

PROCESS MEMORANDUM
FOR
SALE OF
KRISHNA INDUSTRIAL CORPORATION LIMITED
(CIN: U45309TN1956PLC001112)
(In Liquidation)
AS A GOING CONCERN

[Under the provisions of the Insolvency and Bankruptcy Code, 2016 read with
Reg. 32(e) & Reg. 32A of IBBI (Liquidation Process) Regulations, 2016]



Issued by -

S. Rajendran

IBBI Regn. No.: IBBI/IPA-002/IP-N00098/2017-18/10241

Authorisation For Assignment valid upto 15.12.2023

Liquidator

In the matter of Krishna Industrial Corporation Limited

Address: 2nd Floor, Hari Krupa,

71/1, Mc Nicholas Road, (Off Poonamallee High Road),

Chetpet, Chennai - 600 031

Phone: 044 – 28361636

Email: claims.kic@gmail.com

Date of Issue: 3rd February 2023

DISCLAIMER

This disclaimer applies to this Process Memorandum, and any information disclosed by the Liquidator, his Representatives or his professional advisors, whether in this Document or the Data Room or otherwise whether prior to the issuance of this Document or otherwise (**“this Document”**). It is clarified as a matter of abundant caution that only the Qualified Bidder can submit a Bid in pursuance of and subject to the terms and conditions of the process document for e-auction of Krishna Industrial Corporation Limited (**“Corporate Debtor”**) as a whole, on a going concern basis (in the Liquidation Process under the Insolvency & Bankruptcy Code, 2016).

This Document has been issued by the Liquidator in furtherance of the provisions of the Insolvency and Bankruptcy Code, 2016 (**“Code”**) and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (**“Liquidation Regulations”**) to set out the process for inviting Bids for acquisition of Krishna Industrial Corporation Limited (**“Corporate Debtor”**) on a going concern basis.

The assets and the liabilities of the Corporate Debtor is proposed to be sold on **“AS IS WHERE IS BASIS”, “AS IS WHAT IS BASIS”, “WHATEVER THERE IS BASIS” and “NO RECOURSE”** basis under the provisions of the Insolvency and Bankruptcy Code, 2016 and the proposed sale does not entitle transfer of any title except the title which the Corporate Debtor had on its assets as on date of transfer.

This Document has been issued for general information only, without regard to any specific objectives, suitability, and needs of any particular person and does not constitute any agreement or recommendation of an offer to buy, purchase or subscribe to any securities, assets or businesses of the Corporate Debtor or Corporate Debtor, as a whole, mentioned therein. This Document is intended to be used only for the purpose as stated in this Document and ought not to be relied upon for any purpose whatsoever.

Neither this Document, the fact of its distribution, nor anything contained herein, or anything in relation thereto, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

Nothing in this Document, materials relating to the Document, or the opinions, if any, contained in this Document are intended to be construed as legal, accounting or tax advice by the Liquidator or by his Representatives or by his professional advisors or by any other advisor or consultant appointed by the Liquidator.

This document is issued without regard to suitability and needs of any particular Bidder. The purpose of this Document is to provide the Bidders with the information that may be useful to them in submitting their Bids pursuant to this Document. This Document contains basic information and credentials of the Corporate Debtor, generally may be required by the bidder, since it may not be possible for the Liquidator or his Representatives or his Professional advisors to consider the objectives and particular needs of each Bidder who reads or uses this document.

No statement, fact, information (whether current or historical) or opinion contained in this Document should be construed as a representation or warranty, express or implied, of the Liquidator including, his Representatives or his Professional advisors or the Corporate Debtor; and none of the Liquidator, his Representatives or his professional advisors, the Corporate Debtor, or their Representatives, or any other persons/ entities shall be held liable for the authenticity, accuracy, correctness or completeness of any such statements, facts, information or opinions.

While the data/information provided in this Process Memorandum and/or the Data Room, have been prepared and provided in good faith based on the information shared by the personnel of the Corporate Debtor, the Liquidator, his Representatives and his professional advisors shall not accept any responsibility or liability whatsoever in respect of any statements or omissions herein, or of the accuracy, correctness completeness or reliability of information in this document/Data Room, or incur any liability under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment, equity or otherwise to be indemnified, even if any loss or damage is caused to any Bidder by any act or omission on their part. The Bidders are required to make their own assessments of the information and due diligence on the status of the Corporate Debtor. The Liquidator does not take or assume any responsibility for any shortfall or defect or shortcomings in the movable/ immovable assets of the Corporate Debtor.

This document has not been and will not be reviewed or approved by any statutory or regulatory authority in India or outside India or by any stock exchange in India or outside India.

This document may not be all inclusive and may not contain all the information that the Bidder may consider material. Each Bidder should conduct their own investigations, due diligence, and analysis and should check the accuracy,

adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Document and obtain independent advice from appropriate sources. This document shall not be deemed to be any form of commitment on the part of the Liquidator or the Corporate Debtor to proceed with any transaction.

By way of acceptance of this document, the Bidder shall be deemed to have acknowledged that it has not relied upon any statements made or information provided by the Liquidator or his Representatives or his professional advisors or by any other advisor or consultant appointed by the Liquidator while preparing and submitting its Bid and it has not been induced to enter into definitive agreements (if any), based on these statements and information and it has therefore put the bid solely on the basis of its own due diligence.

This document and information contained herein or disclosed pursuant to the terms of this Document, or any part of such information should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from the Liquidator. Neither the Liquidator nor his Representatives or his professional advisors shall be liable for any damages, whether direct or indirect, incidental, special or consequential including loss of revenue or profits that may arise from or in connection with the use of this Document or due to participating in the Bidding Process, including for the Bidder not being selected as the Successful Bidder or on account of any decision taken by the Liquidator in connection with or pursuant to the Bidding Process. The Bidder acknowledges and agrees that all the information contained herein is confidential and subject to the Confidentiality Undertaking (as defined below) executed by the Bidder, and the Bidder agrees to keep the information confidential.

By accepting a copy of this document, the Bidder accepts the terms of this disclaimer notice, which forms an integral part of this document. Further, no person (including the Bidder) shall be entitled under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise to be indemnified for any loss, damage, cost or expense which may arise from or be incurred or suffered on account of anything contained in this Document or otherwise, including the accuracy, adequacy, authenticity, correctness, completeness or reliability of the information or opinions contained in this Document and any assessment, assumption, statement or information contained therein or deemed to form part of this document, and the Liquidator, his Representatives or his professional advisors, the Corporate Debtor and their advisors, affiliates, directors, employees, agents and Representatives do not have any responsibility or liability for any such information or opinions and therefore, any liability or responsibility is expressly disclaimed.

The Liquidator may in his absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this document. Further, the Bidder must specifically note that the Liquidator reserves the right to change, update, amend, supplement, modify, add to, delay or otherwise annul or cease the Bidding Process at any point of time, for any reason whatsoever determined in his sole discretion without any obligation, including to notify any person or Bidder of such revision or changes. In addition, the Liquidator also reserves the right to extend or change any particular date or any timeline for completion of the Bidding process for acquisition of the Corporate Debtor, as a whole, on a going concern basis, for any reason whatsoever determined in his sole discretion or under such circumstances as the Liquidator finds appropriate, without any obligation, including the obligation to notify any person or Bidder of such revision or changes.

In providing this document, the Liquidator or his Representatives or his professional advisors do not undertake any obligation to provide the Bidders with access to any additional information or to update, expand, revise or amend the information, or to correct any inaccuracies which may become apparent in this or any other document and having said so, the Liquidator or his Representatives or his professional advisors will make all endeavours to provide the additional information being sought for by the Bidders.

With this document, it is clarified by the Liquidator that any Earnest Money Deposit (“EMD”) made by any Bidder shall be “interest free” i.e., “without any interest”.

The issue of this Document does not imply that the Liquidator is bound to select a Qualified Bidder as a ‘Successful Bidder’ (as defined below) or to select the Successful Bidder in respect of its Bid and the Liquidator reserves the right to reject at any stage all or any of the Bid/Bids submitted by any Bidder without assigning any reason whatsoever and without incurring any liability whatsoever.

Each Bidder shall bear all its costs associated with or relating to the preparation and submission of any documents (including the Bid) pursuant to this document, including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Liquidator and any other costs incurred in connection with or relating to its Bid.

The Bidders are cautioned against any attempt for giving or offering any gift, bribe or inducement and any attempt to any such act, on behalf of the Bidder towards the Liquidator or his Representatives or his professional advisors or the Corporate Debtor or any of their Representatives, for showing any favour in relation to this Document or the process set out herein, which if done, shall render the Bidder to such liability and penalty as the Liquidator may deem proper, including but not limited to immediate disqualification and expulsion from the Bidding Process.

This document contains confidential, proprietary and/or legally privileged information and must be kept confidential by the Bidder. By accepting a copy of this Document (whether by any person or Bidder of an electronic copy of the Document or access to the Data Room pursuant to the terms of this Document or by downloading this Document or otherwise) (“Acceptance”), the Bidder accepts the terms of this disclaimer notice, which forms an integral part of this document. The Bidder should not use this Document and any other document annexed herewith and/or otherwise provided for any other purpose other than for the preparation of the Bid.

Further, no representation or warranty, expressed or implied, is made or given by or on behalf of any person as to the accuracy, authenticity completeness or fairness of the information or opinions contained in this Document and Acceptance of this Document by the Bidder shall be deemed to be an unconditional acknowledgement by the Bidder that the Corporate Debtor, the Liquidator, his Representatives and his professional advisors do not accept any responsibility or liability for any information in this Document and that the Bidder has to rely on its own due diligence. In addition to other disclaimer(s) of/by the Liquidator in this document, the Liquidator hereby further disclaims any and all liability for any statements made or omitted to be made in this Document or, any action taken or omitted to be taken pursuant to this document.

In no circumstances, may the Bidder(s) or their officers, employees, agents or their advisers make contact with the management, employees, customers, agents or suppliers of the Corporate Debtor until permission to do so is given by the Liquidator in writing.

The benefit of all disclaimers, confirmations, acceptances and representations made or accepted by the Bidder in this Document shall accrue to the benefit of the Stakeholders of the Corporate Debtor, the Liquidator, his Representatives and his professional advisors.

Nothing contained in this Document shall be deemed to relieve, wholly or partially, directly or indirectly, the Bidders from their compliance with the Code, or any other law in force, and/ or any instrument having the force of law, as may be applicable to them. The Bidder shall inform themselves concerning, and shall observe and comply with, any applicable legal requirements.

The Bidders shall comply with all the laws of India.

The laws of the Republic of India are applicable to this document.

TO ALL INTERESTED BIDDERS

SALE OF KRISHNA INDUSTRIAL CORPORATIN LIMITED (In Liquidation) AS A GOING CONCERN.

Invitation for submitting expression of interest by the interested bidders for participating in the E-Auction Process for Sale of Krishna Industrial Corporation Limited (In Liquidation) (“Corporate Debtor”) as a Going Concern under the provisions of Regulation 32(e) and 32A read with Schedule I of the IBBI (Liquidation Process) Regulations, 2016.

