KALAHRIDHAAN TRENDZ LIMITED

(IN CIRP)

DETAILED INVITATION FOR

EXPRESSION OF INTEREST

IN CONNECTION WITH FORM G

DATED 13/10/2026

Chirag Rajendrakumar Shah

RESOLUTION PROFESSIONAL

Address:
208, Ratnaraj Spring, Beside Navnirman Co. Op. Bank,
Opp. HDFC Bank House, Navrangpura, Ahmedabad-380009
E-mail : cirp.ktl@gmail.com
Website: https://www.kalahridhaan.in/

DETAILED INVITATION FOR EOI

Pursuant to the newspaper advertisement dated 13.10.2026 inviting Expressions of Interest ("EOI") from prospective resolution applicants, this Detailed Invitation for EOI is issued to provide further details regarding the eligibility criteria, submission requirements and process for submission of resolution plans. Eligible persons desirous to participate may submit their EOI on or before **28/10/2026.**

The information provided herewith is categorized into the following headings:

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All prospective resolution applicants who meet the requirements of the invitation for expression of interest shall submit expression of interest latest by **11.59 P.M on 28th October, 2026.** Please be informed that the expression of interest received after the time specified here shall be rejected. Please also be informed that the expression of interest shall be unconditional and shall be accompanied by the documents specified in PART (C) of THE EOI PROCESS.

The details / mandatory provisions thought as might be required to enable prospective resolution applicants to submit the EOI are provided in this document. However, the same shall

not be construed as inclusive of all the mandatory requirements; all the provisions contained in the IBC, 2016 and Regulations thereto will be applicable to the extent relevant in this EOI process. The words and expressions used in this document shall have meaning as per the IBC, 2016 and Regulations thereto.

The details / mandatory provisions thought as might be required to enable prospective resolution applicants in submitting the EOI are also provided in this document. However, the same shall not be construed as inclusive of all the mandatory requirements; all the provisions contained in the IBC, 2016 and Regulations thereunder will be applicable to the extent relevant in this EOI process. The words and expressions used in this document shall have meaning as per the IBC, 2016 and Regulations thereto.

Sd/-

Chirag Rajendrakumar Shah

Resolution Professional in the matter of Kalahridhaan Trendz Limited

IBBI/IPA-001/IP-P01169/2018-19/11837

KALAHRIDHAAN TRENDZ LIMITED
(IN CIRP)

DETAILED INVITATION FOR EOI- REF FORM G DATED 13/10/2026

A- BRIEF PARTICULARS OF CORPORATE DEBTOR:

A-1 PARTICULARS AS PER MCA WEBSITE:

Company Master Data	
CIN	L17299GJ2016PLC092224
Company / LLP Name	KALAHRIDHAAN TRENDZ LIMITED
ROC Code	ROC-Ahmedabad
Registration Number	092224
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	18,00,00,000
Paid up Capital (Rs)	17,18,70,000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	27/05/2016
Registered Address	57 Ashra Industrial Estate B/H Mahalaxmi Fabrics Near Narol Cross Road, Ahmedabad, Gujarat, India- 382405
Email Id	cirp.ktl@gmail.com
Date of last AGM	25/09/2023
Date of Balance Sheet	31/03/2023
Company Status (for e-filing)	Under Corporate Insolvency Resolution Process

Directors/Signatory Details			
DIN/PAN	**Name**	**Begin date**	**End date**
07511136	ADITYA NIRANJANLAL AGARWAL	27/05/2016	-
00413530	NIRANJAN DWARKAPRASAD AGARWAL	27/05/2016	-
02635438	SUNITADEVI AGARWAL	06/01/2023	-

A-2 BRIEF HISTORY & NATURE OF BUSINESS OF THE CORPORATE DEBTOR:

Kalahridhaan Trendz Limited, incorporated in 2016 and headquartered in Ahmedabad, Gujarat, engaged in the manufacturing and trading of various types of fabrics, including embroidered fabrics and grey cloth. The Company is also involved in textile processing activities such as dyeing, printing, embroidery and knitting of fabrics, including suiting, shirting and dress materials.

