

FORM NO. CAA. 2

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

Before the Hon'ble National Company Law Tribunal, Division Bench – I, Chennai

In the matter of M/s. Nagarjuna Oil Corporation Limited, Company Under Liquidation(NOCL-CUL)

CA/216/2020 in TCP/10/(IB)/2017

In the matter of Section 230 of the Companies Act, 2013 read with Section 33, 53 & 60 (5) of the Insolvency and Bankruptcy Code, 2016 and Regulation 32 of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016

Notice is hereby given that by an Order dated the 20th day of August, 2020, the Hon'ble National Company Law Tribunal, Chennai, Bench - 1 has directed a **"Stakeholders Committee Meeting"** of M/s. Nagarjuna Oil Corporation Limited, Company Under Liquidation, hereinafter referred as NOCL-CUL for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement or Compromise proposed by M/s. Haldia Petrochemicals Limited (HPL) with the Secured Financial Creditors of NOCL-CUL.

In pursuance of the aforesaid Order and as directed therein, further Notice is hereby given that a **"Stakeholders Committee Meeting"** of NOCL-CUL will be convened electronically (via video conferencing facilities) on Wednesday, 28th day of October, 2020 (28.10.2020) at 02.30 P.M at which time and place the Secured Financial Creditors and the other Authorized Representatives for each class or category of Stakeholders as per Order dated 20.08.2020, are requested to attend and, if thought fit, to pass following Resolution with or without modification(s);

RESOLVED THAT pursuant to the provisions of Section 230 of the Companies Act, 2013 read with Section 33, 53 & 60 (5) of the Insolvency and Bankruptcy Code, 2016 and Regulation 32 of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and any other applicable Laws, Rules, Regulations, circulars and notifications issued there under, including any statutory modifications or re-enactments thereof and subject to the approval of the Hon'ble National Company Law Tribunal [**"NCLT"**], Chennai Bench, the consent of the Stakeholders (*precisely meaning all the Secured Financial Creditors individually and the other class/ categories namely, Unsecured Financial Creditors, Operational Creditors, Employees, Members/ Shareholders & Government/ Statutory Authorities each represented ONLY through a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative and as approved by the Hon'ble NCLT*) be and is hereby accorded to the Scheme of Arrangement or Compromise proposed by M/s. Haldia Petrochemicals Limited (HPL) with the Secured Financial Creditors of M/s. Nagarjuna Oil Corporation Limited, Company Under Liquidation (NOCL-CUL) placed before this Stakeholders Committee Meeting and initialed by the Chairman of the Meeting for the purpose of Identification, be and is hereby approved.

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

RESOLVED FURTHER THAT all the Secured Financial Creditors of NOCL – CUL and the other class/ categories namely, Unsecured Financial Creditors, Operational Creditors, Employees, Members/ Shareholders & Government/ Statutory Authorities each represented ONLY THROUGH a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative may vote in the Meeting on 28-10-2020 or previously through E-Voting facilities for which the poll shall commence on 26-10-2020 (11.00 A.M) and shall remain open till 28-10-2020 (12.30 P.M).

Copies of the said Scheme of Arrangement or Compromise proposed by HPL with the Secured Financial Creditors of NOCL-CUL can be obtained free of charge at the office of the Liquidator, Shri. V. Mahesh, at No. 39/19, Aspen Court, III Floor, 6th Main Road, R.A.Puram, Chennai – 600 028 or electronically thru' maheshvenki@vmacs.co.in or vmacsibc@vmacs.co.in.

The Hon'ble National Company Law Tribunal has appointed Shri. E. Om Prakash, Senior Advocate as the Chairman of the Stakeholders Committee Meeting of NOCL-CUL and failing him, Shri. V. Mahesh, Liquidator of NOCL-CUL, shall chair the meeting. The above mentioned Scheme of Arrangement or Compromise will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chennai, Division Bench-1.

Dated this Monday, 26th day of September, 2020, at Chennai.

