

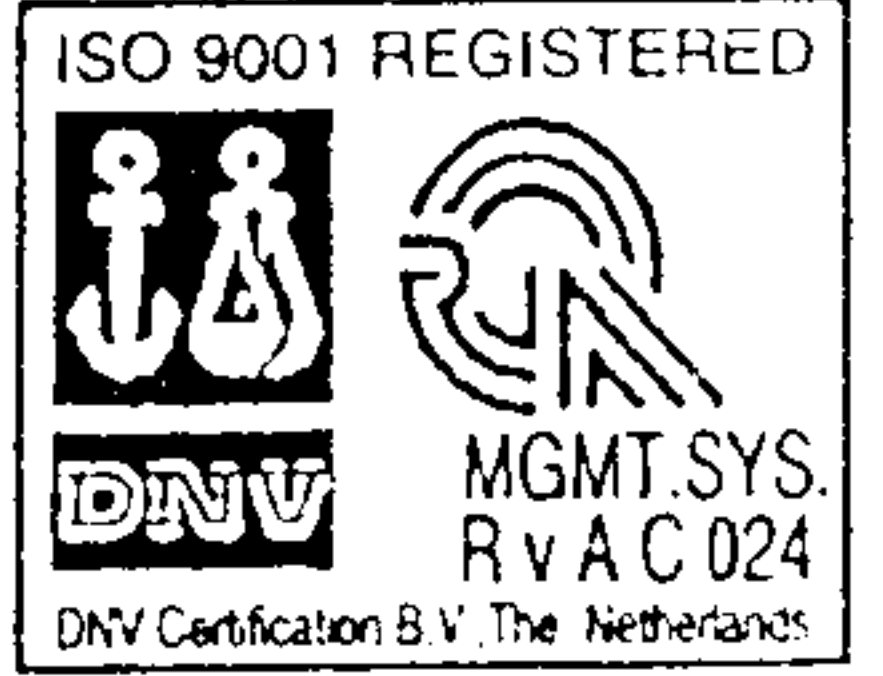
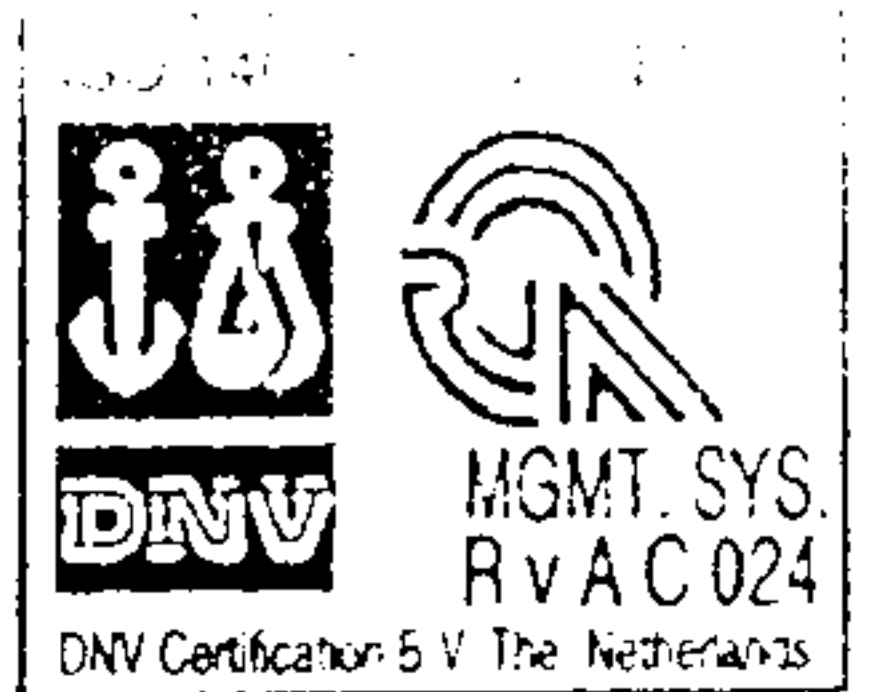