The Company primarily caters to the business-to-business (B2B) wholesale market, supplying fabrics to wholesalers, traders and other businesses in the textile industry. Its operations include the procurement of grey fabrics and their subsequent processing and value addition to meet market requirements.

B- ABOUT THE ONGOING CIRP (CORPORATE INSOLVENCY PROCESS)

The Hon'ble NCLT Ahmedabad Bench ordered the commencement of Corporate Insolvency Resolution Process vide its order dated 14.08.2026 in C.P (I.B) No. 16/AHM/2026 filed by the Kushal Finnovation Capital Private Limited against Kalahridhaan Trendz Limited. I, Chirag Rajendrakumar Shah, Insolvency Professional, have been appointed as Resolution Professional for carrying out the said CIRP under IBC, vide the said order.

In accordance with the provisions of Section 15 of the Insolvency and Bankruptcy Code, 2016 ("Code"), a Public Announcement was made 17th August, 2026 as per the provisions of IBC under Form A in Financial Express (All India Edition) in English Language and Financial Express (All Ahmedabad Edition) in Gujarati Language inviting claim from the Creditors.

KALAHRIDHAAN TRENDZ LIMITED
(IN CIRP)
DETAILED INVITATION FOR EOI- REF FORM G DATED 13/10/2026

As per the provisions of section 25(2)(h) of the Code read with Regulation 36A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"), the RP hereby invites Expressions of Interest ("EoI") from all interested and eligible prospective resolution applicants (the 'Prospective Resolution Applicants' or "PRA") for the purpose of submission of resolution plans in respect of the Corporate Debtor.

Interested applicants are required to submit an unconditional undertaking along with the EoI to confirm their 'eligibility' to submit a resolution plan under Section 29A of the IBC. Eligible PRAs shall be also required to execute a Non-Disclosure Agreement ("NDA") as per the requirements of the Code and CIRP Regulations as a condition for receiving the information memorandum ("IM") and other relevant information in relation to the Corporate Debtor

THE NAME AND DETAILS OF THE RESOLUTION PROFESSIONAL IS AS FOLLOWS;

The Resolution Professional may be contacted for any query related to above EOI process ate below address/e-mail id.

Name of the Resolution Professional	: Chirag Rajendrakumar Shah
IP Reg No	: IBBI/IPA-001/IP-P01169/2018-19/11837
Address	:208, Ratnaraj Spring, Opp. HDFC Bank House, Beside Navnirman Co-op Bank, Navrangpura, Ahmedabad-380009, Gujarat, India.
E-mail id	: cirp.ktl@gmail.com

C- THE EXPRESSION OF INTEREST ("EOI") PROCESS

C-1 BASIC REQUISITES/ DOCUMENTS TO BE PROVIDED WITH EOI

The EOI (Expression of Interest) shall be unconditional and be accompanied by the following documents:

a) an undertaking by the prospective resolution applicant that it meets the criteria specified by the committee under clause (h) of sub-section (2) of section 25 of the IBC, 2016 and provided in PART-D of this document;

b) an undertaking by the prospective resolution applicant that it does not suffer from any ineligibility under section 29A to the extent applicable of the IBC, 2016;

c) an undertaking by the prospective resolution applicant(s) that it shall intimate the Resolution Professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process;

d) an undertaking by the prospective resolution applicant that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code; and

e) an undertaking by the prospective resolution applicant to the effect that it shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29 of the IBC, 2016.

f) relevant records evidencing that the applicant meets the minimum criteria under clause (a);

g) relevant information and records to enable an assessment of ineligibility under clause (c);

h) Non-Interest Bearing Refundable EMD of Rs. 20,00,000 either in the form of Demand Draft, RTGS/bank transfer or Bank Guarantee to be submitted along with the EOI documents;

i) A copy of the EOI document signed by the applicants as token of its / his / her / their acceptance of the conditions specified therein.

j) Board Resolution / Power of Attorney delegating authority to one or more persons to submit the EOI and also to delegate authority to act on behalf of the resolution applicant(s) in matters resulting therefrom.

