



Assam Company India Limited

Member Duncan Macneill Group

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Date : 19th April, 2018

The Secretary,
National Stock Exchange of India Ltd.
"Exchange Plaza" Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Stock Code : ASSAMCO

The Secretary,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Stock Code : 500024

Dear Sir,

Sub. : Extension of time period for the Corporate Insolvency Resolution Process (CIRP)

This is to inform you that the existing Corporate Insolvency Resolution Process (CIRP) has got an **extension of further 90 days** vide Hon'ble National Company Law Tribunal (NCLT), Guwahati Bench Order No. I.A. No. 16/2018 In C.P.(IB) NO. 20/GB/2017 (DY. NO. 529/2017), dated 6th April, 2018 and the estimated date of completion is 23rd July, 2018.

This is for your information and record please.

Thanking you,
Yours faithfully,

For Assam Company India Limited



CA. Kannan Tiruvengadam
Resolution Professional
Assam Company India Limited
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18 Karunamoyee Ghat Road,
Flat 3C, 3rd Floor,
Kolkata – 700 082
E-mail : calkannan@gmail.com

Encl : Extension order of NCLT Guwahati .

**NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH**

I.A.No.16/2018
In
C.P.(IB) No.20/GB/2017
(Dy.No.529/2017)

Under Section 7 of the Insolvency & Bankruptcy Code, 2016 read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating) Authority) Rules 2016.

In the matter of:

CA Kannan Tiruvengadam, ... Applicant/Resolution Professional

Coram:

Hon'ble Mr Justice P K Saikia, Member(J)
.....

ORDER

Date of Order: 6th April 2018.

Mr K. Goswami and Mr S. Sandalya, learned Advocates are present for the applicant.

2. This is an application under Section 12 (2) seeking extension of time for the completion of Corporate Insolvency Resolution Process (in short, CIRP). The applicant, in this application, has sought for the following reliefs:

- "a) *extend the time period for the Corporate Insolvency Resolution Process of the Corporate Debtor by a further period of 90 days after April 24 2018 in terms of section 12 (3) of the IBC 2016 such that the Corporate Insolvency Resolution Process for the Corporate Debtor can continue till July 23, 2018; and*
- b) *Pass any other order of orders which the Hon'ble Tribunal may deem fit in the facts and circumstances of the case in the interest of equity, justice and good conscience."*

3. I have heard Mr K. Goswami, learned Advocate for the applicant. Mr CA Kannan Tiruvengadam, Resolution Professional (hereinafter, referred to as RP), assisted by Ms P. Roy, is present personally.

4. Mr Goswami submits that in terms of law laid down in Section 12 of the Insolvency & Bankruptcy Code, 2016 (in short, Code of 2016), the time limit prescribed for completion of CIRP from the date of admission of the application is 180 days which may, however, be extended by another 90 days subject to fulfilment of certain conditions specified therein. For ready reference, Section 12 is reproduced below:

"12. Time-limit for completion of insolvency resolution process—(1) Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of seventy-five per cent of the voting shares.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject-matter of the case is such that corporate insolvency resolution proves cannot be completed within one hundred and eighty days, it may by order extend the duration of such process beyond one hundred and eighty days by such further period as it thinks fit, but not exceeding ninety days.

Provided that any extension of the period of corporate insolvency resolution process under this section shall not be granted more than once."

5. It has been submitted on behalf of the applicant that the Committee of Creditors (in short, COC) took 77 days in the appointment of the RP since the COC was in double mind in regard to the person to be appointed as RP in the present proceeding. This means that the RP has got only 102 days to complete the resolution process.

6. Since the time for completion of resolution process got constricted considerably, the RP has been experiencing tremendous difficulties in completing the Insolvency Resolution Process in the remaining 102 days which he got after his being appointed as RP in the proceeding under consideration. The difficulties which he experienced in trying to complete the Insolvency Resolution Process has been incorporated in paragraphs C, D, E & F of the application. For ready reference, said paragraphs are reproduced below:

"C. The Applicant states that in terms of section 16(5) of the IBC 2016 the maximum tenure of an interim resolution professional is 30 days from

the date of his appointment. However, in the present case the IRP's tenure continued till about 78 days. It is only after the expiry of the said period of 78 days that on 79th day, i.e. January 12, 2018, the Applicant was appointed by this Hon'ble Tribunal as the Resolution Professional of the Corporate Debtor. The Applicant, therefore, was left only with 101 days to complete the insolvency resolution process of the Corporate Debtor out of the initial 180 days prescribed under section 12 (1) of the IBC 2016.