Punjab Alkalies & Chemicals Limited

Regd. Office : S.C.O. 125-127, Sector 17-B, Post Box No. 152, Chandigarh-160 017
Phone : 2703645-46-47, 3072500-01, 2704283 Grams : 'ALKALIES' Fax : 0172-2704797

E-mail : paclch1@satyam.net.in

Website : www.punjabalkalies.com



PACL:SEC:2013:3241

SPEED POST & FAX/ E-MAIL

8.2.2013

The Deputy General Manager,
Corporate Relationship Department,
Bombay Stock Exchange Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
MUMBAI-400 001.

Sub.: One Time Settlement (O.T.S.) with Financial Institutions and Banks

Dear Sir,

We would like to inform you that the Corporate Debt Restructuring (CDR) Empowered Group has approved the Proposal of the Company for One Time Settlement (O.T.S.) of the outstanding Term Loans and Non Convertible Debentures and Sanctioned Working Capital Facilities as on 1st April, 2012 on 100% principal basis with a cut-off date of 15th November, 2012. In terms of the same, the Company had to make payment of (a) Upfront Payment of 35% of the O.T.S. Amount as first tranche, 10% of the balance 65% of O.T.S. Amount as second tranche by 30th September, 2014 and the remaining 90% of the balance 65% of O.T.S. Amount as third tranche by 1st April, 2015, and (b) interest from 1st July, 2012 to 30th September, 2012 on the entire outstanding amount and interest from 1st October, 2012 to the date of payment of first tranche on 35% of O.T.S. Amount alongwith the payment of first tranche and interest from 1st October, 2012 to the date of payment of first tranche on balance 65% of O.T.S. Amount by 31st October, 2013. No interest is chargeable on the balance 65% of O.T.S. Amount from the date of payment of first tranche. The CDR Empowered Group has also stipulated some other terms and conditions in respect of the said O.T.S. Accordingly, the Company has made the payment of the first tranche of the O.T.S. Amount by 29th December, 2012 and the interest payable therewith by 31st December, 2012.

We are enclosing herewith a copy of CDR Cell's Letter dated 24th December, 2012 in this regard.

This is for your information, please.

Thanking you,

Yours faithfully,
For PUNJAB ALKALIES & CHEMICALS LIMITED


COMPANY SECRETARY &
SR. GEN. MANAGER (CO. AFFAIRS)

Encl.: as above.



आईडीबीआई टॉवर,
19 वीं मंजिल, कफ परेड,
मुंबई - 400 005.
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3294 1089 / 3294 1091
फैक्स : 22185591
वेबसाइट : www.cdrintia.org

IDBI Tower,
19th Floor, Cuffe Parade,
Mumbai - 400 005.
Tel.: 3294 1092 / 3294 1088
3294 1089 / 3294 1091
Fax : 22185591
Website : www.cdrintia.org

BY.CDR(PMJ) No. 85 / 2012-13

December 24, 2012

Shri Nagaraj Garla,
IDBI Bank,
General Manager,
(CDR Nodal Officer)
Corporate Banking Group,
IDBI Tower, 9th floor,
Cuffe parade,
Mumbai : 400 005

Dear Sir,


Punjab Alkalies and Chemicals Ltd. : OTS proposal
Decision taken by CDR EG on November 08, & December 15, 2012