The Resolution Professional may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence as to minimum criteria under Section 25 (2) (h), eligibility under Section 29 A or other requirements as specified in the invitation to EOI.

C-2 GENERAL GUIDELINES W.R.T EXPRESSION OF INTEREST-

a) The last date and time of submission of expression of interest is **28th October 2026 till 11.59 PM**. Please be informed that the expression of interest received after the time specified here shall be rejected.

b) The EOI and documents shall be sent to the Resolution Professional through person / registered post / speed post / courier / e-mail; the Resolution Professional shall not be held responsible for non-delivery of EOI and all documents for any reason. To strengthen the

process the EOI applicants are requested to send an email conformation of the sending of EOI by post or other means with details of docket number etc. for tracking.

c) Briefing Session – Pre-EOI submission session – If some more details are required by any of the prospective resolution applicants or clarifications are required, the details can be sought from the Resolution Professional whose contact details are already provided.

d) On or before **7th November, 2026** a Provisional list of eligible prospective resolution applicants will be prepared by the Resolution Professional and the same will be communicated to all the EOI applicants and to the Committee of Creditors. Any objection to the inclusion or exclusion of an Applicant in the provisional list may be made to the Resolution Professional with supporting documents within five days from the date of issue of the provisional list. That is, all the objections shall be received by the Resolution Professional on or before the **12th November, 2026**. The objections may be sent to the email id of the Resolution Professional.

e) On receiving the objections on the inclusion or exclusion specified above the Resolution Professional shall be issuing the final list of prospective resolution applicants on or before **22nd November, 2026.**

f) The EOI shall state clearly the name of the person to be contacted, the communication address, E- mail and telephone number for contact in case of need. The communication of the Provisional List of eligible prospective Resolution Applicants will be made only to the email id provided by the prospective applicants. The communications to the Resolution Professional (other than the EOI document) shall be made to his email id only and shall be made strictly from the communication email id of the prospective resolution applicant provided for communication in the EOI.

g) The prospective Resolution Applicants shall bear all costs associated with the submission of EOI / Resolution Plans and the Resolution Professional or the Committee of Creditors, regardless of the conduct or outcome of the process, will not be responsible for any costs thereof.

h) The prospective Resolution Applicants must intimate the Resolution Professional immediately in writing of any material change to the information contained in the EOI / Resolution Plan, including any substantial changes in their ownership or their financial or technical capability. Copies of the relevant documents substantiating any such changes must be submitted along with such intimation.

i) This document specified different dates as last dates for various activities in the resolution process period. These dates shall be adhered to by all concerned. If the last date of receipt of a document happens to be a holiday for the office of the Resolution Professional, the next working day of the Resolution Professional shall be considered for the receipt of that specified document. The office of the Resolution Professional follows the bank holidays followed in Gujarat State.

j) The Committee of Creditors, reserves its' rights to make changes on the mode of receiving the EOI or on the different time lines within the provisions of the IBC, 2016 and regulations thereunder.

C-4 MODE OF SENDING EOI & DOCUMENTS:

As earlier specified, the EOIs shall be submitted in person or by registered post or speed post or courier or E-mail to the office of the Resolution Professional. All Prospective Resolution Applicants who meet the requirements of the invitation for expression of interest and wishes to submit expression of interest, shall submit the same latest on **28th October, 2026.**

The EOIs and all documents sent by post shall be addressed to the Resolution Professional at the address provided in this document. The Resolution Professional will not be responsible for any delay in postal transmission and the prospective Resolution Applicants themselves shall ensure that the EOIs are delivered to the office of the Resolution Professional before the specified date and time.