“National e-Governance Services Limited (NeSL) ” has been engaged as the E-Auction Service Provider (E-Auction Agency) and the sale of the Corporate Debtor as a going concern basis shall be conducted by the E-Auction Agency for and on behalf of the Liquidator through web-based e-Auction platform provided on the website of the E-Auction Agency <https://nesl.co.in//auction-notices-under-ibc/>

The terms and conditions, timelines including reserve price, earnest money deposit as well as pre-bid qualifications, if any, Bid Application Form, Undertaking and other documents required for participating in the E-Auction Process are provided in this Process Memorandum.

The details of the E-Auction Process are also available on the website <https://nesl.co.in//auction-notices-under-ibc/>

The Bid Application Form along with all other documents should be submitted to Liquidator at the below address by post or in person and through electronic means within the timelines at:

71/1, Mc Nicholas Road, (Off Poonamallee High Road),
Chetpet, Chennai - 600 031
Phone: 044 – 28361636
Email: claims.kic@gmail.com

For any clarifications on the E-Auction Process, please contact:

Mr. K. Raghu Mobile:9840906523
Email: claims.kic@gmail.com

IMPORTANT INFORMATION TO BIDDERS

[Bidders are advised to read this Process Memorandum carefully before submitting the expression of interest, EMD & the Bid]

This Process Memorandum has been issued with an intent to carry out the sale of assets of Krishna Industrial Corporation Limited (In Liquidation) as a going concern through an auction (e-Auction), under the provisions of the Code and Liquidation Process Regulations (defined hereinbelow).

The sale of the corporate debtor as a going concern under the regulation of 32A of the Liquidation Process Regulation is proposed to be sold on **“AS IS WHERE IS”, “AS IS WHAT IS”, “WHATEVER THERE IS” and “NO RECOURSE”** basis and the same does not entail the transfer of any title, except the title which the Corporate Debtor had on its assets as on date of transfer. All local taxes/electricity/water charges etc., outstanding as on a date or yet to fall due should be ascertained by the Bidder and would be borne by the Successful Bidder. The Liquidator does not take or assume any responsibility for any shortfall or defect or shortcoming in the moveable/immovable assets of the Company.

The Bidders should make their own independent inquiries regarding the encumbrances, titles of Assets and claims/rights/dues/affecting the Assets and should conduct their own due diligence prior to submitting their Bid. The Process Document does not constitute any representation or offer by the Liquidator. The Corporate Debtor as a ‘going concern’ basis under Regulation 32A of the Liquidation Process Regulations is being sold with all the existing and future encumbrances/claims/dues/demands whether known or unknown to the Liquidator. The Liquidator shall not be responsible in any way for any third-party claims/rights/dues.”

Liquidator proposes to sell the Corporate Debtor as a going concern on “As is where is basis”, “As is what is basis”, “Whatever there is basis” and “No recourse” basis and such sale of the Corporate Debtor does not entail transfer of any title except the title which the Company as on date of transfer.

Information provided in this Process Memorandum to the Bidder(s) has been collated from several sources. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as complete. The Liquidator accepts no responsibility for the accuracy or otherwise for any statement contained in the Process Memorandum.

The Liquidator also accepts no liability of any nature howsoever caused arising from reliance of any Bidder upon the statements contained in this Process Memorandum.

The Liquidator may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this Process Memorandum.

The issue of this Process Memorandum does not imply that the Liquidator is bound to select a Bidder or to appoint the Preferred Bidder as Successful Bidder for the Corporate Debtor on a going concern basis and the Liquidator reserves the right to reject all or any of the Bidders or bids in accordance with Schedule I of Liquidation Process Regulations.

Each Bidder shall bear all its costs and charges associated with or relating to the preparation and submission of its bid and/ or participation in the E-Auction, including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Liquidator, or any other costs incurred in connection with or relating to its bid.

National e-Governance Services Limited (NeSL) has been appointed as the E-Auction Agency. The sale of the Assets shall be undertaken by NeSL through an e-auction platform provided on the website NeSL (Portal). Other details with respect to the E-Auction are as follows:

Type of Bid	E-Auction
Seller	Liquidator In the matter of Krishna Industrial Corporation Ltd
E-Auction Agency:	National e-Governance Services Limited (NeSL) Contact Persons: Mr. Araventhana S E Mobile: +91 93846 76709 Mr. Gunjan Narula Mobile: +91 84470 18554 Website: NeSL- National E-Governance Services Ltd
Date & Time of E-Auction	Thursday, March 9, 2023, at 11:00 A.M.

All terms and conditions with respect to the sale of the Company as a going concern shall be governed by the directions of the Liquidator, the Hon'ble NCLT and in accordance with the provisions of applicable laws.

As mandated by the Hon'ble NCLT, the Liquidator shall exercise all rights with respect to sale of Krishna Industrial Corporation Limited (in liquidation) as a going concern and it would be open to the Liquidator to appoint such experts, professionals or other persons, as the Liquidator might think necessary so as to enable the sale of the Assets.

The Annexures to this Process Memorandum shall form an integral part hereof and this Process Memorandum shall always be read in conjunction with the Annexures hereto.

All incidental expenses incurred towards the sale of the Corporate Debtor as a going concern including the expenses incurred towards movement / shifting of plant & machinery (ies) or any asset of the Company post the e-auction process should be borne by the Successful Bidder. The Liquidator shall not be held responsible / liable to pay any expenses towards such movement of plant & machinery(ies) or any asset of the Company.

In no circumstances shall the Bidder or its officers, employees, agents and professional advisers make any contact, direct or indirect, by any mode whatsoever, with the management, employees, customers, agents or suppliers of the Company until the Liquidator gives permission to do so in writing.

Notwithstanding anything contained in this Document, the Liquidator reserves the absolute right to accept or reject any Bids(s), if the Bid(s) are not in compliance with this Document and/or the provisions of the Code and/or the Liquidation Regulations, and in any case, notwithstanding anything contained herein, reserves the absolute right to annul the Bidding Process and reject any or all Bids, at any time or at any stage, without any liability or costs or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof for such actions.

Without prejudice to the aforesaid, the Liquidator also reserves the absolute right to disqualify any Bidder that is found to have made a false disclosure or made any misrepresentation with regard to its eligibility to participate in the Bidding Process or submit Bids, at any stage of the Bidding Process.

The Bidder shall be solely responsible for all consequences arising out of the Bid submitted by him (including any wrongful bidding) and no complaint/ representation will be entertained in this regard by the Liquidator. Hence, Qualified Bidders are cautioned to be careful to check the Bid amount and alter/rectify their Bid if required before confirming the Bid submitted in the Portal.

Liquidator is not responsible for any technical glitch at Qualified Bidders end. Bidders may encounter unforeseen practical problems such as time lag, internet connectivity, system / power failures, etc. To avoid losing out on bidding because of above-mentioned reasons, it is advised not to wait for the last moment.

This Process Memorandum is neither transferable nor assignable.

LAST DATE FOR SUBMISSION OF BID APPLICATION FORM:

The eligibility criteria for the Bidders interested in participating in the sale of the Corporate Debtor as Going Concern basis is given in Clause 3 of this Process Memorandum. The Last date for submission of the Bid Application Form along with other documents and Earnest Money Deposit is on or before **18.00 hours, Friday, 17th February 2023.**



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1. Introduction

Krishna Industrial Corporation Limited (Corporate Debtor) was incorporated as a Public Limited Company under the Companies Act, 1956 on 1st April 1956 bearing Corporate Identification Number (CIN) U45203TN1956PLC001112 and having its Registered Office at No.239, Mount Road, Chennai-600002 (as per Ministry of Corporate Affairs records). **Manufacturing facility is located on a land measuring 44.65 Acres at Nidadavole, East Godavari District of Andhra Pradesh.**

The Company was engaged in three main business segments, namely -

- a) Fertilisers and chemicals - comprising Chemical Fertilisers, Bio-Fertilisers
- b) Industrial gases, and
- c) Software packages development and its services

Capital Structure

Equity Shares	No. of Shares / Face Value	Amount in Rs.
Authorised Capital	30,00,000 x Rs.10	3,00,00,000
Paid-up Capital	20,14,541 x Rs.10	2,01,45,410

Approximately 75% of the Equity Shares is held by the Promoters and Promoters Group and the balance 25% is held by general public.

The production activities of the Corporate Debtor have come to a standstill from July 2017 as confirmed by the Corporate Debtor. There were 58 workers and employees on the rolls of the Corporate Debtor as on the 16-Dec-2019 (CIRP commencement date). Notice was issued to employees that they are not required to report for duty, until further orders and shall not be eligible for any wages on “no work no pay” basis with effect from 16-Dec-2019. Further, all employees and workmen shall be deemed to be discharged with effect from 27-Jul-2020, the date of order of the liquidation of the Corporate Debtor in terms of Section 33(7) of the Code. **All licenses of the Company have expired and have not been renewed. The Liquidator has no information about the trademark registration of the brand, if any.**

For more information about the products of the Corporate Debtor, please visit: www.kic.ind.in

COMMENCEMENT OF CORPORATE INSOLVENCY RESOLUTION PROCESS

The Corporate Insolvency Resolution Process (“CIRP”) of Krishna Industrial Corporation Limited was initiated as per the provisions of the Code by Maximus Asset Reconstruction Company Limited and accordingly, the NCLT, Chennai Bench vide its Order No. CP/1053/IB/2018, dated 16th December 2019 admitted the petition and appointed Mr. S. Rajendran Insolvency Professional as the Interim Resolution Professional to carry the functions as mentioned under IBC. The Committee of Creditors at its first meeting appointed Mr. S. Rajendran as the Resolution Professional of the Corporate Debtor.

At the 2nd CoC meeting, CoC recommended for liquidation of the Corporate Debtor and accordingly the NCLT was pleased to pass an Order dated 27th July 2020 (“Liquidation Commencement Date”) to commence the liquidation process for Krishna Industrial Corporation Limited and Mr. S. Rajendran was appointed as the Liquidator.

LIQUIDATION PROCESS:

Liquidator issued public announcement on 31st July 2020 calling upon the stakeholders to submit their claims as on liquidation commencement date. Based on the claims submitted by the stakeholders, Liquidator constituted Stakeholders Committee. In terms of the Order of the NCLT, Liquidator issued a public notice on 13th August 2020 inviting members/creditors of Corporate Debtor to submit scheme of compromise/arrangement, if any under section 230 of the Companies Act, 2013. No scheme of compromise/arrangement was received.

As one of the Secured Financial Creditor, viz., Andhra Pradesh State Financial Corporation Limited (APSFC) has opted to realize its security interest in the manner as specified in Section 52 of the Code, Liquidator permitted APSFC to realize its security interest. However, since APSFC failed to realize its security interest within the timelines as specified under the Code, NCLT Chennai Bench vide its order dated 21st October 2022 ordered APSFC to handover the possession of the of the assets of the Corporate Debtor to Liquidator and directed the Liquidator to take proactive steps to sell the aforesaid properties in terms of the provisions of the Code.

Accordingly, Liquidator endeavours to sell the Corporate Debtor as a Going Concern in consultation with the Stakeholders Consultation Committee in the manner specified under Regulation 32(e) and 32A of the IBBI (Liquidation Process) Regulations, 2016 and in the manner specified in this Process Memorandum.

The E-Auction would be conducted in the manner specified in Regulation 33 read with Schedule I of IBBI (Liquidation Process) Regulations, 2016.

