CIRP of Amtek Auto Limited

The biggest challenge in running the Corporate Debtor (CD) - Amtek Auto as a Going Concern (GC) was its complex group structure. In addition to having plants in various states of India, the company had under its direct holding, multiple operational units across the globe including Japan, Thailand, Spain, and Germany amongst others. These overseas units operated as independent companies with little to no operational control of the CD. Besides, there was lack of a uniform Management Information System (MIS) to track metrics at the company level and most of the plants had their own format for business reporting, resulting in 15+ excel sheets in as many different formats to be tracked to gauge daily performance. This had resulted in some of the units operating in silos resulting in lack of uniformity across major organizational metrics.

The Committee of Creditors (CoC) had over 90 plus members including almost all the major lenders. Furthermore, the operations had to shut down from March 2020 to May 2020 due to nationwide lockdown caused by the COVID-19 pandemic leading to nil or very low sales in the Q1FY21. However, it recorded a V-shaped recovery in its sales thereafter. In the present case study, ***Dinkar Venkatasubramanian, the Resolution Professional of Amtek Auto Ltd. And his colleagues Mukul Dalmia and Riya Goel*** *have presented a descriptive analysis of the CIRP of the Corporate Debtor and stepwise solutions to the problems faced during the process to run it as GC which culminated into final resolution.* ***Read on to know more...***

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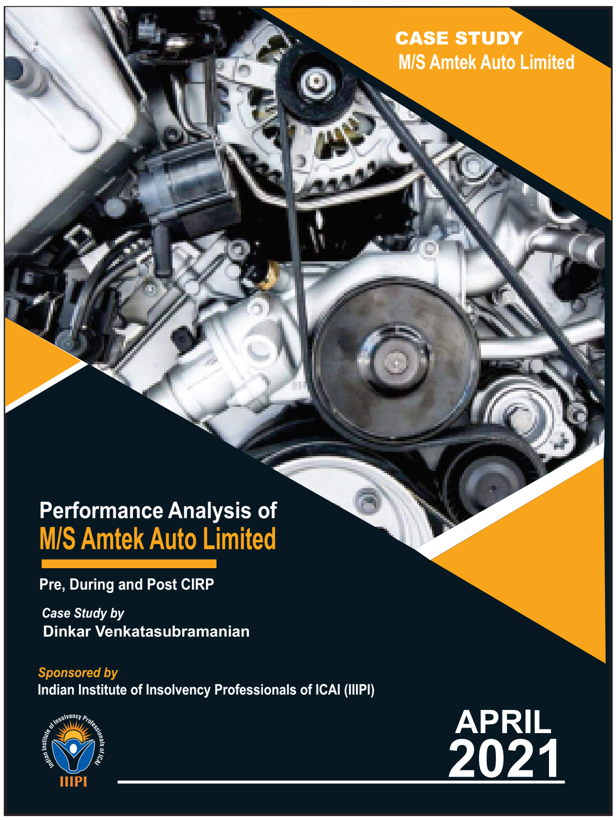
1. Introduction

The National Company Law Tribunal (NCLT) vide order dated 24th July 2017 initiated the Corporate Insolvency Resolution Process (CIRP) of Amtek Auto Limited (Amtek) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 and appointed Mr. Dinkar Venkatasubramanian as Interim Resolution Professional (IRP) in this case who was later confirmed as Resolution Professional (RP).

In addition to the domestic operations spread across 15 plants, panning through Haryana, Himachal Pradesh, Maharashtra, Madhya Pradesh and Tamil Nadu, the Corporate Debtor (CD) under its direct and indirect holding was also operating multiple operational units across the globe including Japan, Thailand, Spain, Germany amongst others at the time of initiation of CIRP. This Case Study is divided into three stages – Pre-CIRP Performance, CIRP and Post-CIRP. Each stage had its own set of challenges which required out-of-the-box approach

