to Minimum Alternate Tax (MAT) as the same is applicable for Companies under IBC.

(c) Set off of any income which arises due to write back of liabilities against the existing brought forward losses and unabsorbed depreciation pursuant to the Approval of the Resolution Plan/Scheme of Compromise or arrangement.

**10) Liabilities accrued/due under Statutory Dues:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver Approval and Closure Approval of any pending cases by NCLT for all Statutory/ Governmental/Quasi Government/Government Utilities Dues claimed and admitted, claimed and rejected, accrued or may get accrued due to Past Liabilities as on insolvency commencement date to the Statutory/ Governmental/Quasi Government/Government Utilities i.e. Department concerned with income tax, sales tax/vat/service tax / GST, excise, customs, entry tax, employee provident fund, employee state insurance, profession tax, municipality land due, electricity dues, water department dues etc by way of charges, taxes, fees, penalties, penal interest, damages, TDS, VAT, GST etc over and above the Amount stated in the Resolution Plan/Scheme of Compromise or arrangement be treated as Fully and Finally Settled with "Value" as stated in the Resolution Plan/Scheme of Compromise or arrangement and No Due remains to be paid over ever after the waiver.

**11) Issuance / renewal of all kind of licenses / permission required for operation of the business/factory / project operations:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement by the NCLT will be treated as a specific order to all kind of Central/State Government Departments / Local Bodies for fresh issue / renewal of expired licenses / approvals on application of the requisite forms within 30 days of the application. All licenses that were existing with the CD will be allowed to continue as if it were in force validly irrespective of whether the same has expired for want of renewal or for any other reason. Temporary license shall be granted / provided to operate the project/business/factory operations immediately (without any stay or hindrance) without application for the interim period till date of approval of such permissions. This specific approval is being requested to ensure that the projects to be executed or the plant to be operated are in operational condition within 1 month of the Effective Date or after Upfront Payment stated in the Resolution Plan/Scheme of Compromise or arrangement, whichever is earlier.

**12) Further issuance of shares or equivalent instruments under preferential allotment or equity shares through rights issue for working capital / CAPEX of the Corporate Debtor:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as approval of NCLT for issuance of equity shares or equivalent instruments to investors under preferential allotment or rights issue of equity shares to existing shareholders to augment / raise working capital / CAPEX requirements of the Corporate Debtor so as to run the business operations of the Corporate Debtor within 24 months of the Effective Date. Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as waiver/in-principle approval of the shareholders as well as any other competent authority (includes Stock Exchanges / RBI / SEBI / MCA etc) required for issuance of such preferential allotment under the Resolution Plan/Scheme of Compromise or arrangement.

**13) Raising of debts in any form or manner for working capital / CAPEX of the Corporate Debtor:**

Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as Approval of NCLT for raising the debt by issuance of any form/kind of debt instruments (Secured/Unsecured) from any source for working capital / CAPEX Requirements of the Corporate Debtor so as to run the business operations of the Corporate Debtor. Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as waiver / in-principle approval of the shareholders as well as any other competent authority (includes Stock Exchanges / RBI / SEBI / MCA etc) required for issuance of such debt instruments under the Resolution Plan/Scheme of Compromise or arrangement.

**14) TASL Investments:**

All the Investments of TASL shall form part of the Scheme and post NCLT Approval of the Scheme, the Resolution Applicant will have the full liberty to deal with the investments at their discretion.

**F. Rationale and Benefits of the Scheme of Arrangement or Compromise:**

*Liquidation of the Company would have the following impact*

- Loss of livelihood of Farmers, employees, workmen, transporters etc.
- Loss of future employment options.
- Loss of creative value potential of the assets.
- Loss of economic value of productive plant and machinery.
- Negligible value to be received when plants get sold as scrap for stakeholders.
- Loss to exchequer in terms of GST, Customs Duty, Income tax, etc.
- Liquidation of the Company will be against the spirit of Make in India.

**Whereas the present Scheme, upon its approval and implementation will have the following benefits for all the stakeholders:**

*Creditors especially Farmers:*

- As per Section 53 of the IBC, 2016, the Farmers being Operational Creditors may not get any amount on distribution. Nevertheless considering the fact that they are indispensable for carrying out the business operations, their retention becomes vital, thereby resulting in a reasonable amount of settlement to them. The predominant reason for consideration of the scheme is on taking into account the plight of the farmers. The scheme provides for 50% of the amounts admitted as Farmer's dues as against no recovery which is possible during Liquidation. Almost around 14,000 farmers would be benefitted.
- In case of this scheme under Section 230 - 232 of the Companies Act, 2013, all the class of stakeholders will be paid a reasonable amount. Whereas no creditor other than Secured Financial Creditors and Workmen may get anything as per Section 53 of IBC, 2016, if an auction sale is proposed during Liquidation.
- The value of the scheme greater than the Liquidation Value of the Corporate Debtor. Thus aggregate realisations under the Scheme would be greater than the expected recovery under Liquidation.
- Certainty and timeline of repayment is defined in the Scheme which is totally uncertain in case of liquidation.
- Substantial financial loss to creditors can be avoided as negligible value will be recovered by them when assets are sold as scrap under the liquidation process. Moreover land when sold on piecemeal basis would only fetch guideline value.

*Company's Operations:*

- Revival of operations on backing of industry upturn and resolution of the Company specific issues.
- Company to continue as going concern. This will help keep the employees intact.
- Revival of the Company will increase the economic value of productive plant and machinery and at the same time will generate future employment.
- The creative value potential of the assets will not be lost.
- The economic value of productive plant and machinery will be safeguarded.
- No loss to exchequer in terms of GST, Customs Duty, Income tax, etc.

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#### **4. EFFECT OF THE COMPROMISE OR ARRANGEMENT:**

##### **Effect on the Promoters/Directors/Key Managerial Persons/Relatives:**

###### **A. Directors, Key Managerial Personnel and their Relatives**

Since TASL is under Liquidation, the Directors and other KMP of the Company are discharged with effect from the date of Liquidation Order. Nevertheless the ex-directors/promoters/KMP of TASL do not have any material interest, concern or any other interest in the Scheme of Arrangement.

###### **B. Promoter and Non-Promoter Members/Shareholders**

The corporate debtor has a total authorized equity share capital of 1,50,00,000 shares and paid-up share capital of 1,13,16,724 shares each with a face value of Rs 10/-. On Approval of the Resolution Plan/Scheme of Compromise or arrangement, the entire paid up shares of the Corporate Debtor shall stand cancelled. The existing shareholders will not be paid anything in settlement and their share certificates will become null and void.

All the liabilities of the Corporate Debtor present/contingent towards the promoters, related parties of the Corporate Debtor /its promoters whether in respect of loans, goods, services, directors fee, professional fee or of any other description shall stand completely and fully written off.

However, the same shall not prejudice the right of the Corporate Debtor to recover any amount due to the Corporate Debtor from any of the promoters/directors/ shareholders/ their related parties. There shall be no liability on the Corporate Debtor, by virtue of any Corporate Guarantee issued in the past by the Corporate Debtor to anyone including its past or present Subsidiary/Group/Associate Companies.

## **Effect on the Stakeholders/Creditors of the Company:**

*Note: In case any further claims are admitted by the Liquidator/Tribunal, the settlement amount receivable by the stakeholders/creditors, within such class of stakeholders/creditors, shall be proportionately reduced and the same shall not alter or modify the amount payable to other class of Creditors.*

### **C. Secured Financial Creditors:**

There are 7 Secured Financial Creditors whose total admitted claims is to the tune of Rs. 45,467.84 lakhs. Towards the admitted claim of Rs. 45,467.84 lakhs an amount of Rs.8,000 lakhs, with a provision of 17.59 % as full and final settlement of their entire dues, shall be paid towards Secured Financial Creditors Debt on pro-rata basis.

### **D. Unsecured Financial Creditors:**

There are 17 Unsecured Financial Creditors whose total admitted claims is to the tune of Rs. 99,990.73 lakhs. Towards the admitted claims of Rs. 99,990.73 lakhs, an amount of Rs. 499.95 lakhs, with a provision of 0.50 % as full and final settlement of their entire dues, shall be paid towards Unsecured Financial Creditors Debt on pro-rata basis.

### **E. Operational Creditors - Sugar Cane Farmers:**

There are around 14,064 (approx.) Farmers whose total admitted claims is to the tune of Rs. 7,848.21 lakhs . Towards the total admitted claims of Rs. 7,848.21 lakhs, an amount of Rs. 4,501.46 lakhs, with a provision of 57.36% as full and final settlement of their entire dues, shall be paid towards Cane Farmers dues on pro-rata basis.