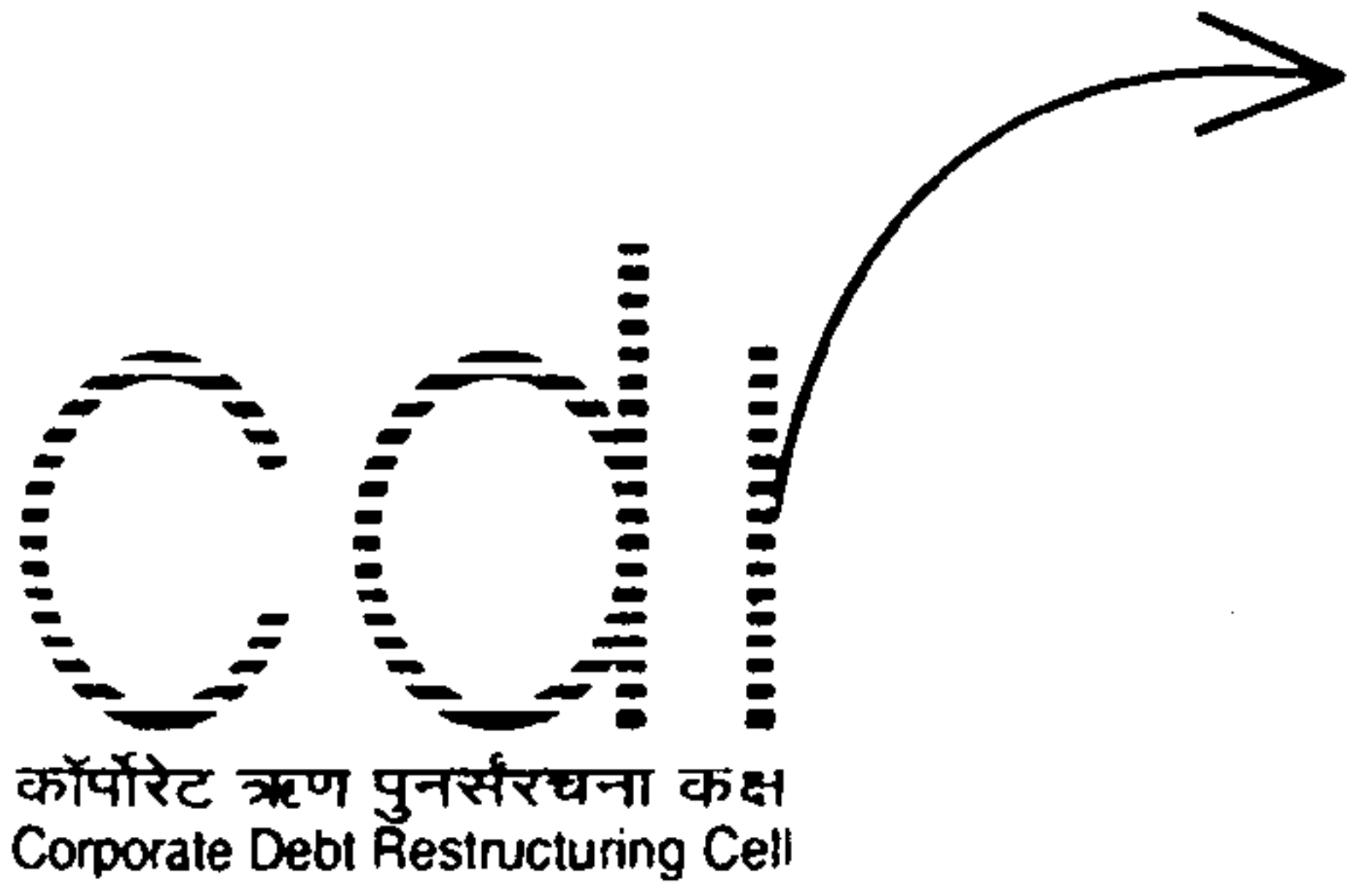
The review note in respect of 'Punjab Alkalies and Chemicals Ltd. (PACL) regarding One Time Settlement (OTS) of PACL was discussed at the CDR EG meeting held on November 08, 2012 wherein the following decisions were taken : -