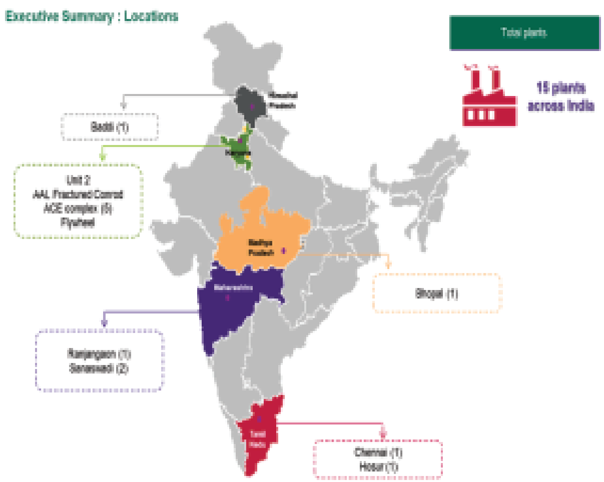


to resolve them. This case study seeks to enumerate the various stages of the Resolution Process of Amtek Auto, the challenges surmounted during the process to finally arrive at a successful resolution in July 2020.

2. Profile of the Corporate Debtor/ Company

Established in 1985, Amtek specializes in forging, aluminium casting and machining for applications in the engine, transmission driveline and chassis segments. Amtek caters to sizeable wallet shares of major Original Equipment Manufacturer (OEMs) in India namely, Maruti Suzuki India (MSIL), Honda Motorcycle and Scooters (HMSI), Tata Motors, Ford Motors, J.C. Bamford Excavators (JCB), Ashok Leyland, Eicher etc. and the world's top Tier 1 customers namely, Sriram Pistons, Hitech Gears, Unimotion, Valeo etc.

The group has developed a strong engineering and manufacturing know-how spread across 15 operational plants, panning through Haryana, Himachal Pradesh, Maharashtra, Madhya Pradesh and Tamil Nadu. A brief on various manufacturing facilities in India is given below:



SOURCE: Company Management; As on Dec'2020; the above are the locations only in India for Amtek Auto Limited. In addition to the Domestic Operations, the Company under its direct/indirect holding also operates multiple operational units across the globe including Japan, Thailand, Spain, Germany amongst others.

Diversified and de-risked business model:

Manufactures products that cater to the PV, 2W, CV, Tractor and Non-Auto Segments, for both Domestic and International markets

Has long lasting relationships with leading OEM and Tier-1 suppliers: Marquee and diversified customer base of leading OEM's and Tier-1 suppliers across India and Overseas with associations of 20+ years

State of the art engineering and manufacturing capabilities including continuous heat treatment technology, Machining iron castings, aluminium castings as well as forgings and precision laser fracturing technology.

One of the biggest complexities of the resolution of Amtek Auto's process was its group structure, which is spread across Japan, Spain, Germany, Thailand amongst others, which added to the challenges with respect to establishing communication channels across geographies:

3. Pre-CIRP Performance

3.1. Performance During Past Three Years: The CD was stuck in multiple financial distress wherein revenue were declining and liabilities increasing:

a. The company sales declined from FY 2015 to FY2017 due to macroeconomic factors.

b. Also, PAT declined due to large interest cost and restructuring with lenders failed.

c. The lenders were then forced to take Corporate Debtor to CIRP process.

3.2. Reasons of Financial Stress

Major reasons for Financial stress were as following:

a. Aggressive mis-timed ambitions of inorganic growth resulted in poor utilization of funds and capital expenditures with long gestation period returns were incurred.

b. For further Acquisitions and Capital expenditures, Amtek continued to pile on Debt onto its Balance Sheet, which after a point in time became unsustainable as the International Operations started stagnating and at the same time the Domestic Operations could not sustain the y-o-y debt obligations;

c. In FY17, the Debt to EBITDA level rose to ~32x, which was way higher than the automotive component industry average.

d. Frequent Misses in payment of debt obligations led to trust deficit between the erstwhile management and the lenders.

e. Acute Working Capital challenge led to poor schedule adherence and business losses and added to the trust deficit with the customers.

f. Complete breakdown of MIS and financial controls worsened the situation further.