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**Shri. E. Om Prakash,
Chairman appointed for the Meeting.**

ENCLOSURES:

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

NOTES:

1. The facility for E-Voting shall be provided via a Secured and Approved E-Voting Platform and the Poll shall commence from Monday, the 26th day of October, 2020 (26-10-2020) at 11.00 A.M and shall remain open till 12.30 P.M, Wednesday, the 28th day of October, 2020 (28-10-2020). It would be duly communicated to all those who are entitled to vote individually or by their Authorised Representatives.
2. The Resolutions as proposed in the Notice calling for the Meeting together with a copy of the Scheme shall be made available in the aforesaid E-Voting Platform for the convenience of all the Participants (with voting rights).
3. The Participants can exercise their voting rights through Mobile Phones (Application available for download from Google Play store/ App store) or through Desktops/ Laptops.
4. The link to exercise their vote shall be sent to the electronic mail addresses of all the Secured Financial Creditors of NOCL – CUL and to the Registered Insolvency Professional/s as approved by the Hon'ble NCLT, as Authorized Representative/s, to represent the class/ categories of Stakeholders at least 48 hours before the commencement of the Poll.
5. In case of any doubts or difficulties to access/ use the E-Voting platform, the Participants of the Stakeholders Meeting with voting rights may please contact the office of the Liquidator of NOCL-CUL, Shri.V.Mahesh through the e-mail addresses maheshvenki@vmacs.co.in / vmacsibc@vmacs.co.in

EXPLANATORY STATEMENT TO THE NOTICE CALLING FOR THE STAKEHOLDERS COMMITTEE MEETING OF NOCL - CUL PURSUANT TO RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, TO THE EXTENT RELEVANT & APPLICABLE:

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

(a) Date of the Order	20 th August, 2020 (20-08-2020)
(b) Date, time & venue of the meeting.	28 th October, 2020 at 02.30 P.M, electronically through video conferencing

II. Details of the company:

(a) Corporate Identification Number	U30006TN1991PLC020837
(b) Permanent Account Number	AAACN9369E
(c) Name of the Company	M/s. Nagarjuna Oil Corporation Limited (Company under Liquidation as per Insolvency and Bankruptcy Code, 2016)
(d) Date of Incorporation	20/05/1991
(e) Type of the Company (whether public or private or one-person company)	Public
(f) Registered office address and e-mail address	Registered office is, at present, is the office of the Liquidator, Shri.V.Mahesh #39/19, III Floor, Aspen Court, R. A. Puram, Chennai-600028
(g) summary of main object as per the Memorandum of Association and main business carried on by the company	To set up Petroleum Refinery in the State of Tamil Nadu and to carry on the business of extraction of oil by mechanical, electrical and/or chemical means.
(h) Details of change of name, registered office and objects of the company during the last five years	The Liquidator vacated the Registered office premises of NOCL - CUL from MD Chambers, 53, Dr. R. K. Salai, Mylapore, Chennai - 600 004 to #39/19, III Floor, Aspen Court, R. A. Puram, Chennai - 600 028. (February 2020)
(i) Name of the stock exchange (s) where securities of the company are listed, if applicable	Not Applicable

	<u>Particulars</u>	<u>No. of Securities</u>	<u>Amount in INR</u>
(j) Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital	Authorised Capital	5,00,00,00,000	50,00,00,00,000
	Subscribed Issued Capital & Paid up Capital	1,65,92,91,563	16,59,29,15,630
(k) Names of the promoters and directors along with their addresses.	As on date, the Company is undergoing Liquidation Proceedings and its affairs are managed by the Liquidator appointed by the Hon'ble NCLT, Chennai Bench, vide Order dated 11 th December, 2018.		
III. Parties involved in the Compromise or Arrangement	The Scheme of Compromise or Arrangement has been proposed by M/s. Haldia Petrochemicals Limited (HPL) with the Secured Financial Creditors of NOCL – CUL.		
IV. Rationale for the compromise or arrangement	The revival of this project has the potential to achieve the local demand in the refinery sector and it is likely to generate substantial employment opportunities during construction and direct employment during commencement of Operations. Besides these, huge employments opportunities will also be generated through downstream processing industries using the feed stock from this project.		
V.	<p>The Synopsis of this Scheme of Compromise or Arrangement proposed by HPL is also circulated together with the Notice & Explanatory Statements. The entire copy of the Scheme can be sought for from the office of the Liquidator Shri. V. Mahesh via electronic mail in the addresses as mentioned below:</p> <p>vmacsibc@vmacs.co.in maheshvenki@vmacs.co.in</p>		