The E-Auction service provider will provide USER ID & Password to the qualified bidders.

The E-Auction / bidding would be conducted on the scheduled date & time as fixed by the Liquidator by way of inter-se bidding amongst the qualified bidders.

The Bidders are advised to acquaint themselves with the provisions of the IBC and the Liquidation Process Regulations, E-Auction process and any other rules, regulations, orders, circulars, directions or notifications or the like, issued pursuant to or under the IBC or the Liquidation Process Regulations, as the case may be.

2. Definitions

Unless the context otherwise requires, following capitalized terms used in this document, shall have the meanings given hereunder. Terms not defined in this Document shall have the meanings assigned to the term under the Code:

“Adjudicating Authority” means the “Hon’ble National Company Law Tribunal, Chennai Bench (NCLT)”

“Appellate Authority” means the “Hon’ble National Company Law Appellate Tribunal (NCLAT)”

“Affiliate” means a company that, directly or indirectly:

- (a) Controls; or
 - (b) is Controlled by; or
 - (c) is under the common Control;
- of the Corporate Debtor or the Qualified Bidder, as the case may be.

“Applicable Law” means all applicable laws, regulations, rules, guidelines, circulars, re-enactments, revisions, applications and adaptations thereto made from time to time and in force and effect, judgments, decrees, injunctions, writs and orders of any court, arbitrator or governmental agency or authority, rules, regulations, orders and interpretations of any governmental authority, court or statutory or other body applicable for such transactions including but not limited to the Code, Liquidation Regulations, Companies Act, 1956/2013 (as applicable), Foreign Exchange Management Act, 1999, each as amended from time to time.

“Bid” means an offer by a Qualified Bidder for the acquisition of the Corporate Debtor as a whole, on a going concern basis in the E-Auction process.

“Bidder(s)” means each such Person who is interested in taking part in the Bidding Process and who has accepted this document, and where the context requires, a Person who has submitted the Bid Application Form to submit a Bid pursuant to this document, and shall include, where relevant, the Authorized Representatives of the Bidder.

“Bidding Process” means the process set out in this Document for the conduct of an e-auction process for and selection of the Successful Bidder for the acquisition of the Corporate Debtor as a whole, on a going concern basis.

“Corporate Debtor/Company” shall mean “Krishna Industrial Corporation Limited (CIN: U45309TN1956PLC001112) , a Company incorporated in India under the Companies Act, 1956 and having its Registered Office at #239 Mount Road, Chennai-600002, Tamilnadu, India (as per the records of the Ministry of Corporate Affairs).

“Confidential Information” means all financial, technical, operational, legal, commercial, staff, management and other information, data and know-how, including all information relating to the business, assets, affairs, products, services, assets, costs, terms of trading, customers, suppliers, employees and financial statements of the Corporate Debtor or any of its client’s, disclosed or submitted to the Bidder by the Liquidator or his Representatives in written, representational, electronic, verbal or other form (including on the Data Room or in the course of the Site visit) and includes all data, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, human resource information and any other information disclosed or submitted about or in relation to the Affiliates and Associate Companies including without limitation, information on the contents and existence of this Document and analysis, compilations, studies and other documents prepared

by the Corporate Debtor or any of the Corporate Debtor's Representatives or which contain or otherwise reflect or are generated from any Confidential Information and conspicuously designated as "Confidential" or "Proprietary" at the time of written disclosure by the Bidder or any Bidder's Representatives.

"Confidentiality Undertaking" means the undertaking as specified in Format II of this document, to be provided by a Bidder, in respect of the Confidential Information shared with the Bidder during the course of the Bidding Process.

"Connected Person" has the meaning ascribed to it in the Code.

"Control" has the meaning ascribed to it under the Companies Act, 2013.

"Earnest Money Deposit" or "EMD" has the meaning ascribed to such term in Clause 8(III) of this Document.

"E-Auction Agency" means the E-Auction Service Provider viz., National E-Governance Services Limited

"IBBI" means the Insolvency and Bankruptcy Board of India.

"Code" means Insolvency and Bankruptcy Code, 2016 and other rules and regulations framed thereunder, as amended from time to time.

"INR" means the Indian Rupee.

"Letter of Intent" or "LoI" means the letter issued by the Liquidator, to the Successful Bidder post conclusion of the e-auction process in terms of Clause 8(XI) of this document.

"Liquidation Regulations" means Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 as may amended from time to time.

"Liquidator" means S. Rajendran an Insolvency Professional registered with IBBI and having Registration No.IBBI/IPA-002/IP-N00098/2017-1//10241, who has been appointed as the Liquidator by the Adjudicating Authority for conducting the liquidation process of the Corporate Debtor vide order dated 27th July 2020.

"Person" means an individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not.

"Qualified Bidder(s)" shall mean a bidder who has submitted the Bid Application Form (BAF) as placed in Annexure-I and necessary documents in terms of this Process Memorandum to the satisfaction of the Liquidator and has been declared by the Liquidator as a Qualified Bidder.

"Representatives" includes directors or key managerial personnel of the Person expressly authorized by such Person pursuant to a board resolution (in case of incorporated Persons) or duly executed and legally valid power(s) of attorney (executed under the authority of a board resolution in case of incorporated Persons).

"Sale Certificate" or "Certificate of Sale" means a certificate issued by the Liquidator to the Successful Bidder in relation to the sale of the Corporate Debtor as a whole, on a going concern basis in terms of the Liquidation Regulations.

"Site" shall mean the location of all the immovable and movable properties of the Corporate Debtor for the purposes of conducting business.

“**Stakeholder**” shall have the meaning assigned to it under the Code.

“**Successful Bidder**” means a Qualified Bidder whose Bid is selected by the Liquidator as the Successful Bid in accordance with the terms of this Process Memorandum and to whom the Letter of Intent is issued by the Liquidator.

“**Working Day**” shall mean any day between 10:30 Hours and 18:00 Hours IST, other than a public holiday as per the Negotiable Instruments Act, 1881 and excluding days when banks in Chennai are closed for business.

[For the sake of clarity, all timelines contained in this Document pertain to days that are not declared public holidays. If performance of any action falls on a day declared as a public holiday under Negotiable Instruments Act, 1881, the relevant action is to be performed on the next Working Day.]

3. Eligibility Criteria for Bidder(s)

- i. The Bidder shall not be eligible to submit a Bid in this Bidding Process if it suffers from any of the disqualification/ineligibility criteria set out in Section 29A of the Code (as amended from time to time). The Bidder shall submit the relevant information and records to enable an assessment of ineligibility as set out under the provisions of Section 29A of the Code including but not limited to the details of its Connected Person.
- ii. Furthermore, the Bidder shall have either of the following to become eligible to submit the expression of interest in Bid Application Form (BAF) under this document:
 - a) **Category A - Private/Public Limited Company, Limited Liability Partnership, Body Corporates ('Body Corporates') Government Organizations/Trusts, whether incorporated in India or outside India**
 - Minimum Net Worth (NW) of **Rs.5 Crores** as on latest available audited financial statements, but not earlier than 31st March 2022.
 - b) **Category B - Financial Institutions (FI)/ Funds / Private Equity (PE) Investors /NBFCs**
 - Minimum Assets Under Management (AUM) of **Rs.25 Crores** as on latest available date but not earlier than 31st March 2022 (OR) Committed funds available for investment/deployment in Indian Companies or Indian assets of **Rs. 25 Crores** or more as on latest available date but not earlier than 31st March 2022
 - c) **Category C - Individual Investor**
 - Minimum Net Worth (NW) of **Rs.5 Crores** either singly or jointly with one or more individual investors as on latest available date but not earlier than 31st March 2022 (*Individual investor shall include HUFs*)
 - d) **Category D – Consortiums**
 - At least one of the members must hold at least 26% total equity participation in the consortium who shall be designated as the Lead Member. All other members would need to have a minimum stake of 10% each in the consortium.

All the members of a consortium shall be jointly and severally responsible for compliance with the terms of this Process Document and the Bid submitted by the consortium. Wherever

applicable, every document including the formats required under this Document shall be submitted by each member of such consortium.

The members of the Consortium shall nominate and authorize the Lead Member to represent and act on their behalf. Such Lead Partner shall be the single point of contact on behalf of the Consortium with the Liquidator & his advisors in connection with all matters pertaining to the Consortium.

If any member of the Consortium is disqualified under Section 29A of the Code, then the entire Consortium shall stand disqualified. A member of a consortium cannot be a part of another group of consortiums, which is also submitting Bid.

The Net Worth/the Minimum Assets under Management (AUM) shall be duly certified by a Practicing Chartered Accountant and the same shall have to be submitted along with the BAF.

4. Documents required to be submitted to ascertain eligibility of the Bidder

The Bidder would need to submit the following forms, documents and authorizations as part of the E-Auction Process in order to ascertain eligibility of the Bidder(s):

1. An eligible bidder will need to submit the duly filled and signed Bid Application Form as attached vide Annexure I, and duly filled and signed Affidavit / Declaration as attached vide Annexure II & III.
2. Ownership structure and composition of the Bidder, Proof of Identity, Address-Proof, PAN card, e-mail ID, phone number.
3. Board Resolution / Authorization to the Signatory (in case the bidder is a legal entity).
4. Brief note on the taking over of the Corporate Debtor as a going concern, its feasibility and viability and provisions for its effective implementation along with reliefs sought for.



5. Bidding Process & Timelines

The following timelines shall apply to this E-Auction Process. The timelines may be amended by the Liquidator through issuance of an addendum to the E-Auction Process Memorandum.

#	Events / Activities	Timeline	Date
1	Publication of Notice of E-Auction for Sale of Corporate Debtor as going concern	T=0	03-Feb-2023 (Friday)
2	Opening of Auction Portal and access to Process Memorandum to the interested prospective bidders		03-Feb-2023
3	Last date for submission of Bid Application Forms (BAF), eligibility documents, declarations, KYC etc., along with Earnest Money Deposit (EMD) by prospective bidder	T+14	17-Feb-2023 (Friday)
4	Verification of Bid Application Form / documents by Liquidator		21-Feb-2023
5	Date of issuance of the list of qualified bidders	T+18	21-Feb-2023
6	Site visit / inspection / due diligence of assets under auction by the qualified bidder(s)	T+30	05-Mar-2023
7	Registration of Qualified Bidder with E-Auction Agency	T+32	07-Mar-2023
8	E-Auction Date	T+34	09-Mar-2023 (Thursday)
9	Declaration of Successful Bidder, Issuance of Letter of Intent inviting the successful bidder to provide the balance sale consideration within 90 days	T+35	10-Mar-2023
10	Return of EMD to the unsuccessful bidders <i>(within 14 days of declaration of successful bidder)</i>		24-Mar-2023
11	Payment of balance consideration by successful bidder <i>(within 90 days from the date of issuance of letter of intent)</i>		08-Jun-2023
12	Issuance of Sale Certificate		-

Note: Above timelines are indicative, Liquidator reserves the right to modify the same in consultation with the Stakeholders Consultation Committee (SCC) and shall give notice of the same to interested and eligible bidders who have complied with requirements of this Process Memorandum.

6. Assets and Liabilities to be sold as Going Concern

Amount in Rs.