The EOIs will be received at the office of the Resolution Professional on all working days during the business hours. The EOI received after the last date and time of receiving the EOI shall not be accepted for any reason. However, if the last day happens to be a holiday for the office of the Resolution Professional, the next working day shall be considered as the last date of receiving the EOI. At the top part of the cover in which the EOI and documents are sent shall be written **"EOI IN THE RESOLUTION PROCESS OF KALAHRIDHAAN TRENDZ LIMITED"**

C-5 ILLUSTRATIVE LIST OF DOCUMENTS IN SUPPORT OF ELIGIBILITY:

All prospective resolution applicants who wish to submit EOI shall submit relevant records in evidence of meeting the criteria under section 25 (2) (h) of IBC, 2016 r/w Regulations thereto. An illustrative list of documents in support of eligibility is provided below. The list need not be construed as inclusive of all relevant records:

i. Letter stating Expression of Interest of the Resolution Applicant(s) signed by the person(s) authorized to make the EOI on behalf of the Applicant;

ii. Copy of PAN Card of the Resolution Applicant(s)

iii. Copy of Incorporation document of the Resolution Applicant(s);

iv. Copy of Memorandum and Articles of Association, in case the Resolution Applicant is a Company, constitutional document in case of LLP, registered copy of Partnership Deed in case of Partnership firms;

v. Copy of KYC including Address Proof of the Resolution Applicant(s);

vi. Copy of KYC of the person(s) authorized to represent the Resolution Applicant(s);

vii. Copy of appropriate Board Resolutions, wherever applicable, (separate resolution of all the participants, in case of joint applicants) authorizing the participation (either singly or jointly with others named in resolution), and also authorizing officials to represent the Resolution Applicant;

viii. Copies of Audited Annual Report in case of Companies and Copy of Audited Financial Statement in case of Individual for the previous 3 Financial Years;

ix. Undertakings / Documents as stated in C-2 (BASIC REQUISITES / DOCUMENTS TO BE PROVIDED WITH EOI) above; AND

x. Other Documents evidencing that the Resolution Applicant(s) meet the Minimum Criteria approved by the Committee of Creditors, if the same is not revealed from the items listed above;

C-6 TENTATIVE TIMELINE OF VARIOUS PLAN PROCESS/EVENTS:

The Corporate Insolvency Resolution Process is a time bound process and therefore the importance of observance of time schedules assumes great importance. The following are the time schedules fixed and shall be adhered to by all concerned:

DATE	PARTICULAR OF EVENTS
13-October-2026	Newspaper Publication of “Form G”
28- October-2026	Last Day of receiving the EOI by the Resolution Professional

07-November-2026	Date of issue of Provisional list of eligible Prospective Resolution Applicants
12- November-2026	Last date of receipt of Objection, if any, of inclusion / exclusion in the Provisional list of prospective resolution applicants
22- November-2026	Preparation of Final list of eligible prospective resolution applicants
27- November-2026	Issue of Information Memorandum, Evaluation Matrix and RFRP (Request for Resolution Plan)
27-December-2026	Last date of receipt of Resolution Plans.

Kindly be informed that the CIRP Period of 180 days of CIRP will end on 10.02.2027.

D- MINIMUM CRITERIA AS PER SECTION 25 (2) (h) of IBC, 2016 AS APPROVED BY THE COC

The Minimum Criteria for the prospective Resolution Applicants as approved by Committee of having regard to the complexity and scale of operations of the business of the corporate debtor under Section 25 (2) (h) of the Insolvency and Bankruptcy Code, 2016 (the Code) and Regulations thereunder, applicable to the Resolution Applicants of the corporate debtor **Kalahridhaan Trendz Limited** is as under:

Qualifications for Prospective Resolution Applicants:

1) **For PRA being an Individual:**
   a) Minimum Net Worth of the Resolution Applicant (s) shall be **INR 1,50,00,000** as per CA Certified Financial Statement as on 31st March, 2026.