Salient Points of HPL Scheme of Arrangement for NOCL

1. The Scheme is made and presented under Sections 230 to 232 of the Companies Act, 2013 read with relevant provisions of the IBC and Regulations thereto in compliance of NCLAT order dated 9 April 2019.
2. Pursuing NOCL business in current form may require significant time, energy and resources – pushing up costs to unsustainable levels making it economically unviable.
3. The Sponsor i.e. Haldia Petrochemicals Ltd (HPL) or its affiliates, is seeking to set up a Refinery-cum-Petrochemical Project over the Land of NOCL to produce various fuels, polymers and chemical streams, which in turn can be processed further by downstream processing industries located within Tamilnadu. It is proposed to implement the projects in two phases, A Special Project Vehicle has been formed exclusively for undertaking the aforesaid projects

Phase – I: would consist of a light crude splitter and a Cracker Complex. The complex will use light crude and naphtha as feedstock and produce various products like Poly Ethylene (PE), MEG, Polypropylene (PP), Benzene, Butadiene, Motor-Spirit etc.

Phase – II: would consist of Aromatics Complex. It will use high aromatic naphtha produced in the refinery or import and produce Paraxylene (PX) for producing PTA for Textile plants. Additionally, some Benzene would also be produced.

4. The Sponsor has offered to acquire and takeover the Project Assets free from all encumbrances, through an SPV which, in consideration of the Project Assets aforesaid, shall effect payment in phased manner (stages) of a total sum of INR 600 crores (inclusive of all applicable taxes, if any) to the Liquidator for settling and effecting payment of the dues of NOCL under the waterfall mechanism provided in Section 53 of the I&B Code.
5. The payments are proposed to be made in following stages:
 - a. **Stage 1:** Payment of INR 25 Cr in cash within 15 days from the date the Scheme is approved by the NCLT with land titles remaining with NOCL. The existing Bank guarantee of INR 10 crores provided by the Sponsor shall stand released and shall be returned back by the Liquidator to the Sponsor forthwith upon receipt of the stage 1 payment.
 - b. **Stage 2:** Payment of INR 555 Cr. to the Liquidator by a date 50 days from Appointed Date or 31-Mar-2020 whichever is later. By definition of Appointed Date SIPCOT approval for extension of land lease and execution of Agreement with GoTN extending Fiscal Incentive and Infrastructure support to the SPV shall be concluded at this payment stage. Upon payment, simultaneous land title transfer in favour of Sponsor to be made.
 - c. **Stage 3:** An escrow account would be created on the date of 2nd stage payment for an amount of INR. 20 Cr. with the Liquidator for 120 days till peaceful possession of total land is handed over to the sponsor. Payment shall be released to liquidator after completion of fencing of the entirety of 2,186 acres including about 900 acres of SIPCOT leased land presently outside boundary wall of NOCL portion and clearing the site by BOOT.

Liquidator is the final authority for disposal of funds, strictly in accordance with Section 53 of IB Code, Waterfall Mechanism or as per the directions of the NCLT, in accordance with Section 230 read with IBC Code, 2016. HPL will be cleared of all liabilities, obligations, legal, contractual, statutory or otherwise, once the amount as agreed is paid to the Liquidator.

6. On and from the Effective Date, NOCL shall cease to be going concern, and shall stand dissolved with effect from the Appointed Date, and following events shall take place without requiring any further act or deed on anyone's part: -

- (i) NOCL shall stand dissolved. Existing officers, employees and workers, with relevant skills and competencies, will be favourably considered for opportunity arising in project to be put up by Sponsor. Considering that the nature of proposed project would be similar to NOCL original project, existing employees, in general, are likely to have better chance of employability.
- (ii) All subsisting contracts to which NOCL is a party (save and except the leases, if any, in favour of NOCL for the aforesaid land), including BOOT contracts, shall stand terminated. BOOT assets standing on the Project Land shall be removed within 90 days from NCLT approval by the BOOT Operators at their cost, failing which; Sponsor/SPV would initiate the process to clear the site and adjust the cost of clearance from Sale of scrapped material lying on the land sub-leased to BOOT. Any excess cost shall be recoverable from the BOOT operators.
- (iii) The subsisting charge of the financial creditors on the assets and properties of NOCL including the aforesaid land shall stand released; and
- (iv) The assets and properties of NOCL aforesaid, free from all encumbrances, shall vest in and taken over by the Sponsor / SPV.
- (v) The amount payable under the scheme is ALL INCLUSIVE, INCLUDING ALL APPLICABLE TAXES. No separate amount is ear marked for CIRP Cost, Liquidation Cost, Employee Cost etc. and any recovery of advances paid by NOCL shall accrue only to the Liquidation Estate, not to Sponsor/SPV.