	Particulars	As at 26th July, 2020	As at 31 st March, 2020
	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	4,23,89,109	4,32,06,197
	(b) Capital Work-in-progress	-	-
	(c) Intangible Assets	1,49,781	1,68,160
	(d) Financial Assets		
	(i) Investments	2,08,357	1,51,922
	(ii) Loans	32,49,615	32,49,615
	(iii) Other financial assets	-	-
	(e) Deferred Tax Asset (Net)	5,67,76,376	5,67,76,376
	(f) Other Non-current Assets	-	-
	Total Non-Current assets	10,27,73,237	10,35,52,270
2	Current Assets		
	(a) Inventories	-	-
	(b) Financial Assets		
	(i) Trade receivables	12,03,00,367	12,11,61,937
	(ii) Cash and cash equivalents	9,09,190	5,87,846
	(iii) Other bank balances	3,81,998	3,81,998
	(iv) Loans	-	-
	(v) Other financial assets	2,24,984	2,24,984
	(c) Other Current assets	2,62,51,981	2,60,82,928
	(d) Current tax Assets (Net)	24,595	24,595
	Total Current assets	14,80,93,115	14,84,64,288
	Total Assets	25,08,66,352	25,20,16,559
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	2,01,45,410	2,01,45,410
	(b) Other Equity	(29,33,83,881)	(27,21,79,388)
	Liabilities		
2	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Long-term borrowings	-	-
	(ii) Other financial liabilities	7,47,350	7,47,350
	(b) Provisions	-	-
	(c) Deferred Tax Liability (Net)	-	-
	(d) Other non-current liabilities	-	-
	Total non-current liabilities	7,47,350	7,47,350
3	Current liabilities		
	(a) Financial Liabilities		
	(i) Short-term borrowings	31,54,75,804	29,75,66,567
	(ii) Trade payables	1,71,01,885	1,71,62,808
	(iii) Other financial liabilities	15,80,12,627	15,58,84,699
	(b) Other current liabilities	1,61,02,660	1,60,24,616
	(c) Provisions	1,66,64,497	1,66,64,497
	Total current liabilities	52,33,57,473	50,33,03,187
	Total Liabilities	52,41,04,823	50,40,50,537
	Total Equity and Liabilities	25,08,66,352	25,20,16,559

List of Stakeholders as on 23rd January 2023

S. No.	Class of Stakeholders	Claimed	Admitted	Voting Share (in %)
		Amount in Rs.		
1	Financial Creditor - Maximus ARC Ltd	31,07,87,169	31,07,87,169	74.72
2	Financial Creditor - Andhra Pradesh State Finance Corporation (APSFC)*	4,52,15,993	4,47,38,745	10.76
3	Operational Creditor – Workmen and Employee	5,72,84,722	3,59,79,383	8.65
4	Operational Creditor – Other than Workmen and Employee	43,41,584	19,16,911	0.46
5	Governments/Statutory Authorities**	1,64,35,409	75,05,625	1.80
6	Other Stakeholders	7,77,46,597	1,50,07,000	3.61
	Total	51,18,11,474	41,59,34,833	100.00

* Initially APSFC has not relinquished the assets held by them as security interest into the liquidation estate. However, subsequently, NCLT Chennai vide its order dated 21st October 2022 has directed the APSFC to handover the possession of the assets to Liquidator and stated that the said assets form part of the Liquidation Estate.

**EPFO claim amounting Rs. 60,71,239/- towards damages has not been admitted and steps are being taken to get waiver of the damages from Central Board of Trustees, EPFO.



7. Mode of Sale & Reserve Price

The Liquidator may sell the assets of the Corporate Debtor as enumerated in Regulation 32 of Liquidation Regulations. However, this being the first auction, the liquidator in consultation with the SCC proposes to sell the assets of the Corporate Debtor, as a going concern basis, under Regulation 32(e) read with Regulation 32A of Liquidation Regulations. The details of the security interest in the assets of the Company, relinquished / not relinquished by the secured creditors in accordance with Section 52(1)(a) of the IBC, is provided in Clause 6 of this Process Memorandum.

The implementation/mechanism of such sale as a going concern is however not specifically provided for in the Code / Regulations. It is clarified that on being declared as Successful Bidder, the said Successful Bidder shall be required to complete the sale of Corporate Debtor on going concern basis in accordance with the provisions of the Code and Liquidation Regulations. After identification of a Successful Bidder and payment of entire Consideration within the timelines as specified, the Liquidator and/or Successful Bidder shall have the right to approach the Hon'ble NCLT for obtaining reliefs/suitable directions for the effective implementation of such sale and any such directions shall be binding on the parties to the sale process as contemplated in this Process Memorandum.

The Successful Bidder agrees that it shall be bound to pay the balance sale consideration for consummation of sale of the Corporate Debtor as a going concern within the time frame stipulated in the Liquidation Process Regulations. It is clarified that any necessary approvals, consents, reliefs that may be required to be obtained by the Successful Bidder with respect to the Sale of the Corporate Debtor as a going concern as contemplated in this Process Memorandum have to be obtained by the Successful Bidder without any deviation from the time frame for payment of balance sale consideration as stipulated under the Liquidation Process Regulations. All payments under this Document shall be made in INR (Indian Rupees).

Any failure to obtain such necessary approvals, consents, reliefs that may be required by the Successful Bidder in respect to the Sale of the Corporate Debtor as a going concern shall not affect the e-auction process and Sale of the Corporate Debtor as a going concern as contemplated under this Process Memorandum. On payment of the full amount, the Sale of the Corporate Debtor as a going concern shall stand completed and the Liquidator shall execute a certificate of sale/ transfer documents (subject to approval of NCLT) to consummate the sale transaction as contemplated under this Process Memorandum and the Applicable Law.

The Liquidator reserves the right to alter, modify, cancel or relax any of the terms and conditions mentioned in this Process Memorandum or issue any clarification as may be necessary in the interest of the liquidation process of the Company including cancellation of the e-auction process at any point of time. Any such alteration, modification, cancellation or relaxation of e-auction process shall be binding on the Bidders.

The Qualified Bidders, participating in the e-auction process, will have to Bid for an amount not less than the Reserve Price for acquiring the assets of the Company. The attention of Qualified Bidders is invited to the fact that the Qualified Bidders cannot place a Bid for a value below the Reserve Price. Such Bid will stand automatically disqualified.

Bidders are requested to read all the terms and conditions relating to this E-Auction Process.

Reserve Price: INR 20.92 crores (Rupees Twenty Crores Ninety-Two Lakhs Only)

Minimum Bid Tick Size: Rs.500,000/- (Rupees Five Lakhs Only)

8. Detailed steps in the Bidding Process

I. Public Notice

In accordance with the provisions of Regulation 32 and Schedule I of the Liquidation Regulations, the Liquidator has, vide Public Notice, published on Friday, 3rd February, 2023 in “The Hindu” (English), Chennai, Andhra Pradesh and Telangana Editions, “Makkal Kural” (Tamil), Chennai Edition, “Eenadu” (Telugu), East Godavari, West Godavari and Amaravati (NTR) Editions and on website of the Corporate Debtor i.e. www.kic.ind.in (“Public Notice”), invited expression of interest for participation by the interested Bidders in the E-auction process for acquisition of the Corporate Debtor as a whole, on a going concern basis.

II. Submission of BAF along with supporting Documents and EMD

- (i) Interested Bidders shall submit their expression of interest in the Bid Application Form (BAF), accompanied with the EMD along with other eligibility documents, as may be applicable. The specimen of the documents are provided in Annexures.

Annexure I	Bid Application Form
Annexure II	Affidavit (on eligibility u/s.29A of the Code)
Annexure III	Declaration-cum-Undertaking
Annexure IV	Extract of the provisions of section 29A of the Code
Annexure V	Letter of Intent (format)

- (ii) BAF and other documents shall be in the English language and if any document is not in English language, then the relevant document would need to be translated in English language along with an unconditional affidavit that the translation is true and correct and such translated document shall be considered as the final document. If any discrepancy is found in the original document and translation, then the Bidder may be disqualified, and the Bid, if any, may be rejected.
- (iii) A Bidder is required to submit all information in accordance with this Process Memorandum and in compliance with the requirements set out under the Code and Liquidation Regulations and shall sign and stamp each page of all the documents.
- (iv) All documents should be duly signed and stamped by the Bidder or an authorised Representative of the Bidder and supported by evidence of authority of such Person (board resolution and/or power of attorney, as applicable, of the Bidder). Strict adherence to forms, documents, and authorizations wherever specified in the Document, is required. Each form, document and authorization have to be duly signed and appropriately stamped/company seal affixed by the Representatives of Bidder.
- (v) The BAF and EMD along with the other documents shall be submitted in a sealed cover by post / in person and a scanned copy of all documents by email, unless otherwise notified and it is the responsibility of the Bidder to ensure that the BAF, along with the necessary documents, is delivered at the address of the Liquidator, within the stipulated time and date.

- (vi) The Liquidator shall assume no responsibility for the misplacement/damage to the documents/ delay in delivery or premature disclosure of the contents of the same and consequent losses, if any, suffered by the Bidder.
- (vii) Where the Liquidator finds that the Bidder(s) has submitted an incomplete BAF or if the BAF and other documents are not as per the formats laid down in this Process Memorandum or not compliant with the provisions of the Code or the Liquidation Regulations, the Liquidator may, at his discretion, may seek for remedy of such discrepancies. In case such discrepancies are not remedied within 3 days from the date of communication by the Liquidator, the Liquidator may reject such BAF. In an event of rejection of BAF, the Bidder(s) will not be entitled to any compensation and/or any interest whatsoever. However, the amount of EMD submitted by bidder shall be returned to them within 15 (fifteen) days from the date of such rejection, unless not already invoked/forfeited and/ or the Bidder(s) has not violated any of the terms and conditions as set out in this Process Memorandum.

III. Earnest Money Deposit (EMD)

Interested Bidder in order to become a Qualified Bidder and participate in the E-Auction Process, inter-alia, is required to provide a non-interest-bearing Earnest Money Deposit of **Rs.200,00,000/- (Rupees Two Crores Only) ("EMD")** on or before the last date for submission of the Bid Application Form.

The EMD shall be paid by through NEFT / RTGS into account of the Corporate Debtor as detailed below or Demand Draft in favour of the Corporate Debtor, and the credit of the EMD should be made on or before the cut-off time specified for submission of the bid documents.

Name of the Account Holder	Krishna Industrial Corporation Limited In Liquidation
Current Account No.	078411100004368
Bank & Branch	Union Bank, Chetpet Branch, Chennai
IFS Code	UBIN0807842

The entire EMD amount shall be remitted by the Bidder from the bank account of the Bidder and not from any other account. Bidder shall preserve the remittance challan and shall produce the same to the Liquidator / E-Auction Agency, as and when demanded.

It is hereby clarified that non-submission of the Earnest Money Deposit by any Bidder shall lead to ineligibility and disqualification of the Bidder to conduct site visits, accessing to information, due diligence and participation in the E- auction Process.

The EMD of the Successful Bidder shall be retained towards part sale consideration and the EMD of unsuccessful Bidders shall be refunded. No interest shall be paid to the Bidders on refund of the EMD.

The Successful Bidder shall have the option to adjust the amount of EMD from the Consideration to be paid by such Successful Bidder.

