

AMTEK AUTO LIMITED

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CIN : L27230HR1988PLC030333

WITHOUT PREJUDICE

AAL/IP -16.08.2017

AAL/IP/2017/08/0062

To,

BSE Limited,

Phirozee Jeejee Bhoy Towers,

Dalal Street,

Mumbai-400001

Amtek Auto Limited
a company under Corporate Insolvency
Resolution Process as per Insolvency &
Bankruptcy Code, 2016 by NCLT
order dated July 24, 2017

Sub: Letter dated 01st April, 2017

Dear Sir,

As you may aware that Corporate Insolvency Resolution Process (CIRP) has been initiated in respect to Amtek Auto Limited ("the Company" or "AAL" or the "Corporate Debtor"), by an order of the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh dated 24.07.2017 under the Insolvency & Bankruptcy Code, 2016 (IBC). I, Dinkar Venkatasubramanian (IP Registration no. IBBI/IPA-001/IP-P00003/2016-17/10011), have been appointed as the Insolvency Resolution Process ("IRP") with effect from 27 July 2017. A copy each of order dated 24.07.2017 & 27.07.2017 are enclosed for your information and record.

As per the provisions of section 17 of the IBC, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of AAL stands suspended and the same are being exercised by me. The management of the affairs of AAL have been vested with me.

I would like to bring to your notice, that, based on my understanding of the AAL's records seen so far, it appears that for the last few months, the company has been operating at a very low level of capacity utilisation and, there is an immediate working capital requirement in the Company.

Vide order dated 24.07.2017, the Hon'ble NCLT has declared a moratorium under Section 14 of the IBC. Section 18 of the IBC casts a duty upon the IRP to take control and custody of any assets over which the company has ownership right.

In terms of mandate under Section 20 of the IBC, I am required to make every endeavour to protect and preserve the value of the property and manage the operations of the corporate debtor as a going concern during the CIRP.



An AMTEK
Group Company

Regd. Office

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In terms of the moratorium under Section 14 of the IBC all “proceedings” against the Corporate Debtor (in this case the Company) are prohibited till the completion of CIRP. For ease of your reference Section 14 of IBC is reproduced as under:

Section 14. Moratorium –

(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely:—

(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

(2) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process

Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.

The IBC has been enacted with the object of inter alia, providing a time bound resolution process for corporate debtors, maximising the value of their assets and to promote entrepreneurship. If the resolution is not achieved within the time provided, the corporate debtor will go in liquidation. Section 14 has been provided as a standstill provision to allow the stakeholders to explore resolution without having to worry about duress and other legal proceedings as such proceedings causing a set back to the enterprise, its operations or value. Insolvency proceedings are collective proceedings where all creditors pool their assets to receive returns in accordance with the provisions of the IBC.

 In view of the aforesaid, I sincerely and earnestly request for your cooperation in keeping the company a going concern including continued listing of shares of AAL on the exchange.

Kindly note that if AAL has failed to clear any fee or other charges for listing and such dues were payable prior to 24.07.2017, you are entitled to file a claim for the same with me in the requisite format as per IBC and the regulations framed thereunder. However, if any amount has become payable after the said date, I request you to not to initiate any action for delisting of shares of AAL for non-payment of any fee or other charges till completion of CIRP process within 280 days from the date of admission or with extension for a maximum period of 90 days under IBC. You may also take note that IBC has been given an overriding effect over all other laws.

Therefore I request you to cooperate with me to keep the corporate debtor as a going concern

Thanking You,

For Amtek Auto Limited


Dinkar Venkatasubramanian

Dinkar Venkatasubramanian
IP Registration No.
IBBI/IPA-001/IP-P00003/2016-17/10011
Interim Resolution Professional
Amtek Auto Limited

IP Registration no. IBBI/IPA-001/IP-P00003/2016-17/10011

Interim Resolution Professional

(Amtek Auto Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by the Interim Resolution Professional, Mr Dinkar T. Venkatasubramanian, appointed by the National Company Law Tribunal by order dated 27 July 2017 under the provisions of the Code.)