2) **For PRA being a Company /body Corporate/Joint Venture/Consortium:**

a) Minimum Net Worth of the Resolution Applicant (s) shall be **INR 3,00,00,000** as per CA Certified Financial Statement as on 31st March, 2026.

b) If any 1 (one) member of the consortium is disqualified under Section 29A of the Code, then the entire consortium; i.e., all the members of such consortium shall stand disqualified.

c) Each member of the consortium shall nominate and authorize a member as the 'Lead Partner' to represent and act on behalf of the members of the consortium. Such Lead Partner shall be the single point of contact on behalf of the consortium with the RP, CoC, their representative and advisors in connection with all matters pertaining to the consortium.

d) No change of Lead Partner or any member whose financials have been considered towards the eligibility criteria shall be permitted post submission of EoI (except with prior approval of the CoC).

e) All the members of the consortium shall be jointly and severally responsible for compliance with the terms of the invitation for submission of EoI, the request for resolution plan and the resolution plan submitted by the consortium.

f) The consortium shall submit the copy of duly notarized consortium agreement/MOU, if any, entered between the consortium members, setting out the respective obligations of the consortium members.

EARNEST MONEY DEPOSIT

Along with the Expression of Interest (EOI) the Prospective Resolution Applicant shall provide a Non-Interest-Bearing earnest money deposit **(EMD) of Rs. 20 Lakhs** by Demand Draft or RTGS Transfer or Bank Guarantee. The EMD will be REFUNDABLE within 7 working days if Prospective Resolution Applicant is found ineligible as per IBC, 2016. In case of delayed/non-submission of Resolution Plan/ Submission of wrong information or declaration by the Prospective Resolution Applicant, will result into forfeiture of the EMD amount.

Any case of delayed /non-submission of Resolution Plan / Submission of wrong information or declaration by the Prospective Resolution Applicant, will result into forfeiture of the EMD amount. The bank details as mentioned below:

Beneficiary Account details to which fund to be transferred	
Name of Account	: Kalahridhaan Trendz Limited
Account No	: 00000045489934756
Name of Bank	: State Bank of India
IFSC Code	: SBIN0000301
Branch	: Lal Darwaja, Ahmedabad

On the date of the approval of the Resolution Plan by the CoC Members and issuance of Letter of Interest by the Resolution Professional and before filing of the Resolution Plan before Hon'ble NCLT for its approval, the Successful Resolution Applicant shall provide **10% of Resolution Plan Amount by way of Demand Draft/ RTGS transfer or Bank Guarantee**. The earlier EMD of Rs. 20,00,000/- deposited by the Resolution Applicant shall be adjusted against the payment of 10% of the Resolution Plan amount in the form of committed amount. The Committed Amount will be REFUNDABLE within 7 working days from the date of rejection of Resolution Plan.

NOTES / MEANING OF DIFFERENT TERMS FOR MINIMUM CRITERIA:

a) NET WORTH:

Net worth in case of Companies shall have the meaning as per Section 2 (57) of the Companies Act, 2013; that is, net worth means the aggregate value of the paid up share capital and all reserves created out of the profits, securities premium account and debit or credit of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

In case of individual (s) the Net Worth shall mean the fair value of tangible assets of the individual(s) net of all liabilities as certified by a Chartered Accountant in full- time practice.

b) AUM

Assets under Management to be defined as "total funds deployed + un-deployed committed capital"

E- INELIGIBILITY CRITERIA OF PROSPECTIVE RESOLUTION APPLICANTS UNDER SECTION 29 A OF THE IBC, 2016 TO THE EXTENT APPLICABLE

E-1 GENERAL:

In this document, the Code shall mean the Insolvency and Bankruptcy Code, 2016 and the Regulation shall mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, as amended up to date and applicable.

The provisions of the Code and CIRP Regulations w.r.to eligibility / ineligibility stated in this Chapter need not be inclusive of all the provisions of eligibility / ineligibility and the prospective resolution applicants shall refer the Code and all rules and regulations thereunder before arriving at conclusions.

E-2 SECTION 25 (2) (H) OF THE CODE:

Sub-section (1) of section 25 states that it shall be the duty of the Resolution Professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

Section 25 (2) (h): For the purpose of sub-section (1) the Resolution Professional shall undertake the following actions, namely: - Invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.