4. Corporate Insolvency Resolution Process (CIRP)

4.1. Appointment of IRP/RP

National Company Law Tribunal (NCLT), vide order[1] dated 24th July 2017 initiated the Corporate Insolvency Resolution Process (CIRP) of Amtek Auto Limited under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016. The Adjudicating Authority (AA) appointed Mr. Dinkar T. Venkatasubramanian as the Interim Resolution Professional (IRP) of the Corporate Debtor (CD) vide order dated 27th July 2017. He was later confirmed as Resolution Professional (RP) by the Committee of Creditors (CoC) in its meeting held on 22nd August 2017 under provisions of the code.

4.2. Initial Assessment

Post receipt of the order form the NCLT, the IRP along with authorized representatives from EY (the firm providing support services to the IRP) met with the incumbent management team of the corporate debtor, to take charge of its assets.

The IRP along with his team met the key executives of the company and took a download of the existing business operations and the organization structure. The IRP also informed the management regarding the provisions of the IBC, 2016 and laid down the roadmap for maintaining the going concern of the business during CIRP and for future co-ordination and expectations from the incumbent management.

The meeting also helped in identifying key Point of Contacts for critical functions and enabled creation of shadow teams within IRP's team to monitor and own these critical functions, including treasury, HR, plant operations, sales & marketing etc.

> **The teams deployed at operational locations established contact with the operations team on ground and laid the action plan to win the confidence of all the local stakeholders to ensure the CD continues as Going Concern (GC).**

locations spread across the country –09 in National Capital Region (NCR), 03 near Pune and 01 each in Bhopal, Hosur, Chennai, Rudrapur and Baddi. These teams established contact with the operations team on ground and laid the action plan to win the confidence of all the local stakeholders including but not limited to employees, suppliers, customers, statutory bodies etc, to ensure going concern of the business. Additionally, the company had under its direct holding, multiple operational units across the globe including Japan, Thailand, Spain, and Germany amongst others. These units operated as independent companies with little to no operational control of the corporate debtor. One of the bigger challenges initially for the RP was to establish ongoing communication channel with these entities and establish informational and operational control over them.

During these meetings and visits, the IRP and team managed to understand the key intricacies of the business and potential concerns/ risks in maintain the going concern of the business, some of which have been highlighted here:

a. **Massive scale of operations with 15+ operational domestic plants in 7 locations across the country:** The Company had strategically built plants around the major automotive belts across India to be able to cater to all major OEMs. While this enabled the company to be a major supply source for top OEMs, it also resulted in some of these units operating in silos resulting in lack of uniformity across major organisational metrics.

[1] C.P. (IB) No. 42/Chd/Hry/2017), (NCLT Chandigarh Bench).

b. **Large employee base with salary delays for both on-roll and contractual employees:** With over 6000+ employees (on-rolls + contractual), the company was a major source of employment and livelihood in the country. Working capital constraints and cash crunch had resulted in salary delays of 2-3 months across locations and as such, a lot of uncertainty among the employees; the uncertainty further increased on account of insolvency commencement resulting in further unrest among the workforce.

c. **Working capital challenges and cash crunch:** In the immediate 12-15 months preceding the commencement of insolvency, the company faced severe cash crunch due to reducing business operations which eventually resulted in payment delays across stakeholders including employees, suppliers, statutory agencies and of course financial creditors. Maintaining going concern of such a massive company with limited availability of cash was going to be an uphill task for all involved.

d. **Trust deficit with customers and risk of business loss:** The Company was a major supply source for most of the large OEMs in the country. The automotive industry works on a JIT model with minimal inventory being stocked at the OEM end and rather relying on steady supply of parts form ancillary suppliers daily to enable production. The business performance of the company was on the downturn and the schedule adherence levels of top customers had been low resulting in a panic situation amongst OEMs. The news of insolvency commencement further elevated concerns of these OEMs on the ability of the company to be able to supply material to keep their line operational. Some high-level assessment estimated OEM line stoppage risk estimated @ INR 30 bn/day (400mn USD/day), a threat which grew larger with the commencement of insolvency. The threat of key customers pulling out, making the business unviable was ever-increasing. Moreover, given the current financial condition of the company, most of the OEMs had barred the company from consideration for new product development. This could have a substantial impact on the going concern of the business in the medium to long term as a lot of components being produced by the corporate debtor were in the last leg of their product life-cycle and not being empaneled for new product development would effectively result in business loss for the next 8-10 years, depending on the platform (average platform life for OEMs ranges from 6-10 years and as such loss of a platform would result in business loss for the entire life cycle of the business).