### **F. Operational Creditors - Suppliers Dues:**

There are around approximately 36 Suppliers (Operational Creditors) whose total admitted claims is to the tune of Rs 874.69 lakhs . Towards the total admitted claims of Rs 874.69 lakhs, an amount of Rs. 8.75 lakhs, with a provision of 1 % as full and final settlement of their entire dues, shall be paid towards Suppliers Debt on pro-rata basis.



**G. Operational Creditors - Transport Operators Dues:**

There are around approximately 23 Transport Operators (Operational Creditors) whose total admitted claims is to the tune of Rs. 47.61 lakhs . Towards the total admitted claims of Rs. 47.61 lakhs, an amount of Rs. 0.48 lakhs, with a provision of 1.01 % as full and final settlement of their entire dues, shall be paid towards Transport Operators Debt on pro-rata basis.

**H. Operational Creditors - EPFO Statutory Dues:**

Two claims from EPFO was received to the tune of Rs. 336.73 lakhs which was admitted in full. Since the PF Dues are scoped out of the Liquidation estate and are to be paid in priority over other dues, out of the total admitted claims of Rs. 336.73 lakhs, the full amount of Rs. 336.73 lakhs, with a provision of 100 % shall be paid towards EPFO Dues.

**I. Operational Creditors - Statutory Dues other than EPFO Dues:**

There are around 4 Claims received from Statutory Dues other than EPFO Dues (Operational Creditors) whose total admitted claims is to the tune of Rs. 513.91 lakhs. Towards the total admitted claims of Rs. 513.91 lakhs, an amount of Rs. 1.77 lakhs, with a provision of 0.34 % as full and final settlement of their entire dues, shall be paid towards Statutory dues - other than EPFO dues on pro-rata basis.

**J. Operational Creditors - Workmen Dues:**

Based on the Books of Accounts of the Corporate Debtor, the Liquidator had admitted the dues of around 438 Workmen (approx.) to the tune of Rs. 1,900.83 lakhs. Towards the total admitted amount of Rs. 1,900.83 lakhs, an amount of Rs.319.48 lakhs, with a provision of 16.81 % as full and final settlement of their entire dues, shall be paid towards Workmen dues on pro-rata basis.

**K. Operational Creditors - Employee Dues:**

Based on the Books of Accounts of the Corporate Debtor, the Liquidator had admitted the dues of around 67 Employees (approx.) to the tune of Rs. 344.83 lakhs. Towards the total admitted amount of Rs. 344.83 lakhs, an amount of Rs. 51.73 lakhs, with a provision of 15 % as full and final settlement of their entire dues, shall be paid towards Employee dues on pro-rata basis.

L. **Operational Creditors - Other Creditors Dues:**

One claim was received from a Creditor falling under the category of Operational Creditors whose total admitted claims is to the tune of Rs. 229.04 lakhs. Towards the total admitted claims of Rs. 229.04 lakhs, an amount of Rs. 2.29 lakhs, with a provision of 1 % as full and final settlement of their entire dues, shall be paid towards Other Creditors Debt on pro-rata basis.

M. **Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee**

Thiru Arooran Sugars Limited does not have any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme of Arrangement.

**5. SUMMARY OF VALUATION OF THE CORPORATE DEBTOR  
DONE IN OCTOBER 2021:**

Value in Rs.

Asset Description	Average Fair Value	Average Liquidation Value
Land & Building	1,04,55,25,000	82,16,50,000
<b>Total ( A )</b>	<b>1,04,55,25,000</b>	<b>82,16,50,000</b>

Asset Description	Average Fair Value	Average Liquidation Value
Plant & Machinery	62,76,48,038	47,90,97,193
<b>Total ( B )</b>	<b>62,76,48,038</b>	<b>47,90,97,193</b>

Asset Description	Average Fair Value	Average Liquidation Value
Securities / Financial Assets	10,81,45,660	7,34,56,059
<b>Total ( C )</b>	<b>10,81,45,660</b>	<b>7,34,56,059</b>

<b>Grand Total ( A + B + C )</b>	<b>178,13,18,698</b>	<b>137,42,03,251</b>
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## **6. PENDENCY OF INVESTIGATION PROCEEDINGS:**

No investigation proceedings have been instituted or are pending in relation to the Applicant Company under the Companies Act, 2013 or Companies Act, 1956.

## **7. AVAILABILITY OF DOCUMENTS FOR INSPECTION:**

The following documents will be open for inspection by the stakeholders at the office of the Liquidator situated at Old no. 22, New no. 28, Menod Street, Purasawalkam, Chennai - 600 007 on all working days except Saturdays and Sundays between 11 a.m. IST and 1 p.m. IST up to the date of the ensuing Meeting and at the Meeting during the Meeting hours:

- (a) Latest audited financial statements of the company.
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with;
- (c) Copy of scheme of compromise or arrangement;
- (d) Valuation Reports obtained from Registered Valuers.
- (e) Contracts or agreements, if any, material to the compromise or arrangement;
- (f) Such other information or documents as the Liquidator believes necessary and relevant for making decision for or against the scheme;

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Resolution Plan/Scheme of Compromise or arrangement

For

Thiru Arooran Sugars Ltd

Submitted By:

Kals Distilleries Pvt Ltd

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For KALS DISTILLERIES PVT. LTD.

*S. Nadeem*

Authorised Signatory

## 1. Background on Corporate Debtor

Thiru Arooran Sugars Limited (TASL) was incorporated on July 12 / July 21, 1954 as a Public Limited Company with an objective of setting up a sugar factory at Vadapathimangalam, Thanjavur Dist. The Company was promoted by late Mr. V S Tyagarajan.

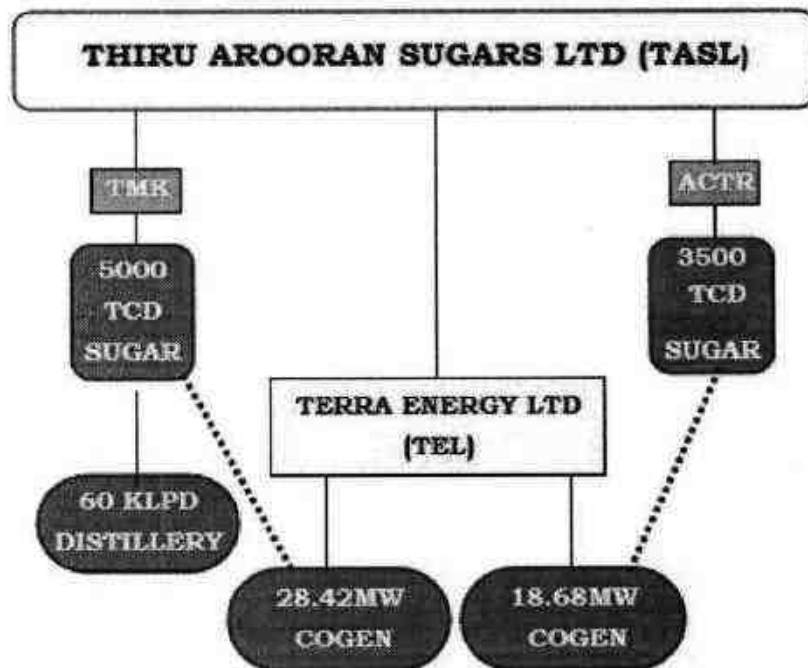
Today Thiru Arooran Group comprises three companies namely, Thiru Arooran Sugars Ltd (TASL), Shree Ambika Sugars Ltd (SASL) - an associate company, and Terra Energy Ltd (TEL) established as a subsidiary of TASL.