The EMD amount shall be returned to unsuccessful Qualified Bidder(s) within two weeks of the date of declaration of successful bidder or cancellation of the E-Auction process, except that the Liquidator may retain the EMD of the next highest Qualified Bidder for up to 30 (thirty) days from the date of conclusion of the E-Auction (where a Successful Bidder has been identified) in order to consider that bid (at the discretion of the Liquidator in consultation with SCC) in the event the Successful Bidder fails to adhere to the terms of the Letter of Intent.

Provided that, in the event, the Liquidator proposes to cancel the E- Auction process on the scheduled date or decides not to accept any of the bids submitted during the E-Auction process, and in both the instances, proposes to follow up the same with another E-Auction process, within the timeline as specified in the Liquidation Regulations, then Liquidator may retain the EMD. However, if a Qualified Bidder indicates in writing its desire to receive refund of its EMD, then the EMD shall be returned to the Qualified Bidder, within two weeks of giving notice requesting for the return of the EMD.

IV. Invocation of Earnest Money Deposit

The Liquidator shall have the right to invoke/forfeit the EMD by appropriating the deposit made by the Bidder/Qualified Bidder. The EMD may be invoked/forfeited at any time at the discretion of the Liquidator in consultation with SCC, even without making any reference to the Qualified Bidder(s), upon occurrence of any of the following conditions/events:

- a. Any of the conditions under this Process Memorandum or the Lol are breached by the Qualified Bidder;
- b. The Bidder is found to have made any false or misleading information or any misrepresentation;
- c. If a Bidder is found to be ineligible to submit a Bid in terms of Section 29A of the Code (as amended from time to time);
- d. On discovery of existence of any collusion between the Qualified Bidders and the Corporate Debtor's / its related party or any creditors of the Corporate Debtor;
- e. Withdrawal of, or modify the Bid Amount offered in the Portal, after completion of the Bidding Process;
- f. Non-payment or failure to make payment by the Successful Bidder in accordance with LOI.

Note: It is clarified that any invocation/forfeiture of the EMD, by the Liquidator, shall not limit any other rights or remedies that the Liquidator may have under Applicable Law or otherwise, against any Bidder.

V. Verification of BAF and documents by Liquidator

- a. The Liquidator shall verify the Bid Application Form and other documents in order to satisfy that the Bidders complies with -
 - (i) the provisions of Section 29A of the Code; and
 - (ii) other requirements, as specified in this Process Memorandum

- b. Notwithstanding anything stated in this Document to the contrary, the Liquidator reserves the right to verify, at any stage of the Bidding Process, the antecedents of any Bidder and such other Persons connected with the Bidder in submitting the Bid, the eligibility of the Bid, the authenticity of the documents submitted by the Bidder(s), and may request for any additional information or documents, as may be required, for the purpose of verifying/validating the Bid submitted by such Bidder(s). The Liquidator reserves the right, at his sole discretion to contact the Bidder's bank, lenders, financing institutions and any other Person as may be necessary or expedient to verify the information/documents submitted by the Bidder as part of its Bid, and each Bidder expressly consents to the same.

VI. Declaration of Qualified Bidders

Upon verification, the Liquidator shall prepare the list of Qualified Bidder and shall inform the Bidders regarding their eligibility to participate in the E-Auction Process. The details of the Qualified Bidders shall be shared with the E-auction Agency for further process. No representation qua a Bidder will be entertained by the Liquidator. It is clarified that only the Qualified Bidders will be given access to the information, allowed to carry out site visits and further due-diligence and to participate in the E-Auction.

VII. Site visit and due diligence by Qualified Bidders

- (i) Qualified Bidder(s) shall be given access to information related to the Corporate Debtor and Site visit to inspect the assets of the Corporate Debtor may be facilitated on specific request from Qualified Bidder(s) for undertaking their due diligence on the business and operations of the Corporate Debtor.
- (ii) The Qualified Bidders are required to make their own assessments of the information and due diligence of the assets and liabilities to be sold as a going concern.
- (iii) The Qualified Bidder who is desirous of undertaking a site visit shall submit a prior written request of at least 2 days in advance, prior to the date of visit along with the names, designation and any government identification number of each of the persons who are being deputed for site visit, at claims.kic@gmail.com. The Qualified Bidder may depute a team comprising of a maximum 3 (Three) personnel for such site visit.
- (iv) Qualified Bidder shall make its own arrangements including accommodation, travel or other expenses related to the Site visit. All costs and expenses incurred in relation to the Site visit and due diligence shall be borne by the Qualified Bidder(s) and no Qualified Bidder shall be entitled to deduct such expenses from the Bid amount. The personnel of the Qualified Bidder(s) shall not be permitted to undertake any photography or videography during the Site visit without obtaining specific written approval from the Liquidator.
- (v) During the Site visit, the Qualified Bidders shall not be permitted to: (i) take possession of any documents/assets; or (ii) alter/ reposition/ tamper with or damage any asset or document on the premises of the Site; or (iii) initiate any discussion regarding the Bidding Process, with any personnel at the Site other than the person duly authorised by the Liquidator, in this regard. Any of the aforesaid actions may result in the disqualification of

the Qualified Bidder. Any damages incurred by the Corporate Debtor or the Liquidator in the course of any Site visit attributable to the wilful actions of any Qualified Bidder shall be at the cost of such Qualified Bidder.

- (vi) Not undertaking Site visit will not be a cause for disqualification of a Qualified Bidder. Failure to undertake a Site visit or due diligence by the Qualified Bidder will not be a valid ground to relieve the Qualified Bidder subsequently after submission of its Bid nor shall it relieve the Qualified Bidder from any responsibility for estimating the risks in submission of its Bid or costs of successfully fulfilling the terms and conditions of its Bid. The Qualified Bidder(s) may carry out its own comprehensive due diligence in respect of the Corporate Debtor and shall be deemed to have full knowledge of the conditions of the Corporate Debtor, its assets, relevant documents, information etc. whether or not the Qualified Bidder actually inspects or participates in the Site visit or verifies the document provided by the Liquidator.
- (vii) Any delay in completion of the Site visit by the Qualified Bidder, shall not entitle the Qualified Bidder to any extension in the timelines, including the timeline for completion of such Site visit or due diligence.
- (viii) It is assumed that the Qualified Bidder(s) shall have undertaken the necessary due diligence and appraisal of the Corporate Debtor for participation in the E-Auction Process, before submission of their Bid.

VIII. Registration of Qualified Bidders with E-Auction Agency

Qualified Bidder are required to get themselves registered with the E-Auction Agency. Qualified Bidders will have to submit relevant KYC documents as required by E-Auction Agency for the purpose of registration. Qualified Bidders are advised to visit the E-Auction Agency website and get themselves conversant with the E-Auction Process.

In the event any Qualified Bidder fails to register itself with the E-Auction Agency, notwithstanding the fact that such Bidder may have provided the BAF and the EMD, such Qualified Bidder shall not be entitled to participate in the Bidding Process, and no liability shall be incurred by the Liquidator or his advisors or Corporate Debtor or the E-auction Agency in this regard.

IX. Participation of Qualified Bidders in the E-Auction process

- (i) E-auction for the sale of the Corporate Debtor as a whole, on a going concern basis shall be conducted on **Thursday, 9th March, 2023 (E-Auction Date)**. Live and open E-auction shall be conducted on the Portal of the E auction Agency from 11.00 AM till 1.00 PM on the E-Auction Date. The e-Auction shall commence strictly at the scheduled time and at a price equal to the Reserve Price. The Qualified Bidder(s) shall be required to submit their Bid / competitive bids on the Portal within the above timelines. If no bid is received during the aforesaid period, the e-Auction sale shall conclude.
- (ii) If any market leading bid (bid higher than the highest at the point in time) is received within the last five minutes of the closing time, the bidding time will be automatically extended by five minutes and if no bid higher than the last quoted highest bid is received within the said

extended five minutes, the auction sale will automatically get closed at the expiry of the extended five minutes period. There will be thus an extension of bidding time, each of five minutes duration, till auction is concluded.

- (iii) Any Bid submitted which is below the Reserve Price shall be automatically rejected.
- (iv) Qualified Bidders cannot club other charges / expenses including tax etc in the Bid Amount.
- (v) The Reserve Price for sale of the Corporate Debtor as a whole, on a going concern basis under the Bidding Process is exclusive of all applicable taxes and duties and other charges and the Qualified Bidder shall be required to bear all expenses and taxes and duties as may be applicable. It is clarified that no incidence of tax or other rates will be applicable on or borne by the Corporate Debtor.
- (vi) Every Qualified Bidders shall have the option to see the live status of the Bid(s) being received and accordingly shall have the option to revise their Bid(s) during the Bidding Process. Such revision can only be in the nature of increment and not reduction in the Bid. In any case, the Bids received shall at all points of time be visible on the Portal.
- (vii) In case any Qualified Bidder wishes to increase the Bid amount, he may do so within the timelines mentioned in (i) or (ii) above, in a manner that such increase shall be equivalent to an amount of Rs.500,000/- (Rupees Five Lakh Only) or more, in multiples of Rs.100,000 (Rupees One Lakh Only)/-.
- (viii) Upon the closing of the E-auction Process and the bidding is time over, no modification, substitution or withdrawal to/of the Bid(s) shall be permitted thereafter.
- (ix) Each Bid of a Qualified Bidder once submitted must be valid for acceptance by the Liquidator for a minimum period of 6 (six) months from the E-Auction Date including any revisions to such E-Auction Date. In case of extension of E-Auction Date, the validity period of the Bid shall also be deemed to be extended for a minimum period of 6 (six) months from such revised E-Auction Date.
- (x) It is clarified for abundant caution that the Bid of the Successful Bidder approved by the Liquidator shall not be subject to any expiry and shall remain valid and binding on the Successful Bidder.
- (xi) The Liquidator reserves the right to conduct due diligence on any Qualified Bidder(s) with the assistance of external agencies at any stage of the Bidding Process.
- (xii) In the event any Qualified Bidder(s) wishes to exit the Bidding Process prior to the E-Auction Date, the Qualified Bidder(s) must submit a prior written request to the Liquidator to irrevocably withdraw from the Bidding Process. Such written request must be submitted at least 3 (three) days prior to the E-Auction Date. Any request received post such date shall not be considered by the Liquidator. The EMD submitted by Qualified Bidder(s) shall be refunded within 15 (Fifteen) days of receipt of such written request, unless not already invoked/forfeited and/ or the Qualified Bidder(s) has not violated any of the terms and conditions as set out in this Document.

X. Declaration of Successful Bidder by the Liquidator

The Successful Bidder shall be finalized by the Liquidator on the Auction Date based on the highest Bid submitted by the Qualified Bidders on the Portal. It is clarified that the selection of the Successful Bidder shall be solely at the discretion of the Liquidator, with the aim of maximizing the value received for the Corporate Debtor through the Bidding Process, without any requirement to provide any reasoning or justification to any unsuccessful Qualified Bidder(s).