e. **Complex group structure marred with related party linkages across the supply chain:** The components being machined by the company underwent several processes and assemblies before being supplied to the OEMs as finished product. While the company supplied the final machined product, key predecessor processes in the value cycle like casting, forging and supply of critical assembly elements were stationed in other group companies, all with their own sets of problems and majority of them eventually getting admitted into their respective CIRPs. This complex structure provided the promoters with considerable leverage and the possible threat of business disruption by withholding supplies from feeder units housed in other promoter-controlled entities.

f. **Cash stuck in inventory and receivables:** assessment of balance sheet and financials indicated substantial amounts locked up in inventory, majority of which was found to be slow-moving / non-moving. Considerable amounts of receivables were due from related entities as well which seemed non-recoverable. Exports accounted for a substantial portion of the company's sales and had long collection cycles of between 90-135 days. This further increased the pressure on the cash cycle of the company with more than 3 months' worth of export sales outstanding at any given point, but minimal credit period with the part suppliers for these components.

g. **Large creditor base with substantial overdue across suppliers:** On account of the working capital challenges and the cash crunch faced by the company for at-least 12 to 24 months prior to the CIRP initiation, the overdue to all suppliers and transporters were piling up to multiples of crores. Additionally as Amtek was amongst the First Big 12 mandates on which CIRP was initiated, there was no precedent with respect to the process for the stakeholders, which increased the risk perception in the eyes of the vendor base and made them jittery, making it that much more difficult to maintain the business as a going concern.

h. **Non-uniformity between different plants / verticals and lack of inter-departmental co-operation:** Given the large scale of operations, having a uniform enterprise resource planning system was a necessity for the company. However, the company continued to follow old / archaic systems with individual locations running their preferred ERPs for collating, tracking and presenting information. No uniform MIS existed to track metrics at the company level and most of the plants had their own format for business reporting, resulting in 15+ excel sheets in as many different formats to be tracked to gauge daily performance. While the company strived to take a professional approach in running its business, lack of apt and uniform technical support resulted in co-ordination lacunae between key functions, often impacting the overall business growth and sensibility.

i. **Procurement of key consumables and spares through a potentially promoter-controlled entity:** All the consumable and spares, lubes etc were procured through a single entity which acted as an aggregator from different original part suppliers. Investigation revealed instances of over-valued purchases, no adherence to supply schedules resulting in production outages, and monopo lisation resulting in inferior quality of products being supplied. At the outset, it became a challenge to overhaul the entire procurement function to address this risk and ensure that all business dealings were at arm's length and for the benefit of the company.

> **Because of the working capital challenges and the cash crunch faced by the company for at least 12 to 24 months prior to the CIRP initiation, the overdue to all suppliers and transporters were piling up to multiples of crores.**

j. **Poor upkeep of plant and machinery resulting in quality complaints from the customers:** One of the first areas to get impacted in any cash downturn cycle is the maintenance of plant and machinery, which gets neglected until it gets to the point of no return. The company was no different with preventive maintenance having been disposed off a long time before insolvency commencement. This resulted in rapid deterioration of the industry-leading equipment which enabled the company to gain the business of the top OEMs in the country. Poor quality had become an incessant and unacceptable issue for customers, thereby increasing the threat of business loss from key customers.

k. **Predatory pricing strategy to gain business resulted in poor margins which became unsustainable in some components:** In their bid to out-compete competitors and win majority of the market share to aid growth, the company booked orders at low margins and at break-even levels in some cases. However, as OEMs started diverting part orders to secondary suppliers, the scale of operations came down, making supply of some components a loss-making affair, while majority of the other components continued to be low margin. Getting price increases from customers thus was imperative for successful operations, which was further made difficult due to lack of trust in customers.