M/s TERRA ENERGY LIMITED - a subsidiary M/s TASL Ltd., - was incorporated in the year 1995 by demerging the Co-Gen Plants located at Thirumandangudi & A.Chithur-exclusively for power Generation and Steam for captive consumption / utilisation by M/s TASL

### TASL Structure:



## GROUP STRUCTURE



TMK - Tirumandankudi  
ACTR-A.Chittur



Sr. No.	Plant Location	Installed Capacity
1.	TASL, Tirumandankudi, Papanasam Taluk, Thanjavur District – 612301 Tamil Nadu – India  @10°57'43.1"N 79°17'40.6"E	5000 tcd Sugar  60 KLPD Distillery
2.	TASL, A Chittur, Virudhachalam Taluk, Cuddalore Dist. - 606105  Tamil Nadu – India  @11°31'28.0"N 79°12'37.5"E	3500 tcd Sugar
3.	TEL, At 1 and 2 as above	28.42 MW at Tirumandankudi  18.48 MW at A Chittur

Shareholding Pattern:

Category	No of Equity Shares	% of Share holding
Promoters	70,51,909	62.31
Mutual Funds	100	0
Banks & Financial Institutions	2,300	0.02
FII's / FPI's	400	0
Corporates	13,84,079	12.23
Individuals (including clearing members and LLP)	27,88,771	24.64
NRI's/OCBs	4,48,790	3.97
<b>TOTAL</b>	<b>1,13,16,724</b>	<b>100</b>

Source: TASL website



List of Shareholders with more than 1% Shareholding

S. No	Name of Shareholder	Number of shares	% of Voting	Category
1	Ramalingam VT	9,59,556	8.48	Promoter
2	Venkateswaran (HUF)	1,94,850	1.72	Promoter
3	Malathi Ram	2,88,072	2.55	Promoter
4	Ramalingam VT	81,000	0.72	Promoter
5	Mustang Trading & Investments Pvt Ltd	23,96,388	21.18	Promoter
6	Venkatesa Tyagarajan Pvt Ltd	26,82,600	23.70	Promoter
7	Uttam Kantilal Pandhi	2,33,000	2.06	Resident Indian
8	Pista Bai	1,36,050	1.20	Resident Indian
9	KSK Wind Energy Pvt Ltd	3,64,418	3.22	Domestic Body Corporate
10	Thor Investments Ltd	1,78,866	1.58	Domestic Body Corporate
11	Sree Krishna Agro Industrial Services Pvt Ltd	2,08,500	1.84	Domestic Body Corporate
12	Akhtar Banu Atlab	1,57,298	1.39	Non Resident Indian
	<b>TOTAL</b>	<b>78,80,598</b>	<b>69.64</b>	



## Financial Snapshot of Corporate Debtor

In Rs Cr

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Gross Sales	31.61	202.06	241.23	208.40
Profit Before Tax	(147.12)	(63.49)	(7.33)	(70.27)
Fixed Assets	205.97	217.54	224.86	177.24
Networth	(92.55)	54.67	102.41	55.69

### Board of Directors as on 31-03-2019

1. Mr R.V. Tyagarajan → Chairman and Managing Director
2. Mrs. Malathi Ram Tyagarajan

### Profile of Existing Promoter:

The Corporate Debtor was promoted by late Mr V S Tyagaraja Mudaliar in early fifties. The Company is managed by Mr R V Tyagarajan, Chairman and Managing Director, who is a Technocrat with extensive managerial experience of 37 years of which 8 years have been with a reputed Management Consulting Firm in the United States of America and the rest as Managing Director of this Company. He has also served as President of Indian Sugar Mills Association for three consecutive terms during 1987-88, 1988-89, and 2000-2002.

### Reason for Insolvency:

After having shown 6 decades of business acumen in the Sugar Industry, Thiru Arooran Sugars began to face the challenge of managing the working capital. Cane dues, that comprise 65% of COGS needs to be settled in 14 days as per law and this being a seasonal product, has be balanced against the receivable and inventory to regulate the cash flows for entire operation. The default of cane dues had demotivated the farmers to supply canes to Thiru Arooran Sugar. This factor is crucial as Cane is the primary source for a sugar mill. The Corporate Debtor also started facing heat from other directions viz a viz uneconomical realisations on sale of sugar, reduced availability of sugarcane, apart from lower recovery of sugar and lower production of alcohol due to





reduced availability of raw material, namely molasses. This chain of events led to accumulation of losses and finally the net worth began to erode. Therefore the Corporate Debtor began to default the financial creditors who took the Corporate Debtor to NCLT for recovery of dues.

## 2. Background on Resolution Applicant

### (i) Background of the Group

This Resolution Plan/Scheme of Compromise or arrangement is being submitted by Resolution Applicant Kals Distilleries Pvt. Ltd. (KDPL). The Resolution Applicant is part of "Kals Group" which is engaged in business of trading, distribution and manufacturing of Indian Manufactured Foreign Liquor (IMFL) and Beer. The Resolution Applicant was incorporated on 12-11-2007

### (ii) Manufacturing Units of Kals Group:

The Group has 4 manufacturing units which include a Distillery and Brewery unit in Tamil Nadu as under:

#### Manufacturing Units

Sr. No	Plant	Location	Product	Production Capacity (Cases per annum)
1	KDPL - Resolution Applicant	Tamil Nadu (Pudukottai Dist)	IMFL	10 million
2	KBPL	Tamil Nadu (Trichy)	BEER	12 million
3	KBVPL	Coimbatore	IMFL	12 million



4	KDCPL - A wholly owned subsidiary of KDPL	Kunigal, Karnataka	IMFL	6.4 million
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(iii) **KDPL/Resolution Applicant:**

- The IMFL unit is situated on a 20 acre plot in the industrially backward district of Pudukkottai, Tamil Nadu
- It has a bottling plant with 17 production lines and provides direct employment to more than 600 people of the surrounding villages.

(iv) **Other Businesses in Kals Group:**

- Kals Group set up a brewery in 2011 at Kunnathur Village in Illupur taluk of Pudukkottai district, in a 34.59 acre plot and started commercial production in 2012
- The Brewery Plant is a fully-automatic plant, installed in collaboration with Kronos, Germany, and is the best-in-class in the country with end-to-end manufacturing
- It is one of the few brewery plants in the country with Can Beer Line, which will service the export market
- Kals Group also has a tie-up with Fitch Group (UK) for Product Development / Retail / Brand Equity Participation) and a tie-up with VLB, Germany that enables the Group to access latest knowledge and developments in the beer industry
- Group operates another IMFL unit near Coimbatore under Kals Beverages P Ltd with capacity of around 12 million cases

(v) **Promoters, Board & Key Management Personnel**

**A) Mr. S Vasudevan, Chairman and MD;**

A visionary, he has built the KALS Group into a formidable business venture with an overall annual net turnover of about 400 Million USD. He has pioneered the setting up of two large-scale alcoholic beverage manufacturing units in



Pudukkottai District, one of the most backward areas of Tamil Nadu. A fully automated and system-driven Brewery put up in collaboration with a world-renowned German Engineering Company stands testimony to the visionary entrepreneurship and business leadership in him. He has also led the vertical and horizontal growth of the business ventures nurtured so dearly by him with the active support of his brothers and family members.

**B) S Nadessan, Joint MD;**

Mr. Nadessan Sivaprakasam is a Alma Mater of Harvard Business School (HBS). Mr. Nadessan has more than two decades of experience in handling turnaround assignments. His continued focus on operational excellence has created a sustainable enterprise besides catalysing growth organically and inorganically.

He provides strategic direction for future initiatives and is also responsible for its various strategic alliances and collaborations.

With his cross-functional domain, he has been able to take upbeats on Supply Chain Optimization, Green-field Project Management, Techno-Commercial Rationalization, New Product Development, & Financial Restructuring.

**C) S Rajasekaran, Director;**

Mr. Rajasekaran Sivaprakasam is an all-rounder in Business. He has in-depth insights in Sales, Marketing, Operations, Supply Chain, & Finance. He has more than three decades of hands-on brass-tag experience in managing Distribution Business of Consumer Products, After-Sales driven Business & Trading Business.

Mr. Rajasekaran is responsible for deployment of sustainable logistics solutions across the group.

**D) V Arulmanisekaran, Director;**

Mr. Arulmanisekaran Varatharajan a.k.a Mr. Arun is a certified Advanced Leadership Practitioner from Indian School of Business (Hyderabad). He is a first generation entrepreneur with over a decade of hands-on in Branding,



Marketing, Product Development, Flavour Mapping, Design of Contemporary Blends, Business Development, Territory Management and Exports.

Arun holds impeccable commercial acumen, which has fuelled growth by designing blends that is cost competitive besides surpassing customer expectations. Arun has the proven laurel of setting up of greenfield brewery manufacturing facility from concept to commissioning supported by Technology Transfer from Kronos Germany.

**E) Palanisamy N, Director;**

Mr Palanisamy is the Chief Mentor of the Group. Mr. Palanisamy has seeded the grounds of Business Imperatives in terms of setting up an eco-system to set-up distillery and brewery in Tamilnadu. He set-up the distribution channel in a small scale to test the customer acceptance and later this was taken up in a large scale distribution.

**F) Kaliyaperumal Kumarasami, Director;**

Mr. Kaliyaperumal Kumarasami – affectionately addressed as KP, is primarily responsible for Liaison, Networking, & Public Relations. Mr. KP played a key role in setting up the distillery unit and he has been instrumental in every phase of growth journey of Kals. Mr. KP is active in holding board positions with various organizations like SVS Club, Mylapore Club, Cosmopolitan Club, & Madras Race Club.

**(vi) Potential Synergies & Turnaround Strategy**

**A) Leverage our existing network and distribution channels for Products**

By virtue of our Company's and Group's background as one of the prominent marketer and distributor for some of the prominent brands in Southern States, the Group has a strong distribution channel in South as well as other states. The distribution channel of the Group along with its existing marketing network could be leveraged for developing this segment of the Corporate Debtor.



