

TEASER

M/s Kisan Mouldings Limited (KML)-Remaining Assets of Company

DETAILS OF THE ASSET AND COMPANY:

M/s Kisan Mouldings Limited (KML) was originally incorporated on 20th November 1989 as a private limited company in the name of M/s. Sanwaria Synthetics Private Limited. Subsequently the Company was converted into a Public Limited Company by obtaining a fresh Certificate of Incorporation dated 5.11.1993 from ROC, Maharashtra. The name of the company was changed to Kisan Mouldings Limited on 24th November 1993 and fresh Certificate of Incorporation consequent upon the change of name was obtained.

The Company came out with a public issue in the year 1995 for an amount of Rs. 3.55 crore. The Company is currently listed on the Bombay Stock Exchange. The company is primarily engaged in manufacturing of PVC pipes, UPVC pipes, CPVC pipes, fitting and allied products. The products are used for irrigation, supply of water, sanitation, sewerage, construction, cable ducting, drinking water, tube well, submersible pump etc.

The company is also engaged in the manufacture of moulded furniture. The adaptability of plastic pipe system has made it a preferred choice for a wide range of applications in water management, irrigation, water distribution, sewerage disposal and various industrial applications.

Due to the competitive nature of industry and general slowdown in the economy, the company requested all its banks to restructure its loans in the year 2015. In March 2015, the consortium members approved the restructuring proposal of the company consisting of deferral of term loan liabilities for two years, part conversion of working capital limit (Cash Credit limit) into Working Capital Term Loan (WCTL), sanction of Funded Interest on Term Loan (FITL) for 15 months

Though, the operation of the company improved post restructuring, the liquidity position remains tight mainly due to competitive market and delay in realization of debtors. Further, plant was also non-operational during the COVID lock down. As such the operation of the company has been further hampered, which resulted in LC devolvement and the account finally slipped into NPA. The Unit at present is running at very Low Capacity, Majority of revenue are being utilized for payment of statutory and legal dues.

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Base Offer (Anchor Bid)

After NPA the Company officials were persuaded for resolution of accounts. After a long persuasion the company finally agreed for the OTS offer of Rs. 138 crore and that mainly through the sale of assets. Accordingly, to test the competitiveness of the offer, the lenders decided to undertake the three SWISS Challenge Process, treating the OTS proposal received from the Company as an Anchor Bid for discovering the fair price of the assets of the company.

The Company has given the OTS in three parts as under:

S.No.	Property	Binding Offer
1.	Nalagarh, Solan (HP) *	4.75 Cr
2.	Umarkui, Silvassa **	11.50 Cr
3.	Remaining Assets of Company ***	121.75 Cr

*OTS Offer made by an identified Person

**OTS Offer made by an identified Person

***Received from the Kisan Moulding Limited

It was further decided to run three separate SWISS Challenge process, one each for non-core assets at Nalagarh, Solan (HP) & Umerkui, Silvassa (MH) and one for the core assets of the company.

The subject Teaser is in respect of Anchor offer S.No.3. received from Kisan Moulding Limited (Anchor Bid)

Under the SWISS Challenge Process Anchor Bid will be the Base Bid and lenders have decided to accept bids better than the Anchor bid. And have decided for a Minimum Mark up on the Anchor Bid as Rs.7 Crores

Eligibility Criteria

- Persons eligible as per the RBI Guidelines are eligible to participate in the bid process as prospective Bidders. The prospective bidders that are eligible as per the RBI Guidelines include scheduled commercial banks, All India Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI), small finance banks, all non-banking finance companies (NBFC) including housing finance companies (HFC) and asset reconstruction companies (ARC).
- Lenders have decided to keep Eligibility Criteria for Permitted Transferees (Permitted Transferees as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 as Net Worth of at least Rs.25 Crores as on 31.03.23.
- There is no Net worth criteria for ARCs.

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