In their bid to out-compete competitors and win majority of the market share to aid growth, the company booked orders at low margins and at break-even levels in some cases.

1. **Managing 90+ members in one of the largest committee of creditors in a CIRP:** Given the debt size and the varied debt profile, the company's lender base included almost all major lenders, NBFCs, ARCs, investment agencies and quite a few trusts and debenture holders. Efficiently managing the expectations and addressing the queries and concerns of such a large and diverse base of stakeholders was a never-before challenge for everyone involved.

4.3. Concerns/challenges faced by the IRP/RP

a. The complex business structure of Amtek required involvement of multiple related parties for completing a single order from a Customer. These inter-linkages worked back both ways with the supplier entities also majorly dependent on the corporate debtor for ~60-80% of their sales. As such, the ongoing stress at the corporate debtor was also evident in the back-end entities, hampering their operations and further impacting the operations of the corporate debtor, thus turning into a vicious circle. Subsequently most of these back-end entities were also dragged into their respective insolvencies shortly.

b. Also, the company had warehouses and factories in different geographies including outside India, which added a layer of complexity in under standing and operating the business of the corporate debtor.

c. RP and his team had to understand this complex structure quickly and then build trust and relation with multiple stakeholders, which required:

   i. Converting the hostile working environment to a more constructive environment at all the plants and for continuation of business during CIRP process.

   ii. Maintaining the morale of employees during this transition period and retain good employees while letting go some other on account of non-performance.

   iii. Managingcustomers and suppliers to continue business during CIRP period.

   iv. Managing day to day operations despite huge outstanding dues of suppliers and various statutory bodies.

   v. Maintaining sustainable operations and keep the Company afloat as a going concern amidst the above challenges

d. Large lender base further added to the complexity in swift decision making as the CIRP process progressed

4.4. Measures taken to address Challenges, Improve the Financial Position, Maintain Sustainable Operations and achieve Optimal Resolution

The measures taken by the IRP/RP and the team were for meeting these challenges and maintain sustainable operations for an optimal resolution at the earliest.

These measures were undertaken to ensure protection and security of the Corporate Debtor andcontinue plant operations and generate positive cash flows to achieve sustainability of the company as a going concern.

Table 1 : Measures taken to address Challenges, Improve the Financial Position, Maintain Sustainable Operations and achieve Optimal Resolution

Measures Taken	Process Followed	Key Values achieved
Takeover and secure assets of the Corporate Debtor	ü Plant visit across locations and taking charge ü Communiques to all stakeholders including employees, customers, suppliers, lenders and requisite public announcements ü Taking charge of bank accounts and initiating the change in signatories across operative accounts ü Appointment of relevant legal advisors to guide the RP in the CIRP process and ensure compliance ü Taking possession of all company related documents including cheque books, company seals, letter heads, public websites, backup of data servers etc.	ü In accordance with the law, IRP took control of and secured Assets and initiated the CIRP
Making all stakeholders familiar with process and mapping expectations/ way forward	ü Informing all stakeholders of the various relevant provisions of IBC and defining the new normal for smooth operations ü Ongoing process with multiple meetings across hierarchies and stakeholder universe viz employees, vendors, transporters, customers etc ü Motivate the employees and win their trust to provide the requisite support ü Re-establishing trust with customers /suppliers to ensure business continuity and going concern	ü A sense of ownership amongst employees with a zeal to turn the company's fortunes around ü Increased level of trust in suppliers / customers based on promises of professionalism and transparency
Uniformity of processes across plants and locations	ü Establishment of uniform MIS formats across locations to better track business metrics ü started tracking production numbers, procurement, expenses, break-down levels on a daily basis followed by weekly calls with individual plants to analyse and discuss the performance	ü Sense of ownership with defined individual responsibilities; Plant heads made responsible for their plants' financial performance and not just operational metrics ü Pro-active and efficient tracking of issues including machine breakdown