### **Infusion of funds for Balancing Capex and Working Capital**

One of the prominent reason for Corporate Debtor to come under stress is lack of adequate working capital, especially in turbulent times of rising raw material prices and doing additional expansion to bring desired economies of scale. There is sufficient infrastructure to ramp up the capacity significantly which can bring significant economy of scale and thereby better margins.

Our Group has strong financial background and minimal debt obligations. The Resolution Applicant shall infuse requisite funds into the Corporate Debtor for balancing capex and working capital to ensure the optimum utilization of installed facilities and to increase the capacity in the future.

### **B) Management Expertise and best practices**

The Resolution Applicant has impeccable track record with all its stakeholders (Customers, Bankers, Shareholders, Vendors, Employees, Workers, Government & Society) of cordial and win-win relationship through its management expertise & best practices. The Resolution Applicant, being a serious player and with established credentials, plans to strengthen the existing management of the Corporate Debtor to help revive and turnaround the operations. Further, it would introduce some of the best practices for greater operational efficiencies.

**Management Team is fully equipped with Chartered Accountants (6 Nos), Qualified Engineers (60 Nos), Diploma in Engineering (80 Nos), & Management Graduates (30 Nos)**

**Only company that is certified for 4 Systems Certifications for all the 4 plants**

- (a) ISO 9001:2015 (Quality Management Systems)
- (b) ISO 14001:2018 (Environmental Management)
- (c) ISO 22001:2015 (HACCP / Food Safety Management Systems)

➤ **Only Company that has the Integrated German Collaboration for Transfer of Technology**



- **Only Company to be certified under the auspices of BARC – A Levels for maintaining impeccable FSMS.**

**Company that received 3 Awards awarded by INDSPIRITS – 2019 for**

- Fastest Growing Company in India (2019)
  - Best Brand – White Rum Category – Aspira – Lemon Twist (2019)
  - Entrepreneur of the year Award – Mr. Vasudevan Sivaprakasam (2019)
- BRC Award – Turkey – For the Best German Beer under German Purity Law (BRC Asia Award – Asia’s 100 Admirable Brands)
- Power Award (India)- 1848 XO Brandy for the best-selling Brandy
- Power Brand (UK) - 1848 XO Brandy for the best-selling Brandy

**C) Ability to attract talent pool & provide managerial resources**

We believe capable and motivated team is essential to success of any business.

We have an outstanding team across functions to handle & scale business. Our ability to attract talent from various fields is strong. We enjoy reputation of being an employee friendly group.

We are an equal opportunity employer driven by values and powered by inspiration- group has entered into the strides of excellence with poised growth that is unparalleled uncompromising levels of impeccable quality orientation across the value-chain.



**(vii) Creditworthiness and Financial Details of the Resolution Applicant**

**(1) Creditworthiness of the Resolution Applicant**

- i. The Resolution Applicant is part of a cash rich group, having minimal debt
- ii. The Resolution Applicant and/or any of its group entities have not defaulted in any of its debt obligations to its lenders till date
- iii. The debt of the Resolution Applicant and/or any its group entities have never been classified as NPA
- iv. The promoters / directors of the Resolution Applicant and/or any of its group have never been classified as willful defaulters till date
- v. The Resolution Applicant and/or any of its group entities have not been under the CIRP process till date
- vi. The Resolution Applicant or any of its connected persons are not ineligible to be resolution applicant under Section 29A of IBC, 2016 and an affidavit in respect of same has been submitted to the Liquidator

**(2) Summary of Financial Details of the Resolution Applicant**

(In Rs. Crs)

Particular (Rs. Crores)	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Revenue from Operations (net)	663	661	583	496	503
EBITDA	103	84	90	52	39
Finance Cost	16	9	6	8	5
PBT	83	71	80	39	30
PAT	62	51	51	25	19

**(viii) Track Record in Turning Around Distressed Company**

**Imperial Spirits & Wines Private Limited (ISWPL):**

- o Date of Transaction: 1st March 2018
- o 1.1 million per month capacity for IMFL



- Deal size Rs.300 Crores
- ISWPL defaulted in repayment to its lenders due to the following factors
  - Working Capital Crises
  - Operational Creditors Payment Outstanding
  - Capacity Utilization
- Defaults with SBI (SBH) and Axis. BOI had escrow for TASMACH collections
- Immediately after coming on-board, Kals Group grew the operations of ISWPL by 25% wherein the production increased from 4.3 million cases to 5.4 million cases in one year (if you take it from 2016-17 the volumes were 3.6 million approx. to 5.4 million)

**Nethravathi Distilleries Private Limited (NDPL):**

- Date of Transaction: 1st March 2018
- IMFL line in Karnataka
- Kals Group invested in the IMFL lines of NDPL including Tetra line to turnaround the operations
- Deal size Rs.20 Crores

**3. Assumptions & Basis of Resolution Plan/Scheme of Compromise or arrangement**

Key Assumptions of the Resolution Plan/Scheme of Compromise or arrangement are as follows:

- (a) This Resolution Plan/Scheme of Compromise or arrangement has been prepared on the basis of the requirements of provisions of Insolvency & Bankruptcy Code, 2016, Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and subsequent notifications issues by IBBI & the Invitation for Expression of Interest for proposing The scheme of Compromise or Arrangement of M/s. Thiru Arooran Sugars Limited with its creditors/Members Under Section 230 of the Companies Act 2013, read with The Insolvency & Bankruptcy Code, 2016 & Regulations framed thereunder.
- (b) This Resolution Plan/Scheme of Compromise or arrangement, being submitted to the Liquidator has been prepared on the basis of the information obtained from public domain and other industry sources





- (c) All figures and conditions contained in the Resolution Plan/Scheme of Compromise or arrangement are expected to remain materially same as on the date of approval of this Resolution Plan/Scheme of Compromise or arrangement by STAKE HOLDERS and approval thereof by the Adjudicating Authority. In the event of figures and conditions contained herein being materially different on any of the aforesaid dates and such material changes being acceptable to the Resolution Applicant, this Resolution Plan/Scheme of Compromise or arrangement will be brought current with the changes. The Debt Settlement Offer which has been derived from the workings of Admitted Claim Amounts as advised by Liquidator and form part of this Resolution Plan/Scheme of Compromise or arrangement and shall not carry any interest, charges or any other impost from the date of commencement of Liquidation.
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4. Resolution Plan/Scheme of Compromise or arrangement Strategy and Debt Settlement Offer

Rationale for Acquisition:

The Resolution Applicant and its Promoters are involved in the business of Trading/manufacturing Alcohol for more than 3 decades. The First Flagship Company – Kals Distilleries Pvt Ltd (the Resolution Applicant in this case) was setup in 2007 as backward integration and which now has 13% market share in Tamil Nadu IMFL segment. The Group has now expanded to 4 manufacturing units since then. Foreseeing the demand and supply levels of the key raw material “Extra Neutral Alcohol”, the Resolution Applicant is envisaging a backward integration to optimize its supply chain and grow up in the value chain.

The Resolution strategy and the Business projections in turning around the Corporate Debtor, going forward, will be provided as and when required.

Debt Settlement Offer:

As per the claims admitted by the Liquidator, pursuant to the Details provided by the Liquidator, the liabilities of corporate debtor can be tabulated as below

Outside the Liquidation Estate – to be paid in Priority over all other dues

<u>Liability</u>	<u>Admitted Claim in Rs</u>
EPF – Chennai	10,05,582
EPF – Trichy	3,26,67,141
<b>Total</b>	<b>3,36,72,723</b>



Other Claims – to be paid as per the waterfall table as provided in Sec 53 of the IBC, 2016

<b><u>Liability</u></b>	<b><u>Admitted Claim in Rs</u></b>
CIRP cost	7,98,88,037
Liquidation Cost	On Actual Basis
Secured Financial Creditors	4,54,67,84,066
Unsecured Financial Creditors	9,99,90,72,673
Farmers for Cane Dues	78,48,21,267
Operational Creditors - Suppliers	8,74,68,703
Operational Creditors – Transport operators	47,60,987
Statutory dues – Other than EPFO	5,13,91,680
Workers' Dues	19,00,82,685
Employees' Dues	3,44,83,426
Other Creditors	2,29,04,488
<b>Total</b>	<b>15,80,16,58,013</b>



The Debt Settlement Plan summary for each the Liability as proposed by the Resolution Applicant is here under:

S. No.	<u>Liability</u>	Admitted Claim (in Rs Lakhs)	Settlement Amount (in Rs Lakhs)- Payable by the potential acquirer
1	Liquidation Cost	On Actuals	On Actuals
2	Secured Financial Creditors	45,467.84	8,000.00
3	Unsecured Financial Creditors	99,990.73	499.95
4	Farmers for Cane Dues	7,848.21	4,501.46
5	Suppliers	874.69	8.75
6	Transport operators	47.61	0.48
7	Statutory dues EPFO	336.73	336.73
7.1	Statutory dues other than EPFO	513.91	1.77
8	Workers	1,900.83	319.48
9	Employees	344.83	51.73
10	Other Creditors	229.04	2.29
11	CIRP cost	798.88	798.88
12	<b>Total</b>	<b>1,58,353.31</b>	<b>14,521.52</b>

The Resolution Applicant Proposes a settlement plan of **Rs 1,45,21,52,000** /- under the stated liabilities. Over and above this, the Resolution Applicant will pay the Liquidation Costs on actual basis, as on the date of NCLT order; and infuse a sum of **Rs 30.00 Cr** for Capital refurbishment and **Rs 80.00 Cr** for Working Capital Purposes. Therefore the Corporate Debtor Proposes a total value of **Rs 2,55,21,52,000** /-, except the liquidation costs which will be paid on actuals. The Resolution Applicant will be funding the settlement plan and the additional infusion required for Capex & Working Capital through a combination of Debt & Equity

The detailed settlement offer under each liability head is mentioned here under:-

(1) Liquidation Costs:

Pursuant to the Details provided by the Liquidator provided by the Liquidator, the Resolution Applicant agrees unconditionally and irrevocably to pay the Liquidation cost in full



settlement, basis the actuals borne by the Liquidator. The payment of Liquidation cost shall be made in priority to all the other payments by the Resolution Applicant. The date of final NCLT order approving the Resolution Plan/Scheme of Compromise or arrangement of the Resolution Applicant shall be the "Effective Date".

(2) Statutory Dues EPF – Chennai & Trichy:

Outside the Liquidation Estate – to be paid in Priority over all other dues

<b><u>Liability</u></b>	<b><u>Admitted Claim in Rs</u></b>
EPF – Chennai	10,05,582
EPF – Trichy	3,26,67,141
<b>Total</b>	<b>3,36,72,723</b>

The above Statutory dues of EPF of Chennai & Trichy will have 100% settlement of their admitted claim which amounts to a total settlement amount of Rs 336.73 Lakhs

<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Lacs</b>
0-90 Days	25%	84.18
91 - 180 days	25%	84.18
181 - 270 days	25%	84.18
271 - 365 days	25%	84.18
<b>Total</b>		<b>336.73</b>

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(3) Secured Financial Creditors:

The Settlement to Secured Financial Creditors on the admitted claims shall be made as under:



**Banks:**

S.NO	Name of the Bank/Group Bank	Claims Admitted (in Rs Lakhs)	Settlement Amount (in Rs Lakhs)
1	State Bank of India, SAMB	21,580.44	3,797.05
2	Union Bank of India	1,002.20	176.34
3	IDBI Bank	14,193.90	2,497.40
4	ICICI Bank	996.41	175.32
5	UCO Bank	5,063.19	890.86
6	Standard Chartered Bank	1,745.69	307.15
7	Punjab National Bank	886.01	155.89
	<b>Total</b>	<b>45,467.84</b>	<b>8,000.00</b>

Payment Schedule of the above said Secured Financial Creditors: From the Effective date (ie., from the date of final approval of the scheme of arrangement by NCLT), the payment will be made as given below,

Payment Days starting from "Effective Date"	Total Settlement Amount in Rs Laacs
0-90 Days	812.50
91 - 180 days	1,625.00
181 - 270 days	1,787.50
271 - 365 days	2,275.00
End of 3 <sup>rd</sup> year	500.00
End of 4 <sup>th</sup> year	500.00
End of 5 <sup>th</sup> year	500.00
<b>Total</b>	<b>8,000.00</b>

- KALS Distilleries P Ltd will remit an amount of Rs 2 Crore at the end of 30 days which along with the EMD of Rs 2 Cr will be kept as an interest bearing deposit and will be adjusted towards the payment due to the Secured Financial Creditor in the 0-90 Days Instalment
- All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.



- The Financial Creditor will release all the security of TASL that are presently charged to them once the amount of Rs 6500 Lakhs is paid and will also file necessary satisfaction of charges with RoC and necessary release of charges, if any, registered with the Sub-Registrar offices. The Financial Creditors will also issue No-Dues Certificate but for the Rs 1500 Lakhs payable after the 365 days.
- The amount of Rs 1500 Lakhs payable after the 365 days will continue to be secured through Corporate Guarantee of KALS Distilleries Private Limited, which will be executed immediately upon payment of Rs 6500 Lakhs
- Towards the settlement amount payable at the end of 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year, the Company will issue Non-Convertible Debentures (NCDs) carrying 0.1% coupon for the amount equivalent to Rs 1500 Lakhs redeemable in 3 instalments of Rs 500 lakhs each at the end of 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year. These NCDs will be secured only through Corporate Guarantee of the Resolution Applicant and no other security will be applicable. Company will have the right to redeem pre-maturely or prepay the Financial Creditors towards this Rs 1500 Lakhs, by applying NPV method for the period of such prepayment or early redemption at the interest rate of SBI 1-Year MCLR + 1% p.a., presently 8%
- Any delay in payment of due amounts as per schedule above to the Financial Creditors will also attract interest at SBI 1 Year MCLR + 1% p.a. for the period of such delay

**(4) Unsecured Financial Creditors:**

S.NO	Name of the Bank/Group Bank	Claims Admitted (in Rs Lacs)	Settlement Amount (in Rs Lacs)
1	SBI-Sirupakkam	633.66	3.17
2	SBI -Vriddhachalam	41.39	0.21
3	SBI -Kavuveppalankurichi	493.73	2.47
4	SBI, Kaludur	991.8	4.96
5	SBI, Papanasam	549.91	2.75
6	IDBI, CG SASL	17,869.87	89.35
7	SBI, Kodavasal	47.38	0.24
8	SBI, CG Terra Energy	3,358.20	16.79
9	SBI, CG SASL	1,421.02	7.11
10	PNB – CG SASL	43,637.19	218.19



11	Union Bank of India – formerly Corporation Bank, KBK Town	7,455.90	37.28
12	Union Bank of India – formerly Corporation Bank, Kootu Road	752.09	3.76
13	ICICI Teynampet	390.1	1.95
14	Canara Bank	11,582.58	57.90
15	E.D&F Man Commodities I P Ltd	1,010.62	5.05
16	Bank of Baroda	146.87	0.73
17	L&T Finance Limited	9,608.42	48.04
	<b>Total</b>	<b>99,990.73</b>	<b>499.95</b>

Unsecured Financial Creditors:

Each of the Unsecured Financial Creditor will have settlement of their admitted claim which amounts to a total settlement amount of Rs 499.95 Lakhs

Payment Days starting from "Effective Date"	% of total Settlement	Total Settlement Amount in Rs Lacs
0-90 Days	25%	124.99
91 - 180 days	25%	124.99
181 - 270 days	25%	124.99
271 - 365 days	25%	124.99
<b>Total</b>		<b>499.95</b>

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(5) Settlement to Operational Creditors - Cane dues to Farmers:

The total admitted claim to all the farmers on account of cane dues is Rs. 7,848.21 Lakhs. The settlement to each of those farmers is 57.36% as mentioned in the Debt Settlement Plan Summary, which comes to Rs 4,501.46 Lakhs. The Payout schedule for the Settlement of Cane dues to the farmers is hereunder:

Payment Days starting from "Effective Date"	% of total Settlement	Total Settlement Amount in Rs Lacs
0-90 Days	25%	1,125.37





91 - 180 days	30%	1,350.44
181 - 270 days	35%	1,575.51
271 - 365 days	10%	450.15
<b>Total</b>		<b>4,501.46</b>

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

**(6) Settlement to Operational Creditors - Suppliers:**

The Settlement to all the Suppliers of the Corporate Debtor, as mentioned in the Details provided by the Liquidator, shall be 1% of their claim amount which comes to Rs 8.75 Lakhs. The Settlement to the Suppliers is hereunder:



<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Lacs</b>
0-90 Days	100%	8.75

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(7) Settlement to Operational Creditors – Transport Operators:

The Settlement to all the Transport Operators of the Corporate Debtor, as mentioned in the Details provided by the Liquidator, shall be 1% of their claim amount which comes to Rs 0.48 Lakhs. The Settlement to the Suppliers is hereunder:

<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Lacs</b>
0-90 Days	100%	0.48

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(8) Settlement to Operational Creditors - Statutory Dues:

Each of the Statutory department claims other than those in EPFO shall be paid 0.34% of their claims as settlement amount. This amounts to Rs. 1.77 Lakhs. The payout schedule for the said settlement amount for the statutory department is hereunder:

<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Lacs</b>
0-90 Days	100%	1.77

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(9) Settlement to Workers:

The total admitted claim of all the Workers is Rs 1,900.83 Lakhs as per the Details provided by the Liquidator. The Settlement to those workers is 16.81% amounting to Rs 319.48 Lakhs and the payout schedule to the workers is hereunder



<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Laacs</b>
0-90 Days	50%	159.74
91 - 180 days	50%	159.74
<b>Total</b>		<b>319.48</b>

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(10) Settlement to Employees:

There are many claims from the Employees of the Corporate Debtor, admitted in the Details provided by the Liquidator. All the admitted claims will be settled 15% which comes to Rs 51.73 Lakhs. The Payout schedule to the Employees shall be in the below bucket of days from effective date.