XI. Issuance of LOI to Successful Bidder

- (i) The Liquidator shall issue a Letter of Intent (LOI) to the Successful Bidder within 3 days of declaration of Successful Bidder as per the indicative format given along with this Process Memorandum.
- (ii) Successful Bidder shall unconditionally accept the LOI and submit it to the Liquidator within 3 days from the date of issue of the Letter of Intent and the terms of which shall be binding on the Successful Bidder.
- (iii) It is hereby clarified that no commitment is being given by the Liquidator to carry out the sale of the Corporate Debtor as a whole, on a going concern basis either before or post identification of the Successful Bidder by way of the E-Auction process, and that the Bidding Process may be cancelled at any time and at any stage by the Liquidator, without assigning any reason or assuming any liability or costs.

XII. Payment of balance sale consideration by the Successful Bidder

- (i) The Successful Bidder shall be required to pay the balance Sale Consideration (after adjusting the EMD) ("**Balance Sale Consideration**") within 90 (ninety) days from the date of issuance of the LOI.

Provided that payments made after 30 (thirty) days shall attract interest at the rate of 12% per annum:

- (ii) The balance sale consideration shall not be subject to any deductions, adjustments, set off, claims, reimbursements and expenses of any sort whatsoever, except as permitted under this document.

XIII. Default by the Successful Bidder / Consequences

- (i) Successful Bidder failing to pay the Balance Sale Consideration within timeline shall result in -
 - (a) Rejection of the Bid submitted by the Successful Bidder
 - (b) Cancellation of the Letter of Intent
 - (c) Forfeiture of the EMD submitted by the Successful Bidder, and
 - (d) Forfeiture of any further amounts deposited by the Successful Bidder with the Liquidator.

- (ii) The Successful Bidder agree and acknowledge that invocation or encashment or forfeiture of the Earnest Money Deposit is not the only remedy available to the Liquidator, and the Liquidator shall have the unfettered right to initiate appropriate legal proceedings against the Bidder(s) as it deems fit for the damages recovery of losses caused to the Liquidator and/or the Corporate Debtor on account of withdrawal of the Bid or non-fulfilment of the terms and conditions of this document, including pressing for specific performance or injunctions.
- (iii) It is clarified that in the event the Successful Bidder fails to pay the balance Sale Consideration within the timeline, the Liquidator reserves the right to take such other actions including but not limited to annulling and restarting the Bidding Process. These actions shall not preclude the Liquidator from taking any other appropriate steps as per applicable laws against such Successful Bidder.
- (iv) Additionally, in the event the Successful Bidder is unable to complete the transaction for whatsoever reason, the Liquidator, in its discretion, reserves its right to call upon the next highest Qualified Bidder(s), provided the Bid value of such next highest Qualified Bidder(s) is greater than or equal to the Reserve Price, to complete the transaction. Such an option is only within the discretion of the Liquidator and shall not cause to form any right in favour of any Qualified Bidder. The Liquidator shall be entitled to call upon the next highest Qualified Bidder(s) subsequent to the failure by the Successful Bidder, by issuing the Lol to such next highest Qualified Bidder, and such subsequently selected highest Qualified Bidder shall be deemed to be then the Successful Bidder. In any case, the Liquidator may repeat such steps of the Bidding Process of this Document as deemed fit in the sole discretion of the Liquidator. Notwithstanding anything else contained herein, the Liquidator reserves the right to take any and all measures required for maximization of the value of the Corporate Debtor being auctioned.

XIV. Completion of Sale / Transfer of Corporate Debtor on Going Concern basis

- (i) On payment of the Balance Sale Consideration in full, and any applicable GST / taxes, registration fees, etc. if any, the Liquidator shall transfer the ownership of the Corporate Debtor by way of writing off the entire existing shareholding of the Corporate Debtor and issuance of fresh equity shares to the Successful Bidder, subject to approval of the Adjudicating Authority. The equity shares shall be issued only in the name of the Successful Bidder.
- (ii) All known or unknown, claimed or unclaimed, disclosed or undisclosed liabilities / obligations / risk as on the Liquidation Commencement Date (i.e, 27th July 2020) including prior claims of all creditors whether secured, unsecured, workers, employees, statutory authorities and shareholders on account of any transactions prior to the liquidation commencement date shall be extinguished in full, once the distribution of the purchase consideration / bid amount is made by the Liquidator, as per the provisions of Section 53 of the Insolvency and Bankruptcy Code, 2016 as full and final settlement of their dues. The liquidator shall be in no event be responsible for any liabilities / obligations pertaining to the period prior to the liquidation commencement

date, and the same shall be dealt with, as per the provisions of IBC and directions of the Adjudicating Authority or any higher authority thereof.

- (iii) In case the transfer of ownership of the Corporate Debtor by way of writing off the entire existing shareholding of the Corporate Debtor and issuance of fresh equity shares to the Successful Bidder are not fully complied with for reasons beyond the control of the Liquidator and / or with no fault of the Successful Bidder, all the sums advances by the Successful Bidder including the EMD shall be returned to the said Successful Bidder.
- (iv) It is clarified that any necessary approvals, consents, reliefs that may be required to be obtained by the Successful Bidder with respect to the Sale of the Corporate Debtor as a going concern as contemplated in this Process Memorandum have to be obtained by the Successful Bidder without any deviation from the time frame for payment of balance sale consideration as stipulated under the Liquidation Process Regulations.
- (v) Any failure to obtain such necessary approvals, consents, reliefs that may be required by the Successful Bidder in respect to the Sale of the Corporate Debtor as a going concern shall not affect the e-auction process and Sale of the Corporate Debtor as a going concern as contemplated under this Process Memorandum.
- (vi) If the sale attracts stamp duty, registration charges, GST and any other taxes as per relevant laws, it has to be borne by the Successful Bidder in addition to the Bid Amount.
- (vii) It is specifically clarified that upon the completion of Sale / Transfer of the Corporate Debtor as a going concern, the ownership, risk and title to the Corporate Debtor shall stand transferred to the Successful Bidder and the Liquidator/ his Representatives shall be released of any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and / or performance of any obligations set out under this document, and / or in connection with the Bidding Process, and/or the operation of the Corporate Debtor from the Liquidation Commencement Date and waives any and all rights and / or claims, the Successful Bidder may have in this respect, whether actual or contingent, whether present or in future. The legal or beneficial interest, right or title over the Corporate Debtor shall be issued, vested, transferred pursuant to the successful bid, to the Successful Bidder pursuant to issuance/execution of the Certificate of Sale/Sale Deed on an "as is where is", "as is what is", and "no recourse basis" and without any representation, warranties or indemnities.

9. Confidentiality

- (i) The Bidder(s) acknowledges that the Confidential Information contains critical information including commercially sensitive information relating to the Corporate Debtor, by virtue of which the Bidder(s) shall keep all such critical information, including the commercially sensitive information and UPSI, confidential and shall not disclose or divulge Confidential Information, such critical information or commercially sensitive information or UPSI, to any other Person.

10. Amendment to the document

The Liquidator may in consultation with the SCC without assigning any reason, amend, modify or supplement this Process Memorandum. Any amendment, modification or supplementary information shall be notified by email to the Qualified Bidder. Such amendment shall form part of this Process Memorandum and shall be binding on the Qualified Bidder and shall be deemed to be acknowledged once intimation of any such amendment is notified to the Qualified Bidder.

11. Fraudulent and Corrupt Practices

1. The Bidders shall observe the highest standard of ethics during the E-Auction Process and subsequently during the closure of the E-Auction Process and during the declaration of the Successful Bidder. Notwithstanding anything to the contrary contained in this Document, the Liquidator shall reject the Bid, without being liable in any manner whatsoever to the Bidder, if the Liquidator, at his discretion, determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the E-Auction Process or has, undertaken any action in respect of such process which results in the breach of any Applicable Law including the Prevention of Corruption Act, 1988. In such an event, the liquidator may invoke/forfeit the EMD, without prejudice to any other right or remedy that may be available to the Liquidator under this Document or Applicable Law(s). For the purposes of this Clause, the following terms shall have the meaning hereinafter respectively assigned to them;

“coercive practice” shall mean:

impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the E-Auction Process;

“corrupt practice” shall mean:

- (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the E-Auction Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Liquidator or the Corporate Debtor, who is or has been associated or dealt in any manner, directly or indirectly with the E-Auction Process or arising there from, before or after the execution thereof, at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of the Liquidator or the Corporate Debtor, shall be deemed to constitute influencing the actions of a person connected with the E- Auction Process or
- (ii) engaging in any manner whatsoever, during the E- Auction Process or thereafter, any person in respect of any matter relating to the Company, who at any time has been or is a legal, financial or technical adviser of the Liquidator or the Corporate Debtor, in relation to any matter concerning the E-Auction Process;

“fraudulent practice” shall mean a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the E-Auction Process;

“restrictive practice” shall mean forming a cartel or arriving at any understanding or arrangement among the Bidders with the objective of restricting or manipulating a full and fair competition in the E-Auction Process; and

“undesirable practice” shall mean (i) establishing contact with any person connected with or employed or engaged by the Liquidator with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the E-Auction Process; or (ii) having a conflict of interest.

2. The Bidder shall not involve himself or for any of his Representatives in price manipulation of any kind directly or indirectly under the Applicable Law(s) by communicating with other Bidders. The Bidder shall not divulge either his Bid or any other details provided to him by the Liquidator or during the due diligence process in respect of the Corporate Debtor to any other party. Prior to conduct of due diligence / Site Visits and access of Data Room, the Liquidator shall require the Bidder to execute a Confidentiality Undertaking with the Corporate Debtor/ Liquidator as provided by Liquidator.

12. Costs, Expenses and tax Implications

- (i) The Bidders shall be responsible for all the costs incurred by it on account of its participation in the Auction Process, including any costs associated with participation in the discussion meeting (if any), site visit, etc. The Liquidator shall not be responsible in any way for such costs, regardless of the conduct or outcome of the Auction Process.
- (ii) For purpose of abundant clarity, it is hereby clarified that the Bidder is expected to make its own arrangements including accommodation for the discussion meeting (if organized) or Site visit and all costs and expenses incurred in that relation shall be borne by the Bidders.
- (iii) The Bidder shall not be entitled to receive re-imbursment of any expenses which may have been incurred for carrying out due diligence, search of title to the assets and/or matters incidental thereto or for any purpose in connection with the process.
- (iv) All taxes applicable (including stamp duty implications and registration charges) on account of sale as envisaged under this Document would be borne by the Successful Bidder:
 - (a) The sale may attract GST, other taxes, stamp duty, registration charges etc. as per relevant laws;
 - (b) The Successful Bidder shall bear all the necessary expenses like applicable stamp duties / additional stamp duty / transfer charges, fees, etc.
 - (c) Cess or other applicable taxes i.e. GST, TDS etc.
- (v) It is expressly stated that the Liquidator does not take or assume any responsibility for any dues, statutory or otherwise, of the Corporate Debtor, including such dues, if any, which may affect transfer of subject of the present Auction Process in the name of the Successful Bidder and such dues, if any, will have to be borne/ paid by the Successful Bidder.

13. Governing Law and Jurisdiction

This Document, the Auction Process, and the other documents pursuant to this Document shall be governed by the laws of India and any dispute arising out of or in relation to this Document or the Auction Process shall be subject to the exclusive jurisdiction of the Adjudicating Authority, Courts and Tribunals at Chennai, Tamil Nadu, India.