Interim funding and customer advances: Liquidity Management	ü Interim Finance proposal was pursued with the CoC multiple times, highlighting the need of cash for sustenance and to enable a quick resolution; CoC approved the same after 3 rounds of rejections in CoC voting ü Identified optimal usage of funds ü Built customer confidence and cultivated trust to provide advances secured against future supplies to maintain and improve operations ü Optimized working capital by rationalizing inventory and negotiating with creditors and debtors ü Implement 13-week rolling cash flow forecast to optimize cash utilization	ü Raised INR 165cr+ (20mn USD) as interim finance from financial institutions and as customer advances; the same was successfully repaid from the cash flows of the company ü Reduced inventory levels by improved collection terms with major customers ü Improved cash reserve coverage to satisfactory levels
Focus on machine maintenance and quality improvement; creation of production plans	ü Real time tracking of machine health on the back of improved Management Information Systems; undertook time-study to identify issues and created an action plan for improving quality including machine maintenance and implementation of standard tooling ü Creation of a short-term production priority plan, in line with the working capital availability and the objective of retaining business of top OEMs	ü Increased uptime resulting in increased production and better schedule adherence ü Substantial decrease in rejection rates internally and at customer end
Continued engagement with customers	ü Built customer confidence and cultivated trust on the back of improved supply performance and quality metrics ü Regular update meetings with key customers to keep them abreast of the ongoing of the process and alleviate concerns if any	ü Increased customer confidence resulting in minimal loss of business ü Creation of buffer stock as stipulated where possible

Price increase negotiations with OEMs	ü Undertook margin analysis at the product level which aided in the identification of low, medium and high margin product categories, thus enabling a tailor-made approach for each product / customer ü Basis the margin analysis study, created a targeted list of customers to approach for price increases on the back of the confidence build-up by reducing quality issues and improving schedule adherences	ü Price increases received from multiple customers, as high as 40% for certain components ü Resulted in an addition of margin and cash inflow on a monthly basis
Engagement with suppliers and customers to ease working capital cycle	ü Two-pronged approach – engaged with vendors and negotiated payment terms and received cash discounts where payment terms not available; approached customers to crash payment terms for a short-term basis to improve liquidity and advances where available	ü Regained payment terms with multiple suppliers and reduced collection terms with 4 large OEMs ü Working capital requirement reduced by ~ INR 10 Cr on a monthly basis
Revamping of the procurement function	ü Using the available resources, a strategic sourcing team was created to take care of procurement needs of all plants ü Multiple redundancies identified in the procurement function and resources were reassigned to build a healthy base of vendor universe thereby resulting in reduced reliance on potentially promoter-controlled entity used for procuring all consumables	ü Improved availability of material, more cost-effective ü Standardisation of spares and consumables to the extent possible across facilities, resulting in fungibility between plants and lower inventory levels ü Created common order/stock pool by cluster
Workforce optimization	ü Workforce optimization in prolonged CIRP proceedings phase ü Did a root cause analysis and addressed the issue of employee attrition by implementing an incentive based payroll structure ü Reassignment of workforce in-turn realigning people to functions and departments in compliance with their skill set	ü The per month workforce CTC optimized during CIRP ü Right man for the right job – increased employee morale

Cost Optimization and Production Planning and Ramp up	ü Understand process leakages like wastages, rejections etc monitoring the same to bring it into acceptable range as per industry benchmarks ü Implement SOPs across the organization ü Pricing negotiation with customers and suppliers ü Plant wise cost budgeting and resource planning ü Invested in Capex to meet customer requirements and to meet new business regulations	ü Steady & sustained improvement ü Production ramped up across locations, which led to higher schedule adherence

4.5. Operational Performance of CD during CIRP

a. **Turnaround of the operations by bringing in the right expertise and strong project management:** Achieved higher schedule adherence and reduction in breakeven levels during CIRP period.