<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Laacs</b>
0-90 Days	100%	51.73

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.

(11) Settlement to Other Creditors:

The Claims admitted as other creditors, which amounts to Rs 229.04 Lakhs shall be settled at 1.00% of the admitted claim amounting to Rs 2.29 Lakhs. The Payout schedule to the parties is here under:

<b>Payment Days starting from "Effective Date"</b>	<b>% of total Settlement</b>	<b>Total Settlement Amount in Rs Laacs</b>
0-90 Days	100%	2.29

All Payments will be due & payable at the end of the respective Intervals given above. To clarify, the payment due in the 0-90 days will be due & payable by the 90<sup>th</sup> day.



(12) Grace Period

- a) Financial Creditors – Resolution Applicant will adhere to the schedule above.
- b) Creditors other than Financial Creditors– Resolution Applicant will have 7-days grace period for payments due to all creditors other than Financial Creditors

(13) Event of Default

Upon occurrence of an Event of Default, the stakeholders shall have the right to forfeit all the amounts paid by KALS Distilleries Private Limited prior to the event of default and/or right to take appropriate legal action against the Resolution Applicants, unless cured by the Resolution Applicant before such an event of default is declared by the Stakeholders.

Event of Default shall be defined as the period after the date of expiry of 7 days grace period in case of creditors other than Financial Creditors and as the period after the date of expiry of the due dates stipulated in the scheme in case of Financial Creditors.

However, grace period shall not be applicable for the payment of the first instalment as stipulated in the scheme

(14) Shareholders:

The corporate debtor has a total authorized equity share capital of 1,50,00,000 shares and paid-up share capital of 1,13,16,724 shares each with a face value of Rs 10/-. On Approval of the Resolution Plan/Scheme of Compromise or arrangement, the entire paid up shares of the Corporate Debtor shall stand cancelled. The existing shareholders will not be paid anything in settlement and their share certificates will become null and void. The Corporate Debtor will issue new equity shares for value equivalent to the Equity Proposed to be infused to the Resolution Applicant / Associates / Promoters of RA each of Rs 10/- as the face value. The Resolution Applicant / New Shareholders will then



decide on maintaining the listing status or delist the shares from the exchanges. The New Board will be constituted as per the new shareholding pattern.

(13) Settlement schedule Summary:

**Attached as a separate Annexure**

In each tranche of payment the priority of payment to the Creditors shall be in the following order:

- 1) CIRP Costs & Liquidation costs
- 2) Statutory Dues - EPFO
- 3) Operational Creditors – Farmer Dues
- 4) Workmen Dues
- 5) Employee Dues
- 6) Statutory Dues
- 7) Operational Creditors – Suppliers
- 8) Other Creditors
- 9) Secured Financial Creditors
- 10) Unsecured Financial Creditors

5. Source of Funds:

The Resolution Plan/Scheme of Compromise or arrangement Outlay and Sources of Funds is shown below

<b>Plan Outlay – post NCLT order confirming the proposed scheme of arrangement</b>	<b>Rs in Lakhs</b>	
Total Settlement amount by the new acquirer	14,521.52	
Liquidation Cost (Estimated)	400.00	
Refurbishment Capex	3,000.00	
Working Capital	8,000.00	
<b>Total Resolution Outlay</b>	<b>25,921.52</b>	
<b>Sources</b>		
Equity/Unsecured Loans from Group Companies	7,921.52	



Term Loan from Banks / Institutions	10,000.00	
Working Capital Loan from Banks / Institutions	8,000.00	
<b>Total Sources</b>	<b>25,921.52</b>	

The Total Networth of the Resolution Applicant is Rs 239.3 Cr as on 31.03.2021 (audited) and that of the Group exceeds Rs 400 Cr. The total Gross Turnover for the Group for FY 2020-21 is Rs 4500 Cr (including Excise & Taxes) and the Net Turnover is Rs 1240 Cr for FY 2020-21. Therefore there is enough strength to infuse the equity to the extent required as given above



6. Other conditions:

6.1 Write off all dues towards Promoters/shareholder/Related entities of Promoters/Shareholders and director

All the liabilities of the Corporate Debtor present/contingent towards the promoters, related parties of the Corporate Debtor /its promoters whether in respect of loans, goods, services, directors fee, professional fee or of any other description shall stand completely and fully written off. However, the same shall not prejudice the right of the Corporate Debtor to recover any amount due to the Corporate Debtor from any of the promoters/directors/ shareholders/ their related parties. There shall be no liability on the Corporate Debtor, by virtue of any Corporate Guarantee issued in the past by the Corporate Debtor to anyone including its past or present Subsidiary/Group/Associate Companies

6.2 Limitations of Liability

The Resolution Plan/Scheme of Compromise or arrangement has been worked based on the Details provided by the Liquidator provided by the Liquidator. The Resolution Applicant has considered the claims received by the Liquidator and accordingly provide for settlement / resolution of the claims in the Resolution Plan/Scheme of Compromise or arrangement. It is specifically provided that any and every liability of the Corporate Debtor not specifically provided in the Resolution Plan/Scheme of Compromise or arrangement shall stand written-off in perpetuity on approval of the Resolution Plan/Scheme of Compromise or arrangement. In case any further claims are admitted by the Liquidator the settlement amount receivable by other creditors, within such class of creditors, shall be proportionately reduced. The settlement amount provided in the Resolution Plan/Scheme of Compromise or arrangement is for full and final settlement amount in respect of all such liabilities either mentioned or listed otherwise up to the "Effective Date". It is specifically provided that the liability of the Resolution Applicant towards settlement to creditors of the Corporate Debtor shall not exceed Rs. 14,521.52 Lakhs, excluding the Liquidation costs, which will be paid on actuals..



6.3 Immunity from any liability towards non-compliances for period prior to Effective Date:

The Resolution Applicant shall endeavour to bridge any gap in statutory compliances on best effort basis and bring them up to date. However, no civil/ criminal liabilities shall be attracted to the Resolution Applicants/Corporate Debtor/ directors nominated by the Resolution Applicant under the Resolution Plan/Scheme of Compromise or arrangement in relation to any noncompliance under any law for any period prior to the "Effective Date".

6.4 Term of the Resolution Plan/Scheme of Compromise or arrangement:

The term of this Resolution Plan/Scheme of Compromise or arrangement envisages 5 years from the Effective Date (i.e., Approval date of Hon'ble NCLT court). Further, in the event of any restriction imposed on the functioning of the Judicial, Financial, legal, and other systems in the country on account situations including but not limited to pandemic, epidemic, calamity or an act of God, then those days will have to be excluded from the Resolution Plan/Scheme of Compromise or arrangement and its settlement schedule, subject to the Hon'ble NCLT Court's approval. All existing approvals for usage relating to the movable & immovable properties will cease to exist/will cease to have any enforceable value once the Scheme of arrangement/Resolution Plan/Scheme of Compromise or arrangement is approved by the NCLT.

6.5 Share Holding structure:

The Resolution Applicant will have the right to include any of its Group/Associate Companies/Promoters to infuse the envisaged equity as per the proposed plan. The equity shareholding will be in proportion to the funds infused by the respective shareholders.