The Minimum Criteria as approved by the Committee of is provided in PART-D above.

E-3 SECTION 29 (A) OF THE CODE: [PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT]:

A person shall not be eligible to submit a resolution plan if such person acting jointly or in concert with such person-

a) is an undischarged insolvent;

b) is a willful 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 (10 of 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 1 – *For the purpose 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 corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, 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. of two years or more under any Act specified under the Twelfth Schedule; or

ii. for seven years or more under any other 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 (18 of 2013);

Provided further *that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation 1;*

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 favor 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 the 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, 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 Organization 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 of1999);

d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitization 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.

E-4 ELIGIBILITY CRITERIA TO MSME:

With respect to the ineligibility criteria mentioned in Section 29A, it will be relevant here to note the provisions contained in the newly inserted provisions of Section 240A, applicable to MSME, made applicable with effect from 06-06-2019; the section is reproduced below:

Section 240A: Application of this Code to micro, small and medium enterprises. –

1. Notwithstanding anything to the contrary contained in this Code, the provisions of clauses (c) and (h) of section 29A shall not apply to the resolution applicant in respect of corporate insolvency resolution process of any micro, small and medium enterprises.

2. Subject to sub-section (1), the Central Government may, in the public interest, by notification, direct that any of the provisions of this Code shall—

    a) not apply to micro, small and medium enterprises; or

    b) Apply to micro, small and medium enterprises, with such modifications as may be specified in the notification.

3. A draft of every notification proposed to be issued under subsection (2), shall be laid before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions.

4. If both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or shall be issued only in such modified form as may be agreed upon by both the Houses, as the case may be.

5. The period of thirty days referred to in sub-section (3) shall not include any period during which the House referred to in sub-section (4) is prorogued or adjourned for more than four consecutive days.

6. Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament.

Explanation. — For the purposes of this section, the expression "micro, small and medium enterprises" means any class or classes of enterprises classified as such under sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)

F-MANDATORY CRITERIA OF RESOLUTION PLANS

F -1 GENERAL:

The Mandatory Criteria of Resolution Plans as contained in the Code and the CIRP Regulation are stated below; the Code shall mean the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulation shall mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, as amended up to date.

F-2 SECTION 30 OF THE CODE:

1. A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under section 29A to the Resolution Professional prepared on the basis of the information memorandum.
2. The Resolution Professional shall examine each resolution plan received by him to confirm that each resolution plan: -
   a) Provides for the payment of the IRP Costs in the manner specified by the Board in priority to the payment of other debts of the corporate debtor

b) Provides for payment of debts of operational creditor in such manner as specified by the Board which shall not be less than:

(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53

whichever is higher, and provides for the payment of debts of finance creditors, who do not vote in favor of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

Explanation 1. — For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation 2. — For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

i. where a resolution plan has not been approved or rejected by the Adjudicating Authority;

ii. where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; Or

iii. where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;

c) Provides for management of the affairs of the CD after approval of the Resolution Plan

d) The implementation and supervision of the resolution plan;
e) Does not contravene any of the provisions of the law for the time being in force;

f) Confirms to such other requirements as may be specified by the Board.

Explanation: For the purpose of clause (e), if any approval of shareholders is required under the Companies Act, 2013 (18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan such approval shall be deemed to have been given and it shall not be a contravention of that Act or Law.

3. The Resolution Professional shall present to COC for its approval such resolution plans which confirms the condition referred to in sub-section (2)

4. The committee of creditors may approve a resolution plan by a vote of not less than sixty-six per cent of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board:

Provided that the committee of creditors shall not approve a resolution plan, submitted before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017, where the resolution applicant is ineligible under section 29A and may require the Resolution Professional to invite a fresh resolution plan where no other resolution plan is available with it:

Provided further that where the resolution applicant referred to in the first proviso is ineligible under clause (c) of section 29A, the resolution applicant shall be allowed by the committee of creditors such period, not exceeding thirty days, to make payment of overdue amounts in accordance with the proviso to clause (c) of section 29A:

Provided also that nothing in the second proviso shall be construed as extension of period for the purposes of the proviso to sub-section (3) of section 12, and the corporate insolvency resolution process shall be completed within the period specified in that subsection."