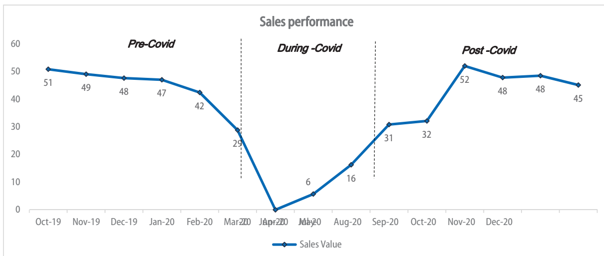
b. **Regular maintenance & repair activities fuelled growth and increased the value of the asset for achieving resolution:** Managed capex investments from internal accruals and achieved no line stoppages.

c. In Q1 FY21 as the Government imposed a nationwide lockdown amidst the COVID-19 pandemic, the plants were closed from March'20 to May'20 thereby leading to Nil/ very low sales in the quarter.

d. During this time, RP and his team worked with the company for cost optimization measures to reduce various costs and come out with safety manuals and be prepared for a smooth re-start of operations.

e. Post COVID, the Company has seen a V-shaped recovery in its sales has a sustainable order book and has improved its schedule adherence across OEMs.

Chart-1 : Sale Monthly (In Cr) showing a V-shaped Recovery in the Company's performance



Source: Monthly Results; Management Information
Note:

1. All sales numbers include component sale and scrap sale and excluding ARGL which was under a separate CIRP process and sold in Dec'19 after which ARGL business with Amtek was stopped.
2. Pre-CIRP data has not been shared as the RO had no control over the reported financials prior to CIRP.
3. The growth depicted above is mirroring that of the two-wheeler and tractor segment across the industry.

4.6. Resolution Process of the CD

The RP published an advertisement for inviting expression of interest for the corporate debtor on 30th August 2017 and subsequently received interests from several applicants. Out of the several interest and plans received the CoC approved the resolution plan by Applicant 1 in April 2018 and the RP filed an application with the AA for approval of the Resolution Plan by Applicant 1.

The NCLT upon an application filed under Section 30(6) of the IBC approved the resolution plan submitted by

Applicant 1 vide order[2] dated 25th July 2018 which was later permitted to be withdrawn by the NCLT vide order dated 13th February 2019 on default in implementation by Applicant 1. The NCLT advised that the H2 bidder from the previous bidding process be given the first chance, with respect to the resolution and granted additional 55 days for the purpose of calculating CIRP of 270 days and a further period of 10 days for serving notice to H2 bidder.

In May 2019 in order to maximise the value of the corporate debtor for all stakeholders, the CoC submitted to the NCLAT that several interests have been received for resolution of the corporate debtor and prayed for them to be considered. Accordingly, the NCLAT permitted[3] the CoC to consider plans if filed by one or more persons. On requests by the CoC to grant additional time, the NCLAT did not consider extending/ excluding the period for starting a fresh process and directed NCLT to pass appropriate liquidation orders in the matter of the corporate debtor on 16th August 2019.

However, on appeal by the CoC, the Supreme Court stayed the liquidation proceedings pursuant to order[4] passed by NCLAT vide order dated 6th September 2019. Subsequently, the Supreme Court vide several orders from September 2019 to February 2020 permitted the RP to invite fresh offers from prospective resolution applicants. The Resolution Plan by Applicant 2 was approved by the CoC on 11th February 2020 and the same was filed by the RP with NCLT for approval in June 2020. Subsequently after due process, vide order dated 09th July 2020, the NCLT approved the resolution plan of Applicant 2 for Amtek Auto Limited (AAL) under Section 31 of the IBC.

5. Post CIRP period

The Company is continuing to run as a going Concern by the Implementation and Monitoring Committee as per the

terms of the Approved Resolution Plan with sustainable Business. The company has a positive outlook for the next quarter and beyond and has been able to increase its share of business from some customers especially in the Tractor and two wheeler industry, which has contributed to the V-shaped recovery in the Post-COVID period.

a. The recovery in the auto segment and the Company has been fuelled by tractor segment, heavy industrial equipment segment, two-wheeler and personal vehicle segment.

b. The Company has been able to capitalize on the growth potential and has high schedules for fourth quarter of Fy21

c. Continuous efforts are being made to optimise workforce leading to reduction in monthly CTC

d. Cash coverage continues to improve from as low as 2 days at the initiation of the CIRP to ~30 days currently

e. Amtek has managed to improve confidence across stakeholders and continues to have a sustainable order book from all marquee OEMs.