6.6 TASL Investments:

All the Investments currently held by TASL shall be part of the Scheme and shall not be excluded. The Resolution Applicant will have the full liberty to deal with the investments as per their discretion after the NCLT Approval for the Scheme





## 7. Procedure of Implementation

- The dues of Secured Financial Creditors recoverable from the Corporate Debtor is Rs 4,54,67,84,065 /- as on the commencement date of Liquidation process. The Resolution Applicant shall make the payment of settlement amount (Rs 8,000 Lakhs) for the said financial creditors as per the schedule attached.
- All the secured financial creditors shall issue a no dues certificate, to the Corporate Debtor upon payment of 65 Cr and file satisfaction of charges with Registrar of Companies & Charge Release with the respective Sub-Registrar Offices, upon receipt of payments of Rs 65 Cr, to enable the new acquirer to take loans by offering the movable & immovable property as a security with banks / NBFC's / Funding institutions either in India or abroad or both. The secured financial creditors shall release all the original documents deposited with them upon repayment of Rs 65 Crores. The No-Dues will be subject to the Rs 15 Cr payable after the 365 days.
- The Unsecured financial Creditors, shall be deemed to be fully settled of all their claims, upon payment as per the approved Resolution Plan/Scheme of Compromise or arrangement & will have no further claims on the CD / new promoters / their associates / the new bankers / NBFC's or funding agencies..
- The limitation of liability of the Corporate Debtor towards the secured financial creditors to the settlement amount provided above shall be without prejudice to rights of each of the secured financial creditor to recover the balance dues from the personal guarantors/corporate guarantors, other than the Corporate Debtor, and other assets mortgaged by the promoters/guarantors. Such Personal / Corporate Guarantors will not have any claim against the Corporate Debtor, if any amount recovered by the Financial Creditors under such Personal / Corporate Guarantees
- An indicative Schedule of implementation is appended below



S. No	Activity	Indicative Timeline	Responsibility
<b>Phase I- Approval Process of Resolution Plan/Scheme of Compromise or arrangement</b>			
1	Application to NCLT for approval of Resolution Plan/Scheme of Compromise or arrangement/Scheme of Compromise or arrangement	Y	Liquidator
2	Approval by NCLT of Resolution Plan/Scheme of Compromise or arrangement / Scheme of Compromise or arrangement and receipt of order	E (Effective Date)	Liquidator
3	Notice on the Corporate Debtor's website		Liquidator
4	Intimation to the Registrar of Companies, RBI, Tax authorities, SEBI and other various other statutory authorities (as applicable)	Within E + 10 Business days	Corporate Debtor
5	Intimation to all Creditors, existing		Liquidator

S. No	Activity	Indicative Timeline	Responsibility
	shareholders and any other stakeholder of the Corporate Debtor		
	Management of the Corporate Debtor: (i) Continuation of the Liquidator under the sole guidance and instruction of the Monitoring Committee;		Stake holders / Liquidator
6	(ii) Replacement of the Suspended Board of the Corporate Debtor with the Board of Directors as decided by the Resolution Applicant on and with effect from NCLT Approval	On NCLT Approval	Liquidator
<b>Phase II- Settlement of Creditors - as Per the Detailed Payment Schedule</b>			



## **8. Approvals & Waivers Requested from the Adjudicating Authority:**

### **8.1 Write off all dues towards Promoters/shareholder/Related entities of Promoters/Shareholders and director**

All the liabilities of the Corporate Debtor present/contingent towards the promoters, related parties of the Corporate Debtor /its promoters whether in respect of loans, goods, services, directors fee, professional fee or of any other description shall stand completely and fully written off. However, the same shall not prejudice the right of the Corporate Debtor to recover any amount due to the Corporate Debtor from any of the promoters/directors/ shareholders/ their related parties. Corporate Debtor's dues to M/s Terra Energy Ltd, subsidiary of the Corporate Debtor, will be dealt with as per this Resolution Plan/Scheme of Compromise or arrangement, which envisages cessation of all guarantees given & all rights on the CD's assets by whatever name it is called will also cease to exist.

### **8.2 Limitations of Liability**

- a) The Resolution Plan/Scheme of Compromise or arrangement has been worked based on the Details provided by the Liquidator. The Resolution Applicant has considered the claims received by the Liquidator and accordingly provide for settlement / resolution of the claims in the Resolution Plan/Scheme of Compromise or arrangement. It is specifically provided that any and every liability of the Corporate Debtor not specifically provided in the Resolution Plan/Scheme of Compromise or arrangement shall stand written-off in perpetuity on approval of the Resolution Plan/Scheme of Compromise or arrangement. In case any further claims are admitted by the Liquidator the settlement amount receivable by other creditors, within such class of creditors, shall be proportionately reduced. The settlement amount provided in the Resolution Plan/Scheme of Compromise or arrangement are full and final settlement amount in respect of such liabilities up to the "Effective Date". It is specifically provided that the liability of the Resolution Applicant towards settlement to creditors of the Corporate Debtor shall not exceed



Rs 14,521.52 Lakhs, excluding the Liquidation costs, which will be paid on actuals.

- b) The limitation of liability of the Corporate Debtor towards the secured financial creditors to the settlement amount provided above shall be without prejudice to rights of each of the secured financial creditor to recover the balance dues from the personal / corporate guarantors and other assets mortgaged by the promoters/guarantors. Any amount recovered by any of the Secured Financial Creditor from the personal/corporate guarantors/mortgaged assets shall not vest guarantors/mortgagors with any right to recover such amount from the Corporate Debtor.

8.3 Immunity from any liability towards non-compliances for period prior to Effective Date:

The Resolution Applicant shall endeavour to bridge any gap in statutory compliances on best effort basis and bring them up to date. However, no civil/criminal liabilities shall be attracted to the Resolution Applicants/Corporate Debtor/ directors nominated by the Resolution Applicant under the Resolution Plan/Scheme of Compromise or arrangement in relation to any noncompliance under any law for any period prior to the "Effective Date".

8.4 Term of the Resolution Plan/Scheme of Compromise or arrangement:

The term of this Resolution Plan/Scheme of Compromise or arrangement envisages 5 years from the Effective Date (i.e., Approval date of Hon'ble NCLT court). Further, in the event of any restriction imposed on the functioning of the Judicial, Financial, legal, and other systems in the country on account situations including but not limited to pandemic, epidemic, calamity or an act of God, then those days will have to be excluded from the Resolution Plan/Scheme of Compromise or arrangement and its settlement schedule, subject to the Hon'ble NCLT Court's approval.



#### 8.5 Share Holding Structure:

The Resolution Applicant will have the right to include any of its Group/Associate Companies/Promoters to infuse the envisaged equity as per the proposed plan. The equity shareholding will be in proportion to the funds infused by the respective shareholders

#### 8.6 **Waiver/Exemption from requirement of No Objection Certificate –**

Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as approval under Sec 281 of the Income Tax Act, 1961 by the Selling Shareholders and provision of taking over predecessor's tax liability under Sec 170 of the Income Tax Act, 1961 and Specific Order for treating such Transactions as VOID under Sec 281 of the Income Tax Act, 1961 for any claims in respect of tax or any other sum payable by Selling Shareholders.

#### 8.7 **Liabilities/Litigations/Disputes/Appeals with Income Tax Dept –**

Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver Approval/Approval by NCLT for all kind of Liabilities, known or unknown for the period commencing from the Incorporation Date upto passing of the Effective Date (including income tax due or arrears, contingent liabilities, disputed liability, interest, penal interest, penalty, interest on penalty, any kind of late fee as well as taxes) related to Income Tax which may arise out of Ongoing Disputes which are Known/Unknown or due to non-filing of returns for any assessment year(s) or in abeyance for the assessment proceedings (completed / under process / not yet initiated) and any demand related to non-deposit of TDS which may arise out of any Ongoing Disputes Known/Unknown or in abeyance to the RA till the Effective Date for Approval of the Resolution Plan/Scheme of Compromise or arrangement, be treated as Finally Settled at "NIL Value" with closure of the all the past cases of any type/kind/related to.

As the Income Tax Assessment / Appeals for these previous years have not yet been completed, any kind of future liabilities on past actions including Tax Due or Arrears, Contingent Liabilities, Disputed Liability, Interest, Penal Interest, Penalty, Interest on Penalty, any kind of Late Fee as well as Taxes would be



treated as waived under the Resolution Plan/Scheme of Compromise or arrangement and all such assessments / appeals will be deemed to have been assessed with NIL Liability and treated as CLOSED under the Resolution Plan/Scheme of Compromise or arrangement approved by NCLT.

**8.8 Liability which may accrue to Provisions of MAT and Other Sections of Income Tax Act** – Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver by NCLT for any liability (includes Tax, MAT, interest, fine, penalty etc) on Corporate Debtor, RAs on account of various actions proposed in the Resolution Plan/Scheme of Compromise or arrangement including but not limited to liabilities, if any, under Sec 41(1), Sec 56, Sec 43, Sec 28, Sec 115JB and Section 79 of the Income Tax Act, 1961.

**8.9 Approval by NCLT to allow –**

- (a) Carry forward, set off and adjustment of losses of Corporate Debtor not available under Section 79 of Income Tax Act, 1961 as said Section not applicable for Companies under IBC.
- (b) Aggregate of brought forward loss and unabsorbed depreciation to be adjusted as per amended Section 115JB of the Income Tax Act, 1961 related to Minimum Alternate Tax (MAT) as the same is applicable for Companies under IBC.
- (c) Set off of any income which arises due to write back of liabilities against the existing brought forward losses and unabsorbed depreciation pursuant to the Approval of the Resolution Plan/Scheme of Compromise or arrangement.