- D. After taking over from the IRP on and from January 12, 2018, there was enormous pressure on the Applicant to complete the balance works that could be completed by the IRP like operational claim admissions and recalculation of financial claims. These were in addition to the duties of the Applicant as the Resolution Professional stipulated under the IBC 2016 including obtaining signed valuation reports, initiation of forensic audit, fair valuation, completion of Information memorandum, auditing of provisional financial statements etc.
- E. Moreover, the operations of the Corporate Debtor are spread over 14 tea estates comprising of over 14,000 hectares of land in the State of Assam in addition to the operation in the fields of oil and gas exploration, production and supply and road transportation etc. and a lot of time has been spent and is being spent by the Applicant to collate all the necessary data, papers and documents for the purposes of carrying on and completing the insolvency resolution process of the Corporate Debtor.
- F. The Applicant further states that on February 6, 2018 the CIRP Regulations was substantially amended by the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2018 by incorporating the concepts of fair valuation of the corporate debtor as also evaluation matrix for consideration and approval of resolution plans. The Applicant in terms of such amendments has appointed valuer for ascertaining the fair value of the Corporate Debtor. The Applicant has also brought to the members of the COC about the fixing of evaluation matrix and the COC is still discussing the parameters of such evaluation matrix given the vastness of the operations of the Corporate Debtor."

7. The difficulties faced by the RP in completing the resolution process has also been referred to in paragraph (c) of the Minutes of the Proceedings of the 5th Meeting of the Committee of Creditors held on 28.02.2018. For ready reference said para is reproduced below:

- "c) Application to Hon'ble NCLT Guwahati for extension of time limit as per Section 12 (2)

After taking over from IRP holding an interim period of 77 days as against the allowed period of 30 days as per sec 16 (5), there was enormous pressure on the RP to complete the CIRP especially the leftovers like (main points only stated) operational claim admission, recalculation of financial claims, obtaining signed valuation reports, Initiation of forensic audit, Fair valuation under

amendments, Initiation of 3rd Valuer of Oil segment of Business, completion of Information memorandum, Auditing of provisional financial statements etc. As also due to recent amendments there are time constraints for resolution application processing. All these processes cannot be completed before 24.04.2018 which is 180 days from insolvency commencement date. Under the circumstances, it was explained by RP that in order to complete the CIRP in a congenial manner especially in the interest of stakeholders and CD at large, it is essential to seek an extension of further 90 days under section 12 (2) of IBC 2016. RP would like to reinforce the importance of extension since without resolution the CD will be liquidated as per law and there will be a substantial loss to the stakeholders by way of erosion of value of the CD's assets.

Members may note that Agenda Item no.10 (b) and 10 (c) will be put to e-voting from 2nd March 2018 16.00 hours to 3rd March 2018 15.59 hours.

The meeting concluded with a vote of thanks by the chairman."

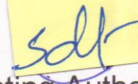
8. It has also been submitted for and on behalf of the RP that as required under Section 12 (2) of the Code of 2016, the COC by a resolution passed at the meeting of COC by vote of 93.34% of voting shares approved the proposal for extension of time by another 90 days. In that connection, I have heard the learned Advocate for the applicant/Financial Creditor as well as the counsel for the RP having regard to the averments, made in the application and connected documents. I have also perused the various orders passed in the connected application under Section 7 of the Code of 2016 and have found reason to accept the prayer made in the application seeking extension of time.

10. The learned Advocates for the parties further submit that Assam Company India Limited has, in its pay roll, more than twentythree thousand labourers and, therefore, in the event of inability of the COC to finalize the resolution plan in accordance with the prescription of law acceptable to the maximum number of stakeholders, the company has to go for liquidation and in that event, the large number of poor workers and their family members would find themselves in between the Devil and Deep Sea. Therefore, the RP has made all efforts to see that the resolution plan is prepared in accordance with the requirement of law acceptable to maximum number of stakeholders involved so that the company could be saved from going into liquidation.

11. This authority appreciates such concern expressed by the RP in handling the matter under consideration.

12. Considering all the aspects, this authority is of the opinion that a case has been made out by the applicant/RP requiring this Authority to extend the period for completion of insolvency resolution process by another 90 days from 24.04.2018.

13. Accordingly, the prayer is accepted and the application stands disposed of.



Adjudicating Authority
National Company Law Tribunal,
Guwahati Bench, Guwahati.

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