BID APPLICATION FORM

(Expression of Interest to submit Bid)

Date:

To
Mr. S. Rajendran
Liquidator
In the matter of Krishna Industrial Corporation Limited
C/o. S. Rajendran & Associates
2nd Floor, HariKrupa, 71/1, Mc Nicholas Road,
Chetpet, Chennai – 600 031

Dear Sir,

Sub: Expression of Interest for participating in the E-Auction Process for sale of Krishna Industrial Corporation Limited (CIN: U45203TN1956PLC001112) on going concern basis.

In response to the public advertisement dated 3rd February 2023 (“**Advertisement**”) inviting expression of interest for participating in the E-Auction Process for sale of Krishna Industrial Corporation Limited (in Liquidation) on a going concern basis, as per the provisions of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) and IBBI (Liquidation Process) Regulations, 2016, we confirm that we have understood the eligibility criteria mentioned in the Process Memorandum. We further confirm that we meet the necessary thresholds and criteria mentioned therein and submit herewith our expression of interest along with the required Earnest Money Deposit for submission of Bid in the E-Auction for the Corporate Debtor.

We hereby declare that we are not an ineligible person to be a resolution applicant as prescribed under Section 29A of the Code (as amended from time to time). An Affidavit to that effect is annexed along with this BAF. We have also provided the necessary information as required in prescribed formats.

We affirm that the information furnished by us in this BAF and in the Annexures, including documentary proofs, is/are true, correct, complete, and accurate.

Sincerely yours,

For and on behalf of *[Insert the name of the entity submitting the BAF]*

Signature: _____

Name of Signatory:

Designation:

Company Seal/Stamp:

Note:

The person signing the BAF and other supporting documents should be an authorised signatory supported by necessary board resolutions / authorization letter.

(Contd.)

PART I: GENERAL INFORMATION

A	DETAILS OF BIDDER	
1	Name of the Bidder	
2	Constitution of Bidder	
3	Registration No. / Corporate Identification Number (CIN)	
4	Date of Incorporation / Registration	
5	Contact Details:	
	a) Registered Office Address:	
	b) Branch Office Address, If any	
	c) Telephone No. / Mobile No.	
	d) Email ID	
	e) Website address if any	
	f) Copy of PAN & GST Registration Copy of PAN card, GST number or equivalent documents as applicable	
	h) Details of Authorised Person with KYC documents	
6	Profile of the Bidder / Group giving details about their business activities in India and/or other countries, Management Strength, past experience in acquisition / turnaround of stressed assets in the Road / Infrastructure Industry.	<i>(attach separate sheet wherever applicable)</i>
7	If the Bidder is a Holding / Subsidiary Company, please provide details of the Holding / Subsidiary companies, as the case may be.	
8	Experience in specific industry / past experience in acquisition / turnaround of stressed assets (if any)	
9	History, if any, of the Bidder(s), any of the group company or affiliate being declared a wilful defaulter or non-performing asset, conviction for other offence as specified u/s 29A of the Code.	
10	List of all connected persons along with details as specified u/s.29A read with Sec.5(24) and Sec.5(24A) of the Code	
11	Any other information in support of the credentials the Bidder would like to provide:	

DETAILS OF JOINT VENTURE / CONSORTIUM

Name of the Member	% of share in the JV/Consortium	Nominated as Lead (Y/N)

PART II: FINANCIAL**(INR in Lakhs)**

	Financial Year	Turnover	EBIDTA	PAT
Financial summary of the Bidder in the immediately preceding three (3) financial years: (if calendar year is the financial year, please specify so)	2019-20			
	2020-21			
	2021-22			
Consolidated net worth of the Bidder in the immediately preceding three (3) financial years (if calendar year is the financial year, please specify so)	Financial Year	Net worth		
	2019-20			
	2020-21			
	2021-22			
In the case of financial investors, Assets Under Management (AUM) for the immediately preceding three (3) financial years and the committed funds available on 31 st March 2022 for investment	Financial Year	AUM	Committed Funds	
	2019-20			
	2020-21			
	2021-22			

Details of Assets for which bid is being made:

Description of Assets under E-Auction	All assets and liabilities of Krishna Industrial Corporation Limited (In Liquidation) on Going Concern Basis
Reserve Price	Rs.20,92,00,000/-
Earnest Money Deposit	Rs.2,00,00,000/-
Details of deposit of EMD	Amount: Bank Details Ref. No. Date:

Place:**Date:****Signature of the Authorised Signatory**

FORMAT OF AFFIDAVIT

[on stamp paper of appropriate value]

I _____, son of _____, aged about _____ years, currently residing at _____ and having Aadhaar / Passport Number _____, on behalf of _____ [*name of the Bidder*] having registered office at _____ ("*Bidder*", a term which also includes any person acting jointly with the Bidder) pursuant to authorization of the Board of Directors of the Bidder dated _____ (as enclosed herewith) do solemnly affirm and state as follow:

1. That I am duly authorised and competent to make and affirm the instant affidavit for and on behalf of the Bidder in terms of [resolution of its board of directors/ power of attorney dated ____]. The said document is true, valid and genuine to the best of my knowledge, information and belief.
2. That I am fully conversant with the facts and circumstances of the matter and am also duly empowered and competent to swear and affirm this affidavit.
3. That the Bidder or any person acting jointly with the Bidder or in concert with Bidder or any person who is a 'connected person' [as defined under the Insolvency and Bankruptcy Code, 2016 ("*Code*")], listed herein as 'Annex-A'
 - i. is not an undischarged insolvent;
 - ii. is not a willful defaulter in accordance with the guidelines of Reserve Bank of India ("*RBI*") issued under the Banking Regulation Act, 1949;
 - iii. at the time of submission of the resolution plan does not: (i) have an account which has been classified as non-performing asset in accordance with the guidelines of the RBI under the BR Act or the guidelines of a financial sector regulator issued under any other law for the time being in force, and (ii) controls or manages or is the promoter of a corporate debtor whose account has been, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or the guidelines of a financial sector regulator issued under any other law for the time being in force; and such classification has continued for a period of one year or more from the date of such classification till the date of commencement of the corporate insolvency resolution process of the Corporate Debtor;
 - iv. has not been convicted for any offence punishable with imprisonment:
 - a. for 2 (two) years or more under any act specified under the twelfth schedule of Code;
 - b. for seven years or more under any law for the time being in force.
 - v. has not been disqualified to act as a director under the Companies Act, 2013;
 - vi. has not been prohibited by Securities and Exchange Board of India from trading in securities or accessing the securities markets;
 - vii. has not been a promoter or in the management or control of a corporate debtor (as per the Code) in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the National Company Law Tribunal or any other bench of the National Company Law Tribunal under the provisions of the Code;
 - viii. has not executed a guarantee in favour of creditor(s), in respect of a corporate debtor (as per the Code) which is under insolvency resolution process or liquidation under the Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;
 - ix. has not been subject to any disability, corresponding to clauses (i) to (viii) above, under any law in a jurisdiction outside India.
- x. That the Bidder unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as required under Section 35(f) of the Code and does not have a connected person who is ineligible under clause (a) to (i) of section 29A of the Code.

4. That the Bidder unconditionally and irrevocably agrees and undertakes that it shall make full disclosure in respect of itself and all its connected persons as per the provisions of the Code and the rules and regulations framed thereunder to submit a Bid and that it shall provide all documents, representations and information as may be required by the Liquidator to substantiate to the satisfaction of the Liquidator that the Bidder is eligible under the Code and the rules and regulations thereunder to submit a resolution plan in respect of the Corporate Debtor.
5. That the Bidder unconditionally and irrevocably undertakes that it shall provide all data, documents and information as may be required to verify the statements made under this affidavit including without limitation, the following details:
 - a. persons who are promoters or in management or control of the Bidder;
 - b. persons who will be promoters or in management or control of the business of the Corporate Debtor during the implementation of the Bidder;
 - c. holding companies, subsidiary companies, associate companies and related parties, if any of the Bidder and the persons who are promoters or in management or control of the Bidder; and
 - d. details of convictions, pending criminal proceedings, disqualifications under the Companies Act, 2013, orders or directions issued by SEBI, categorization as wilful defaulters, etc. of the Bidder and persons who are promoters or in management or control of the Bidder.
6. That the Bidder understands that the Liquidator may evaluate the documents submitted by the Bidder or any other person acting jointly with it and such evaluation shall be on the basis of the confirmations, representations and warranties provided by the Bidder under this affidavit.
7. That the Bidder agrees that Liquidator is entitled to rely on the statements and affirmations made in this affidavit for the purposes of determining the eligibility and accepting the Bidder to be qualified for submitting the Bid.
8. That in the event any of the above statements are found to be untrue or incorrect, then the Bidder unconditionally agrees to indemnify and hold harmless the Liquidator / members of the Stakeholders Consultation Committee against any losses, claims or damages incurred by the Liquidator or the members of the SCC on account of such ineligibility of the Bidder.
9. That the Bidder agrees and undertakes to disclose/inform forthwith, to the Liquidator and the members of the SCC, if the Bidder becomes aware of any change in factual information in relation to it or its connected person (as defined under the Code) which would make it ineligible under any of the provisions of Section 29A of the Code at any stage of the E-Auction Process of the Corporate Debtor, after the submission of this affidavit.
10. That if, at any time after the submission of this affidavit and before the approval of the sale of Corporate Debtor on going concern basis by the Hon'ble Adjudicating Authority under the Code, the Bidder becomes ineligible to be a resolution applicant as per the provisions of the Code (and in particular Section 29A of the Code), the fact of such ineligibility shall be forthwith brought to the attention of the Liquidator.
11. That this affidavit shall be governed in accordance with the laws of India and the courts of Chennai shall have the exclusive jurisdiction over any dispute arising under this affidavit.

SOLEMNLY AFFIRMED AT _____ ON THIS THE [] DAY OF [] 2023.

DEPONENT

Declaration-Cum-Undertaking by Bidder

*[To be executed on Rs.100/- non-judicial stamp paper and attested by a Notary. Foreign companies are required to follow the applicable law in their country and ensure that the documents submitted as part of BAF are appropriately apostilled, and stamp duty paid in India before submission to the Liquidator. **This undertaking shall be duly notarized/apostilled.***

DECLARATION – CUM-UNDERTAKING

I _____, son of _____, aged about _____ years, currently residing at _____ and having Aadhaar / Passport Number _____, on behalf of _____ [*name of the Bidder*] having registered office at _____ ("*Bidder*", a term which also includes any person acting jointly with the Bidder) pursuant to authorization of the Board of Directors of the Bidder dated _____ (as enclosed herewith) do hereby submit to Mr. S. Rajendran, (IP Registration No. IBBI Regn. No. IBBI/IPA-002/IP-N00098/2017-18/10241, appointed as the Liquidator ("*Liquidator*") in the matter of **KRISHNA INDUSTRIAL CORPORATION LIMITED (IN LIQUIDATION)**, a company incorporated under the Companies, Act, 1956 (Hereafter referred to as the "**Corporate Debtor**"), undergoing Liquidation under the Insolvency and Bankruptcy Code, 2016 ("**Code**").

That I am duly authorized and competent to make and affirm the instant undertaking for and behalf of the Bidder in terms of the [*resolution of its board of directors / power of attorney- to provide other necessary details of such authorization*]. The said document is true, valid, and genuine to the best of my knowledge, information, and belief.