- (i) *The proposal of PACL for OTS of Rs.87.96 crore towards outstanding term loan of Rs.75.46 crore and sanctioned working capital facility of Rs.12.50 crore as on cut off date of November 15, 2012 stands approved.*
- (ii) *Interest shall be payable by the Company up to the date on which the first tranche of payment of 35%, is made by the Company to the respective CDR lenders as against November 15, 2012 proposed in the scheme.*
- (iii) *If the balance payment is not done as per milestone, then, the original ROI will be restored and OTS will be treated as cancelled and Company will be liable to pay the dues as per original package.*
- (iv) *IDBI Bank, the MI after confirmation of receipt of OTS amount by the CDR lenders may put up to CDR EG for exit of the case from CDR mechanism.*

Subsequently while confirming the above minutes at the CDR EG meeting held on December 15, 2012 the following modifications to the decision of CDR EG meeting held on November 08, 2012 were taken :-

P.T.O.


24/12/2012



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- 2 -

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Punjab Alkalies and Chemicals Ltd. : OTS proposal
Decision taken by CDR EG on November 08, & December 15, 2012

(i) Decision (ii) to read as under :-

"Interest upto September 30, 2012 would be paid on the entire amount outstanding. Interest from October 01, 2012 to be paid on entire amount till the payment of the first tranche of OTS as under:

- *Interest on 35% of OTS amount to be paid along with the first tranche of OTS amount and*
- *Interest on balance 65% of OTS amount to be paid by October 31, 2013."*

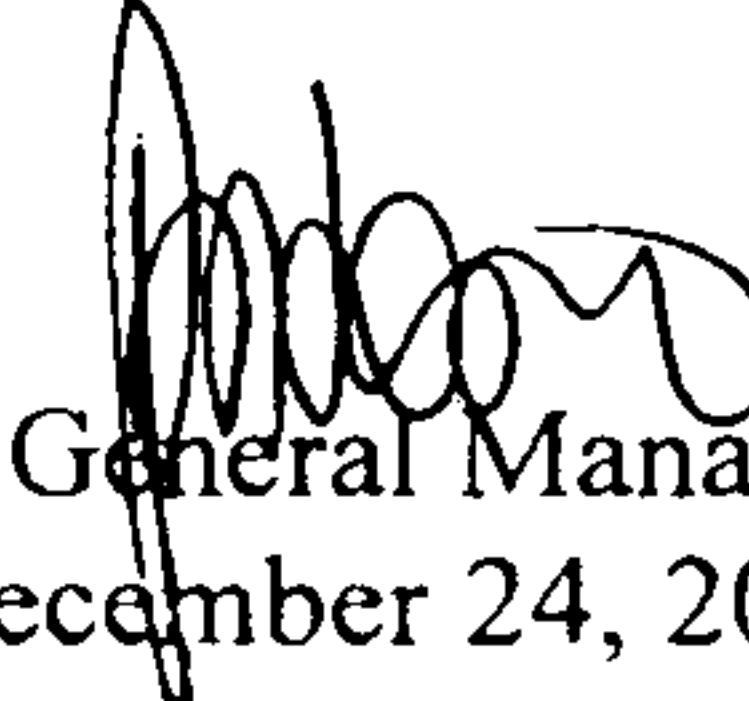
(ii) Decision (v) to (xi) be added as under :-

- (v) *ROI on the WC facilities shall be as per market rate, and shall be payable as and when PACL avails the working capital limits.*
- (vi) *PACL shall submit source of making payment of the OTS amount to the satisfaction of the lenders.*
- (vii) *The account will continue in CDR till full and final settlement.*
- (viii) *Fresh working capital limits (at 65% of the existing FB and NFB limits) shall be allowed by PNB to PACL. 10% of the limits shall be further reduced by September 30, 2014. Remaining 55% shall be allowed upto April 01, 2015 only.*
- (ix) *There shall be no refund of surplus paid by PACL, if any. Any such surplus amount shall be utilized as 100% margin on NFB limits.*
- (x) *WC limits will not be used for making OTS payment.*
- (xi) *PSB to consider WC limit at 65% of the existing level on merits of the case as and when need arises in line with other WC lender banks.*
- (xii) *Necessary documents to this effect must be taken and got it legally vetted.*

An extract of minutes is enclosed for your for your information and necessary action.