7. The Scheme shall be effective from the Appointed Date as defined hereinabove.

8. **Reliefs & Concession sought from NCLT and Government of Tamil Nadu (GoTN):**

The scheme assumes inclusion of following in the order approved by NCLT:

- (i) All secured debts on the land, plant and equipment and other assets of NOCL being released unconditionally in their entirety.
- (ii) All unsecured debts will remain in the Company under liquidation that is NOCL and shall be fully dealt with by the Liquidator out of the total payment of INR 600 crores (Inclusive of all applicable taxes, if any) to be made by the Sponsor hereunder.
- (iii) All title deeds and other documents of title including bills of sale and other proof of purchase relating to all the assets of NOCL being delivered to the Sponsor at or before the Stage 2 Payment.
- (iv) Approval of Industrial Incentive as per Tamil Nadu Industrial Policy 2014, and/or any modification thereof, and such other benefits, including but not limited to waiver of stamp duty, as applicable for "Ultra Mega" Project Category
- (v) SIPCOT to provide all approvals and assistance to the Sponsor/SPV for the revival of the Project over the Project Land without any cost to the Sponsor/SPV.
- (vi) TIDCO acquires the additional land as mentioned in Information Memorandum and lease it to Sponsor / SPV as per original terms and conditions.
- (vii) Tamilnadu Maritime Board (TMB) to renew the existing license afresh after payment of charges applicable from date of approval of this Scheme without any obligation on the Sponsor/SPV for the TMB's past dues.

- (viii) Confirmation by each of the Lenders of the Company in liquidation that is, NOCL, holding security interest over the Project Assets confirming release of their respective security interest thereon
- (ix) All relevant Government Authorities to grant relief from payment of stamp duty and applicable fees (including fees payable to the jurisdictional Registrar of Companies) for the successful implementation of the Scheme under relevant section of Companies Act, 2013 (including for the capital reduction, issuance and transfer of shares or debentures, assignment of Financial Debt etc). The concerned state revenue/ stamp authorities are requested to waive penalties for non-registration and inadequate/ non-stamping of the documents executed for the implementation of this Scheme;
- (x) The CBDT shall grant the following exemptions / waivers: (a) from applicability of Section 281 of the Income-tax Act, 1961 including obtaining no-objection certificate from income tax authorities in respect of all the pending proceedings and dues (including interest and penalty) of the Corporate Debtor arising for periods up to the Appointed Date (including such proceedings and dues for periods prior to the Appointed Date that may crystallize subsequent to the Appointed Date). Further, CBDT shall restrict/ restrain from treating any transactions contemplated in this Scheme as being void or non-compliant with any provisions of the Income-tax Act, 1961; (b) from all tax liabilities (including interest and penalty) and tax proceedings arising in respect of periods up to the Effective Date, including such liabilities/ proceedings for periods up to the Effective Date that may crystallize subsequent to the Closing Date in respect of on-going or potential income tax litigations at all levels (c) from applicability of section 170 of the Income-tax Act, 1961, in the hands of Sponsor, which deals with successor liability of Sponsor in respect of outstanding tax liabilities of the Corporate Debtor, in respect of transactions arising as a result of giving effect to the Scheme; provisions of section 50CA, and section 56(2)(x), and section 170 and any other tax implication arising from implementation of the Scheme in the hands of Corporate Debtor under the provisions of the Income-tax Act, 1961;
- (xi) The NCLT shall direct that upon approval subject to fulfilment of the events under the Appointed Day the terms and provisions of this Scheme shall have effect, notwithstanding anything inconsistent contained herein with the provisions of any other Applicable Law for the time being in force or any other instrument having such effect by virtue of any Applicable Law.
- (xii) Liquidator to ensure validity of GST registration of NOCL.
- (xiii) The order of the Adjudicating Authority sanctioning the Scheme shall be binding on all stakeholders including the shareholders, employees, consultants, creditors, Government and local authorities and all concerned with the Company under Liquidation that is, NOCL and shall equally bind the Sponsor and the SPV as also SIPCOT and the State Government of Tamil Nadu whose approvals are necessary condition precedent to the Scheme