**8.10 Liabilities accrued/due under Statutory Dues** – Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as Waiver Approval and Closure Approval of any pending cases by NCLT for all Statutory/ Governmental/Quasi Government/Government Utilities Dues claimed and admitted, claimed and rejected, accrued or may get accrued due to Past Liabilities as on insolvency commencement date to the Statutory/ Governmental/Quasi



Government/Government Utilities i.e. Department concerned with income tax, sales tax/vat/service tax / gst, excise, customs, entry tax, employee provident fund, employee state insurance, profession tax, municipality land due, electricity dues, water department dues etc by way of charges, taxes, fees, penalties, penal interest, damages, TDS, VAT, GST etc over and above the Amount stated in the Resolution Plan/Scheme of Compromise or arrangement be treated as Fully and Finally Settled with "Value" as stated in the Resolution Plan/Scheme of Compromise or arrangement and No Due remains to be paid over ever after the waiver.

**8.11 Issuance / renewal of all kind of licenses / permission required for operation of the business/factory / project operations** – Approval of the Resolution Plan/Scheme of Compromise or arrangement by the NCLT will be treated as a specific order to all kind of Central/State Government Departments / Local Bodies for fresh issue / renewal of expired licenses / approvals on application of the requisite forms within 30 days of the application. All licenses that were existing with the CD will be allowed to continue as if it were in force validly irrespective of whether the same has expired for want of renewal or for any other reason. Temporary license shall be granted / provided to operate the project/business/factory operations immediately (without any stay or hindrance) without application for the interim period till date of approval of such permissions. This specific approval is being requested to ensure that the projects to be executed or the plant to be operated are in operational condition within 1 month of the Effective Date or after Upfront Payment stated in the Resolution Plan/Scheme of Compromise or arrangement, whichever is earlier.

**8.12 Further issuance of shares or equivalent instruments under preferential allotment or equity shares through rights issue for working capital / CAPEX of the Corporate Debtor** – Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as approval of NCLT for issuance of equity shares or equivalent instruments to investors under preferential allotment or rights issue of equity shares to existing shareholders to augment /





raise working capital / CAPEX requirements of the Corporate Debtor so as to run the business operations of the Corporate Debtor within 24 months of the Effective Date. Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as waiver/in-principle approval of the shareholders as well as any other competent authority (includes Stock Exchanges / RBI / SEBI / MCA etc) required for issuance of such preferential allotment under the Resolution Plan/Scheme of Compromise or arrangement.

**8.13 Raising of debts in any form or manner for working capital / CAPEX of the Corporate Debtor** – Approval of the Resolution Plan/Scheme of Compromise or arrangement by NCLT will be treated as Approval of NCLT for raising the debt by issuance of any form/kind of debt instruments (Secured/Unsecured) from any source for working capital / CAPEX Requirements of the Corporate Debtor so as to run the business operations of the Corporate Debtor. Approval of the Resolution Plan/Scheme of Compromise or arrangement will be treated as waiver / in-principle approval of the shareholders as well as any other competent authority (includes Stock Exchanges / RBI / SEBI / MCA etc) required for issuance of such debt instruments under the Resolution Plan/Scheme of Compromise or arrangement.

**8.14 TASL Investments:** All the Investments of TASL shall form part of the Scheme and post NCLT Approval of the Scheme, the Resolution Applicant will have the full liberty to deal with the investments at their discretion

9. Management and control during the Resolution Plan/Scheme of Compromise or arrangement:

The Resolution Applicant/its nominees shall take over the management and control of Thiru Arooran Sugars Limited on payment of last instalment as per NCLT order and the same will be monitored in line with IBC norms as per the committee constituted by the Liquidator to ensure the rollout of the Resolution Plan/Scheme of Compromise or arrangement and to restore the eco-system. All the present directors of the Thiru Arooran Sugars Limited shall be deemed to have resigned / removed from the board of directors of Thiru Arooran Sugars Limited



on approval of the Resolution Plan/Scheme of Compromise or arrangement. The Resolution Applicant shall nominate his representative/s who shall join the Board of Directors of Thiru Arooran Sugars Limited after approval of Resolution Plan/Scheme of Compromise or arrangement by Hon'ble NCLT. The representatives nominated by the Resolution Applicant shall be deemed to have joined the board of directors of Thiru Arooran Sugars Limited on the approval of the Resolution Plan/Scheme of Compromise or arrangement by Hon'ble NCLT.

The reorganized board of directors of Thiru Arooran Sugars Limited as above shall have management and control of the operations of Thiru Arooran Sugars Limited. The newly appointed directors shall be authorized to inform / make filing with the Registrar of Companies / Ministry of Corporate Affairs, regarding removal / resignation of present board of directors.

The reorganised board of directors shall further appoint Key Managerial Personnel and set up systems and control for management of operations of Thiru Arooran Sugars Limited

10. Disclosure and Undertaking:

The Resolution Applicant specifically declares and undertakes as under:

- i) Resolution Applicant is not ineligible under Section 29A of Insolvency & Bankruptcy Code, 2016 to be a Resolution Applicant;
- ii) Resolution Applicant or its related parties have never failed to implement or contributed to failure of implementation of any other Resolution Plan/Scheme of Compromise or arrangement approved by the Adjudicating Authority.

11. Conclusion – with respect to interest of all stake holders:

Resolution Plan/Scheme of Compromise or arrangement has taken into account interest of all stakeholders including secured financial creditors, unsecured financial creditors, and statutory dues, operational creditors for goods and services and employees and provides for settlement of claims of said stakeholders. The approval of Resolution Plan/Scheme of Compromise or

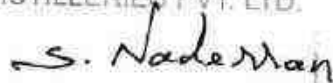


arrangement shall further lead to generation of fresh employment opportunities, quality goods and services for the customers, economic utilization of assets lying unproductive, and revenue generation for the exchequer. Interest of all stakeholders has been taken into account and no one shall be worse off on approval of Resolution Plan/Scheme of Compromise or arrangement than in the event of Liquidation. Thus, it is submitted that STAKE HOLDERS/Adjudicating Authority considers approval of Resolution Plan/Scheme of Compromise or arrangement in interest of all stakeholders.

We understand that the members of the Stake holders have further right to renegotiate the terms of this Resolution Plan/Scheme of Compromise or arrangement and the decision of the Stake holders in selection of the Successful acquirer of the CD under Liquidation shall be final and binding on us.

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For KALS DISTILLERIES PVT. LTD.

  
Authorised Signatory

## FORM NO. CAA. 2

[Pursuant to Section 230 (3) and Rule 6 and 7 of The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – II, CHENNAI.**

**CA (CAA)/113 (CHE)/2021 IN IBA/243/2019**

**IN THE MATTER OF:**

**THIRU AROORAN SUGARS LIMITED (IN LIQUIDATION)  
AND**

**SECTION 230 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013 READ WITH APPLICABLE PROVISIONS OF  
THE  
INSOLVENCY AND BANKRUPTCY CODE, 2016.**

Notice is hereby given that by an Order dated the 24th Day of December, 2021, the Hon'ble National Company Law Tribunal, Chennai, Bench - II has directed a **"Stakeholders Committee Meeting"** of M/s. Thiru Arooran Sugars Limited, Company Under Liquidation, hereinafter referred as **"TASL-CUL"** for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement or Compromise proposed by M/s. KALS Distilleries Private Limited (hereinafter referred as **"KDPL"**) with the Stakeholders/Creditors of **TASL-CUL**.

In pursuance of the aforesaid Order and as directed therein, further Notice is hereby given that a **"Stakeholders Committee Meeting"** of **TASL-CUL** will be convened electronically (via video conferencing facility) on Monday, 7th day of February, 2022 (07.02.2022) at 4.30 P.M at which time and place the Secured Financial Creditors (individually) and the Authorized Representatives for each class or category of Other Stakeholders as appointed are requested to attend.

Copies of the said Scheme of Arrangement or Compromise proposed by KDPL with the Stakeholders/Creditors of TASL-CUL can be obtained free of charge at the office of the Liquidator, Shri. Ramakrishnan Sadasivan, at Old no. 22, New no. 28, Menod Street, Purasawalkam, Chennai 600 007 or electronically through [thiruarooransugarsltd@gmail.com](mailto:thiruarooransugarsltd@gmail.com).

The Hon'ble National Company Law Tribunal has appointed **Shri. V. Nallasenapathy** as the Chairman of the Stakeholders Committee Meeting of **TASL - CUL** and failing him, **Shri. Ramakrishnan Sadasivan**, Liquidator of **TASL-CUL** shall chair the meeting. The Scheme of Arrangement, if approved at the Meeting will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chennai, Division Bench-II.

Sd/-

Dated: 28.12.2021

Place: Chennai.

**V. Nallasenapathy**  
Chairman appointed for the Meeting.