All the lenders and the company are requested to take necessary action in the matter.

Yours faithfully


Deputy General Manager
December 24, 2012

Encl. : a/a (3 pages)



कॉर्पोरेट ऋण पुनर्संरचना कक्ष
Corporate Debt Restructuring Cell

आईडीबीआई टॉवर,
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- 3 -

Punjab Alkalies and Chemicals Ltd. : OTS proposal
Decision taken by CDR EG on November 08, & December 15, 2012

Endt. BY. CDR ^(PMG) ~~(M)~~. No. /of date

Copy forwarded for information and necessary action to:

1. Shri R. Parthasarthy, Sr. Associate Vice President, **IFCI Ltd.**, Earnest House, 9th Floor, Backbay Reclamation, Nariman Point, Mumbai -400 021. (Fax -022-22837376, email : r.partha@ifcilt.com)
2. Shri. A. K. Muralidharan, DGM, **Punjab National Bank**, Industrial Rehabilitation Department, CAD, HO, 7, Bhikaji Cama Place, New Delhi - 110 066. (Fax No. 011-26712445/26194081, email : akmd@pnb.co.in).
3. Shri Amarjit Kochar, GM (Advances), **Punjab & Sind Bank**, 7th Floor, 21, Bank House, Rajindera Place, New Delhi - 110 008. (Fax:-011-25737914, email : ho.adv@psb.org.in)
4. Shri K. K. Singhal, Chief (Investment Dept.), **LIC**, Central Office, "Yogakshema", Post Box No. 199953, Jeevan Bima Marg, Mumbai - 400 021. (Fax- 22810448, 22024955, 22842404)
5. The Managing Director, **Punjab Alkalies & Chemicals Ltd.**, S. C. O. 125 - 127, Sector 17 - B, Post Box No. 152, Chandigarh - 160 017.(Fax:-0172-2704797, email:- finance@punjabalkalies.com).

O/C

(Kailas Shinde)
Assistant General Manager
Direct 022- 66552428
December 24, 2012

6.8 Punjab Alkalies & Chemicals Ltd.

The Review Note for OTS in respect of Punjab Alkalies & Chemicals Ltd. (PACL) circulated by CDR Cell was taken up for discussion. The note was based on the discussions at the MC meeting held on October 25, 2012.

Salient features of OTS proposal are:

- Cut off Date – November 15, 2012.
- Present OTS proposal to include term loan as well as well working capital facility aggregating about Rs.87.96 crore i.e. outstanding term loan of Rs.75.46 crore (inclusive of FITL of WC bankers) and sanctioned working capital facility of Rs. 12.50 crore.
- OTS to be considered by way of upfront payment of 35% of outstanding loan amount i.e. about Rs.26.41 crore, Second tranche payment of 10 % i.e. of the outstanding amount i.e. about Rs.4.90 crore on or before September 30, 2014 (against 10 % reserve to be created on outstanding amount on or before April 01, 2014) and terminal payment of about Rs.44.15 crore on April 01, 2015.
- Creation of 40 % as reserve on outstanding by September 30, 2014 with grace period of two months, failing which lenders shall charge interest retrospectively @ 13.25 % p.a. (i.e. existing rate of interest) w.e.f. COD.
- Interest upto September 30, 2012 would be paid on the entire amount outstanding. Interest from October 01, 2012 to be paid on entire amount till COD of November 15, 2012 as under :

- Interest on 35% of OTS amount to be paid by November 15, 2012, i.e. COD.
- Interest on balance 65% of OTS amount to be paid by October 31, 2013.
- Payment of 10% of balance outstanding amount, in lieu of 10% of reserve on or before September 30, 2014 and balance 40% to be created as reserve by September 30, 2014, with a grace period of two months, failing which lenders shall charge interest retrospectively @ 13.25% p.a., (i.e. existing rate of interest) w.e.f. the cut off date.
- Working capital bankers to renew the limits at 65% of the existing level, subject to availability of margin and with a condition that it would not fund losses of the company, at the earliest, preferably before November 15, 2012. The Company will submit monthly cash flow to enable working capital bankers to closely monitor the account.
- The proposed OTS proposal would be within the ambit of CDR mechanism and subject to approval by delegated authority of individual lender.