Provided also that the eligibility criteria in section 29A as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 shall apply to the resolution applicant who has not submitted resolution plan as on the date of commencement of the Insolvency and Bankruptcy Code (Amendment Ordinance, 2018).

5. The resolution applicant may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered:

   Provided that the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor.

6. The RP shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority.

F-3 REGULATION 37 OF THE CIRP REGULATION:

REG. 37. A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets, including but not limited to the following: -

(a) Transfer of all or part of the assets of the corporate debtor to one or more persons;

(b) Sale of all or part of the assets whether subject to any security interest or not;

(ba) Restructuring: Restructuring of the corporate debtor by way of merger, amalgamation, and demerger.

(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;

(ca) cancellation or delisting of any shares of the corporate debtor, if applicable;

(d) satisfaction or modification of any security interest;

(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;

(f) reduction in the amount payable to the creditors;

(g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;

(h) amendment of the constitutional documents of the corporate debtor;

(i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;

(j) change in portfolio of goods or services produced or rendered by the corporate debtor;

(k) change in technology used by the corporate debtor; and

(l) obtaining necessary approvals from the Central and State Governments and other authorities.

(m) Sale of one or more assets of the corporate debtor to one or more successful resolution applicants submitting individual resolution plans for those specific assets, alongside the designated manner of dealing with any remaining assets.

F-4 REGULATION 38 OF CIRP REGULATION (MANDATORY CONTENTS OF RESOLUTION PLANS):

REG. 38 (1) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.

(1A) A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.

(IB) A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

(2) A resolution plan shall provide:
(a) the term of the plan and its implementation schedule;
(b) the management and control of the business of the corporate debtor during its term;
(c) adequate means for supervising its implementation.

(3) A resolution plan shall demonstrate that –
(a) it addresses the cause of default;
(b) it is feasible and viable;
(c) it has provisions for its effective implementation;
(d) it has provisions for approvals required and the timeline for the same; and
(e) the resolution applicant has the capability to implement the resolution plan.

F- 5 REGULATION 39 OF CIRP REGULATION (APPROVAL OF RESOLUTION PLAN):

(1) A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with the Code and these regulations to the Resolution Professional electronically within the time given in the request for resolution plans under regulation 36B along with:

(a) an affidavit stating that it is eligible under section 29A to submit resolution plans;
(c) an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.

(1A) A resolution plan which does not comply with the provisions of sub-regulation (1) shall be rejected.]

(2) The Resolution Professional shall submit to the committee all resolution plans which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him: -

(a) preferential transactions under section 43;
(b) undervalued transactions under section 45;
(c) extortionate credit transactions under section 50; and
(d) fraudulent transactions under section 66,

and the orders, if any, of the adjudicating authority in respect of such transactions.

(3) The committee shall evaluate the resolution plans received under sub-regulation (1) strictly as per the evaluation matrix to identify the best resolution plan and may approve it with such modifications as it deems fit:

Provided that the committee shall record its deliberations on the feasibility and viability of the resolution plans.

F-6 REGULATION 39 (4A) OF CIRP REGULATION (PERFORMANCE SECURITY):

(4A) The request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.

Explanation I. – For the purposes of this sub-regulation, "performance security" shall mean security of such nature, value, duration and source, as may be specified in the request for resolution plans with the approval of the committee, having regard to the nature of resolution plan and business of the corporate debtor.

Explanation II. – A performance security may be specified in absolute terms such as guarantee from a bank for Rs. X for Y years or in relation to one or more variables such as the term of the resolution plan, amount payable to creditors under the resolution plan, etc.