I / we hereby declare and undertake as follows:

1. That we meet the criteria as specified in the Process Memorandum and we shall furnish relevant records in evidence of meeting the necessary threshold and criteria mentioned in the BAF.
2. That we do not suffer from any ineligibility as specified under Section 29A of the Code and we shall, to the extent applicable, furnish all relevant information and records to enable an assessment of ineligibility under Section 29A of the Code.
3. That we shall intimate the Liquidator forthwith, if we become ineligible under section 29A of the Code at any time until the completion of the E-Auction Process.
4. That we shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to our self or any other person and comply with the requirements under sub-section (2) of Section 29 of Insolvency and Bankruptcy Code, 2016.
5. That the Bid Application Form will be evaluated by the Liquidator based on the information provided by us to determine our eligibility to submit Bid(s) in the E-Auction Process. The Liquidator reserves the right to determine at his sole discretion, whether we qualify for the submission of the Bid(s) and may not shortlist the Bid Application Form submitted by us without assigning any reason whatsoever.
6. That this declaration-cum-undertaking shall be governed in accordance with the laws of India and the National Company Law Tribunal, Chennai / National Company Law Appellate Tribunal, Chennai shall have the exclusive jurisdiction over any dispute arising under this undertaking.

7. We further agree that the Liquidator reserve the right to request for information or clarification from us for the purposes of the Expression of Interest and we shall promptly comply with such requirements. Failure to satisfy the queries of the RP / CoC may lead to rejection of our submission pursuant to Expression of Interest; and we further understand that submission of Expression of Interest alone does not automatically entitle us to participate in the next stage of the Resolution process.
8. That every information and records provided in connection with or in the Bid Application Form is true and correct and discovery of any false information or record at any time will render the Bidder ineligible to continue in the E-Auction Process and submit Bid(s), forfeit any refundable deposit or the Earnest Money Deposit, and attract penalty action under the Code.
9. That the contents of this undertaking are true and correct and part of it is false and nothing material has been concealed therefrom.

Signed for and on behalf of _____

Signature of Authorized Signatory with official stamp

PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT (SECTION 29A OF THE CODE)

A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

- a. is an undischarged insolvent;*
- b. is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);*
- c. at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:*

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan:

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the insolvency commencement date.

Explanation II.— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code.

- d. has been convicted for any offence punishable with imprisonment—*
 - i. for two years or more under any Act specified under the Twelfth Schedule; or*
 - ii. for seven years or more under any law for the time being in force:*

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

- e. is disqualified to act as a director under the Companies Act, 2013:*

Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

f. is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

g. has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

h. has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;

i. is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India;
or

j. has a connected person not eligible under clauses (a) to (i).

Explanation [I]. — For the purposes of this clause, the expression "connected person" means—

- i. any person who is the promoter or in the management or control of the resolution applicant; or
- ii. any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or
- iii. the holding company, subsidiary company, associate company, or related party of a person referred to in clauses (i) and(ii):

Provided that nothing in clause (iii) of Explanation I shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the insolvency commencement date;

Explanation II—For the purposes of this section "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—

(a). a scheduled bank;

(b). any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;

(c). any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);

- (d). *an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*
- (e). *an Alternate Investment Fund registered with Securities and Exchange Board of India;*
- (f). *such categories of persons as may be notified by the Central Government;*

THE TWELFTH SCHEDULE

(See clause (d) of section 29A)

ACTS FOR THE PURPOSES OF CLAUSE (d) OF SECTION 29A

- (1). *The Foreign Trade (Development and Regulation) Act, 1922 (22 of 1922);*
- (2). *The Reserve Bank of India Act, 1934 (2 of 1934);*
- (3). *The Central Excise Act, 1944 (1 of 1944);*
- (4). *The Prevention of Food Adulteration Act, 1954 (37 of 1954);*
- (5). *The Essential Commodities Act, 1955 (10 of 1955);*
- (6). *The Securities Contracts (Regulation) Act, 1956 (42 of 1956);*
- (7). *The Income-tax Act, 1961 (43 of 1961);*
- (8). *The Customs Act, 1962 (52 of 1962);*
- (9). *The Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974);*
- (10). *The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974);*
- (11). *The Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981);*
- (12). *The Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986);*
- (13). *The Environment (Protection) Act, 1986 (29 of 1986);*
- (14). *The Prohibition of Benami Property Transactions Act, 1988 (45 of 1988);*
- (15). *The Prevention of Corruption Act, 1988 (49 of 1988);*
- (16). *The Securities and Exchange Board of India Act, 1992 (15 of 1992);*
- (17). *The Foreign Exchange Management Act, 1999 (42 of 1999);*
- (18). *The Competition Act, 2002 (12 of 2003);*
- (19). *The Prevention of Money-laundering Act, 2002 (15 of 2003);*
- (20). *The Limited Liability Partnership Act, 2008 (6 of 2009);*
- (21). *The Foreign Contribution (Regulation) Act, 2010 (42 of 2010);*
- (22). *The Companies Act, 2013 (18 of 2013) or any previous company law;*
- (23). *The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015);*
- (24). *The Insolvency and Bankruptcy Code, 2016 (31 of 2016);*
- (25). *The Central Goods and Services Tax Act, 2017 (12 of 2017) and respective State Acts imposing State goods and services tax;*
- (26). *such other Acts as may be notified by the Central Government.*

LETTER OF INTENT

To,
[Successful Bidder]

Dear Sir,

Subject: Declaration of the Successful Bidder and issuance of Letter of Intent ("Letter of Intent") with reference to e-Auction held on 9th March 2023 for sale of Krishna Industrial Corporation Limited (In Liquidation) (CIN: U45309TN1956PLC001112) on a going concern under the provisions of the Insolvency and Bankruptcy Code, 2016 and Regulations thereunder.

The Liquidation Process of Krishna Industrial Corporation Limited (CIN: U45309TN1956PLC001112) was commenced under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") by an Order of the National Company Law Tribunal (NCLT), Chennai Bench dated 27th July 2020 and the undersigned was appointed as the Liquidator.

Pursuant to Regulation 32(e) & 32A of IBBI (Liquidation Process) Regulations, 2016 the Liquidator issued a Public Notice on 3rd January 2023, inviting expression of interest from interested bidders to participate in the e-Auction Process for Sale of Krishna Industrial Corporation Limited (In Liquidation) on a going concern basis. A Process Memorandum setting out a detailed terms and conditions of the e-Auction/Bidding Process was also published along with the above said public notice in the website of the E-Auction Agency.

1. Pursuant to the Public Notice, E-Auction was conducted on the website of the E-Auction Agency on 9th March 2023 at 11:00 Hrs and as per bidding result, you were the highest bidder with your final bid at Rs. [] (Rupees [] Only) which was put in the auction at Hrs. Accordingly, you were declared as the Successful Bidder vide our email dated _____.
2. This Letter of Intent is being issued to you being the Successful Bidder, in terms of the Process Memorandum dated **3rd February 2023** and shall be subject to the provisions of the Code and the Rules and Regulations made thereunder, as amended from time to time, and the completion of Sale / Transfer of the Corporate Debtor as a going concern basis is subject to the following:
 - (i) You shall forthwith, but not later than 3 (Three) Days from the date of issuance of this Letter of Intent, unconditionally accept this Letter of Intent and record such acceptance by providing the Liquidator with 1 (one) copy of this Letter of Intent with an endorsement stating that the Letter of Intent is "*Accepted Unconditionally*", under your signature.
 - (ii) You shall remit the balance sale consideration of Rs. [] (Rupees [] Only), after adjusting the Earnest Money Deposit of Rs. [], within a period of 90 days (i.e, on or before []) from the date of this Letter of Intent. **Provided that payment made after 30 days shall attract interest at the rate of 12% per annum in terms of Regulation 33 read with Schedule I of the IBBI (Liquidation Process) Regulations, 2016.**
 - (iii) In case you fail to remit the balance sale consideration of Rs. [] (Rupees [] Only), within 90 days as specified above, the Liquidator shall forfeit the Earnest Money Deposit of Rs. [] (Rupees [] Only), in terms of the Process Memorandum.
 - (iv) All applicable taxes (including GST, stamp duty and registration charges etc.,) on Sale of Krishna Industrial Corporation Limited (in Liquidation) on a going concern basis, shall be borne by you.

- (v) You shall be responsible for obtaining requisite regulatory or statutory or third-party approvals, licenses, no-objections, permission or consents, if any, that are or may be required under Applicable Law for transfer and continue the Krishna Industrial Corporation Limited (in Liquidation) on a going concern.
- (vi) No TDS to be deducted under section 194(IA) of the Income Tax Act, 1961 on the balance sale consideration.
- (vii) On payment of the balance sale consideration in full, and any applicable GST / taxes, registration fees etc., if any, the Liquidator shall transfer the ownership of the Corporate Debtor by way of writing off the entire existing shareholding of the Corporate Debtor and issuance of fresh equity shares to the Successful Bidder, subject to approval of the National Company Law Tribunal, Chennai Bench ("**Adjudicating Authority**"). Please note that the fresh equity shares shall be issued only in the name of the Successful Bidder.
- (viii) The sale of the Corporate Debtor (as a going concern basis) is sold on "As is where is basis", "As is what is basis", "Whatever there is basis" and "No recourse basis" and the sale does not entail transfer of any title except the title which the Corporate Debtor had on its assets as on date of transfer. The Liquidator does not take or assume any responsibility for any shortfall or defect or shortcoming in the movable/immovable assets of the Company.
- (ix) Upon the approval of the Adjudicating Authority, you shall be responsible for complying with the requirements under any law for the time being in force on behalf of the Corporate Debtor.
- (x) Notwithstanding anything contained herein, the Liquidator shall revoke this letter of intent, without being liable in any manner whatsoever to the Successful Bidder, if the Liquidator, at his discretion, determines that the Successful Bidder, has directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practices or restrictive practice in the E-Auction Process and has, undertaken any action in respect of such process which results in the breach of any applicable law including Prevention of Corruption Act, 1988.
- (xi) In case of any contravention or breach of the terms of the Process Memorandum, Liquidator shall be entitled to exercise such remedies as he may deem fit under applicable laws as well as under the terms of the Process Memorandum, including revoking this Letter of Intent and forfeiting the Earnest Money Deposit / any further amount deposited by you with the Liquidator.
- (xii) You shall be bound by all terms and conditions specified in the Process Memorandum in addition to this Letter of Intent and hence kindly note to read this Letter of Intent in conjunction with the Process Memorandum.
- (xiii) Unless otherwise defined herein, the terms used and not defined herein shall have the meanings ascribed to them under the Process Memorandum.
- (xiv) This Letter of Intent shall be governed by and construed in accordance with the laws of India, and the Adjudicating Authority shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with this Letter of Intent.
- (xv) This Letter of Intent cannot be assigned or transferred in any manner whatsoever to any other person.

Thanking you.

Yours Sincerely,

<p>S. Rajendran Liquidator In the matter of Krishna Industrial Corporation Limited IBBI Regn. No. IBBI/IPA-002/IP-N00098/2017- 18/10241</p>	<p>Accepted Unconditionally</p> <p>For and on behalf of _____</p> <p>Name: Designation: Date:</p>
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