[2] (C.A. No. 114 of 2018 in C.P (IB) No. 42/Chd/Hry/2017), (NCLT Chandigarh Bench).

[3] Company Appeal No. 219 of 2019 & Ors, NCLAT.

[4] Civil Appeal No. 6707 of 2019, SC.

Graph 4: CIRP / Key Operational Milestones Timeline

24-Jul-17	**24-Jul-17:** Initiation of CIRP
Jul'17	**27-Jul-17:** Appointment of Mr. Dinkar Venkatasubramanian as IRP and declaration of moratorium by NCLT **29-Jul-17:** Public Announcement inviting claims in terms of IBC
Aug'17	Constitution of the CoC and continuation of Mr. Dinkar Venkatasubramanian as RP by CoC **30-Aug-17:** Issuance of advertisement for inviting expression of interest for the corporate debtor with last date of submission as 11-Sep-17
Sep'17-Dec'17	Engagement with Prospective Resolution Applicants and submission of resolution plans (Last date for submission of plans 28-Dec-17)
Jan'18-Mar'18	Consideration of plans received and negotiation with Prospective Resolution Applicant(s)
Apr'18	Approval accorded by the CoC on Resolution Plan submitted by Applicant 1 and submission of the same for NCLT's approval by RP
Jul'18	**25-Jul-18:** Order passed by Hon'ble NCLT approving the Resolution Plan submitted by Applicant 1
Nov'18-Dec'18	Default by Applicant 1 in implementation of the Approved Resolution Plan. CoC sought directions from Hon'ble NCLT for next steps
Feb'19	**13-Feb-19:** NCLT advised that H2 bidder from the previous bidding process be given the first chance for resolution and granted additional 55 days for the purpose of calculating CIRP of 270 days and a further period of 10 days for serving notice to H2 bidder
May'19-Jul'19	Hon'ble NCLAT permitted the CoC to consider plans if filed by one or more persons. RP and CoC complied with the directions received
Aug'19	**16-Aug-19:** NCLAT did not consider extending/ excluding the period for starting a fresh process and directed NCLT to pass appropriate liquidation orders

Sep'19

6-Sep-19: Hon'ble Supreme Court stayed the liquidation proceedings pursuant to order passed by Hon'ble NCLAT

24-Sep-19: Supreme court permitted the RP to invite fresh offers within 21 days and directed the CoC to take a final call within 2 weeks thereafter. RP and CoC complied with the order and invited plans.

Dec'19

2-Dec-19: Pursuant to the clarification application filed, Supreme Court recalled the order dated 13-Nov-19 & directed that the resolution plan must be submitted by PRAs within 30 days of the order and CoC to evaluate the plans within 3 weeks thereafter and place the same before Supreme Court. RP and CoC complied with the order and invited plans for consideration.

Jan'20

Consideration of plans received and negotiation with Prospective Resolution Applicant(s)

Feb'20

Resolution plan by Applicant 2 approved by CoC

Jun'20

8-Jun-20: Hon'ble Supreme Court relegated the matter to the NCLT to consider the same and pass appropriate orders within fifteen days from that day.

Resolution Professional submitted the Application before Hon'ble NCLT for approval of the Resolution Plan.

Hearings before Hon'ble NCLT conducted and concluded on 30-Jun-20

Jul'20

9-Jul-20: Resolution Plan by Applicant 2 approved by Hon'ble NCLT.

Consequently, steps were taken for formation of Implementation and Monitoring Committee in terms of the Approved Resolution Plan comprising of one nominee from each of the 3 Key Lenders, nominee of the Resolution Applicant and the Insolvency Professional.