G-LIABILITY OF A CORPORATE DEBTOR FOR AN OFFENCE COMMITTED PRIOR TO THE COMMENCEMENT OF THE CORPORATE INSOLVENCY RESOLUTION PROCESS

SECTION 32A: INSERTED VIDE ORDINANCE NO. 16 WITH EFFECT FROM 28-12-2019 states the liability of the corporate debtor for the offenses committed prior to the commencement of the CIRP; the amended section is appended below:

Section 32A. (1) Notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease, and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan has been approved by the Adjudicating Authority under section 31, if the resolution plan results in the change in the management or control of the corporate debtor to a person who was not-

(a) a promoter or in the management or control of the corporate debtor or a related party of such a person; or

(b) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court:

Provided that if a prosecution had been instituted during the corporate insolvency resolution process against such corporate debtor, it shall stand discharged from the date of approval of the resolution plan subject to requirements of this sub-section having fulfilled:

Provided further that every person who was a "designated partner" as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008 or an "officer who is in default", as defined in clause (60) of section 2 of the Companies Act, 2013, or was in any manner in-charge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence as per the report submitted or complaint filed by the investigating authority, shall continue to be liable to be prosecuted and punished for such an offence committed by the corporate debtor notwithstanding that the corporate debtor's liability has ceased under this sub-section.

Section 32A (2): No action shall be taken against the property of the corporate debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor, where such property is covered under a resolution plan approved by the Adjudicating Authority under section 31, which results in the change in control of the corporate debtor to a person, or sale of liquidation assets under the provisions of Chapter II of Part II of this Code to a person, who was not –

(i) a promoter or in the management or control of the corporate debtor or a related party of such a person; or

(ii) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court.

Explanation: - For the purposes of this sub-section, it is hereby clarified that, -

(i) an action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor;

(ii) nothing in this sub-section shall be construed to bar an action against the property of any person, other than the corporate debtor or a person who has acquired such property through corporate insolvency resolution process or liquidation process under this Code and fulfils the requirements specified in this section, against whom such an action may be taken under such law as may be applicable.

Section 32A (3): Subject to the provisions contained in sub-sections (1) and (2), and notwithstanding the immunity given in this section, the corporate debtor and any person, who may be required to provide assistance under such law as may be applicable to such corporate debtor or person, shall extend all assistance and co-operation to any authority investigating an offence committed prior to the commencement of the corporate insolvency resolution process.

H. DISCLAIMERS TO THE DETAILED INVITATION TO EOI

This document named "Detailed Invitation to EOI" is formulated by the Resolution Professional, Chirag Rajendrakumar Shah. The purpose of this document is to assist the recipient in deciding whether they wish to proceed with participating in the EOI process, having regard to the nature and size of the business under consideration. There are eligibility criteria fixed by the Committee of Creditors of the Corporate Debtor and there are also ineligibility criteria as per the provisions of IBC, 2016 and the CIRP Regulations. These provisions are provided in order to assist the recipient in examine the meeting of eligibility criteria before taking a decision on the participation in the EOI process.

The information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicant. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Detailed Invitation to EOI and should consult their own advisers before submitting the EOI. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained / disclosed in the Detailed Invitation to EOI is as provided by the Corporate Debtor and / or the stake-holders of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor or the stake-holders, any of its officers, employees or its agents to the Resolution Professional as to the accuracy, authenticity or completeness of the contents of this Detailed Invitation to EOI or any other document or information supplied, nor is any such party under any obligation to update the information or correct any inaccuracies or omissions in it which may exist or become apparent. This document should not be considered as a recommendation by the Corporate Debtor or any stake-holders, any of its officers, employees or its agents, or the Resolution Professional to invest in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

No responsibility or liability is accepted for any loss or damage whatsoever that you may suffer as a result of the information contained herein and all responsibilities and liabilities are expressly disclaimed by the Resolution Professional and its officers and employees.

Sd/-
Chirag Rajendrakumar Shah
Resolution Professional in the matter of Kalahridhaan Trendz Limited
IBBI/IPA-001/IP-P01169/2018-19/11837