The review note also mentions that, total overdues of working capital bankers as on October 16, 2012 are Rs.0.02 crore for PNB and Rs.0.02 crore for PSB.

The mandates received are as under:

IDBI Bank (Exposure: 73.43 %): Agreeable.

IFCI (Exposure: 12.79 %): Agreeable. In line with other lenders

LIC (Exposure: 7.70 %): Agreeable in principle within the ambit of CDR mechanism.

Punjab National Bank (Exposure: 3.13 %): Agreeable with following observations:

- Fresh working capital limits (at 65% of the existing FB and NFB limits) shall be allowed to the Company. 10% of the limits shall be further reduced by September 30, 2014. Remaining 55% shall be allowed upto April 01, 2015 only.
- There shall be no refund of surplus paid by the Company, if any. Any such surplus amount shall be utilized as 100% margin on NFB limits.
- WC limits will not be used for making OTS payment.
- Necessary documents to this effect must be taken and got it legally vetted.

Punjab and Sind Bank (Exposure: 2.94 %): Agreeable. No renewal of working capital limits as PACL is not availing the same since April 26, 2012. Subsequently, PSB vide its email dated November 23, 2012 has informed that the proposal for WC limits will be considered by PSB and shall be placed before the competent authority for appropriate decision.

Thereafter, CDR EG took the following decisions:

Decisions:

- (i) The proposal of PACL for OTS of Rs.87.96 crore towards outstanding term loan of Rs.75.46 crore and sanctioned working capital facility of Rs.12.50 crore as on cut off date of November 15, 2012 stands approved.*
- (ii) Interest shall be payable by the Company up to the date on which the first tranche of payment of 35%, is made by the Company to the respective CDR lenders as against November 15, 2012 proposed in the scheme.*
- (iii) If the balance payment is not done as per milestone, then, the original ROI will be restored and OTS will be treated as cancelled and Company will be liable to pay the dues as per original package.*
- (iv) IDBI Bank, the MI after confirmation of receipt of OTS amount by the CDR lenders may put up to CDR EG for exit of the case from CDR mechanism.*

Item No. 6.8 (Page 86) : Punjab Alkalies & Chemicals Ltd.

PNB, PSB and IDBI have expressed that their respective views conveyed in writing be captured in the decision.

(i) Decision (ii) to read as under :-

"Interest upto September 30, 2012 would be paid on the entire amount outstanding. Interest from October 01, 2012 to be paid on entire amount till the payment of the first tranche of OTS as under:

- Interest on 35% of OTS amount to be paid along with the first tranche of OTS amount and*
- Interest on balance 65% of OTS amount to be paid by October 31, 2013."*

(ii) Decision (v) to (xi) be added as under :-

- (v) ROI on the WC facilities shall be as per market rate, and shall be payable as and when PACL avails the working capital limits.*
- (vi) PACL shall submit source of making payment of the OTS amount to the satisfaction of the lenders.*
- (vii) The account will continue in CDR till full and final settlement.*
- (viii) Fresh working capital limits (at 65% of the existing FB and NFB limits) shall be allowed by PNB to PACL. 10% of the limits shall be further reduced by September 30, 2014. Remaining 55% shall be allowed upto April 01, 2015 only.*
- (ix) There shall be no refund of surplus paid by PACL, if any. Any such surplus amount shall be utilized as 100% margin on NFB limits.*
- (x) WC limits will not be used for making OTS payment.*
- (xi) PSB to consider WC limit at 65% of the existing level on merits of the case as and when need arises in line with other WC lender banks.*
- (xii) Necessary documents to this effect must be taken and got it legally vetted.*

