

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

C.P. (IB) 1/BB/2017

IN

I.A 33/2018

Under Section 12(2) of the Insolvency & Bankruptcy Code, 2016
Order delivered on: 20th February 2018

Coram: Hon'ble Shri. RatakondaMurali, Member (Judicial)
Hon'ble Shri. Ashok Kumar Mishra Member (Technical)

IN THE MATTER OF BELTHANGADY TALUK RUBBER GROWER'S
MARKETING & PROCESSING CO-OPERATIVE SOCIETY LIMITED
AND
IN THE MATTER OF FALCON TYRES LIMITED

Belthangady Taluk Rubber Grower's Marketing &
Processing Co-Operative Society Limited,
Ujire Village, Belthangady Taluk.
Dakshina Kannada District, Ujire-574240.

Petitioner

AND

Mr. Anand Ramachandra Bhat,
Insolvency Resolution Professional
[Regn. No. IBBI/IPA-001/IP-P00467/2017-
18/10810] No. 81, 8th Main, Kumara Park West,
Serpentine Road, Bengaluru-560020.

Applicant

AND

M/s Falcon Tyres Limited,
K.R.S Road, Metagalli,
Mysore-570016

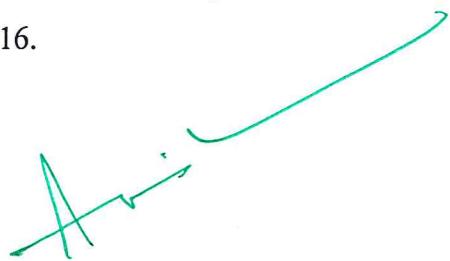
Respondent

For the Petitioner(s): Ms. R.Saranya Devi, Advocate, Lawyers Inc. No.15/2,
V.S.Raju Road, 12th Block, Kumara Park West,
Bengaluru-560020 .

Per: Hon'ble Shri Ratakonda Murali, Member (Judicial) – Author

O R D E R

This application is filed on behalf of Resolution Professional Shri Anand Ramachandra Bhat, under Section 12 (2) of the Insolvency and Bankruptcy Code, 2016.




The averments made in the Application that, Applicant was appointed as Insolvency Resolution Professional in the matter of Falcon Tyres Limited by order of this Tribunal dated 30th August 2017 under section 13 of Insolvency and Bankruptcy Code, 2016, hereinafter referred to as Code. The public announcement was taken through publication in **Deccan Herald** and **Prajavani** and also in Government Website. The Committee of Creditors was constituted which passed a resolution appointing the Applicant as Resolution Professional. Annexure -3 is the copy of resolution passed by the Committee of Creditors.

It is averred that, the Falcon Tyres Limited stopped business operation since 2015 and there has been no production and the factory is in lockout. But it is under physical possession of one Financial Creditor on behalf of all other Financial Creditors.

The Applicant took various steps after his appointment as Interim Insolvency Resolution Professional as well Resolution Professional. He has done the following:-

- a) Public announcement and publication of public announcement.
- b) Appointment of Registered valuers for valuation of the property.
- c) Receipt of claims from various claimants and review of the claims submitted.
- d) Constitution of Committee of Creditors (CoC).
- e) Submission of report of creditors to this Hon'ble Tribunal.
- f) Submission of report on Constitution of Committee of Creditors (CoC) to this Hon'ble Tribunal.
- g) Preparation of Information Memorandum.
- h) Appointment of Investment Banker and inviting proposals for resolution plan through Investment Banker.
- i) Conducted CoC meetings from time to time.
- j) Public announcement for invitation to submit resolution plans (in addition to seeking proposals mentioned in (h) above).

On 4th September 2017, two registered valuers were appointed as per Regulation-27 of Insolvency Resolution Process regulations. The Applicant as IRP collected all information in respect of Assets and Liabilities and prepared the list of creditors. He has collated all the suits/claims petition pending before various Legal Forums, Courts and Tribunals etc., The Committee of Creditors was



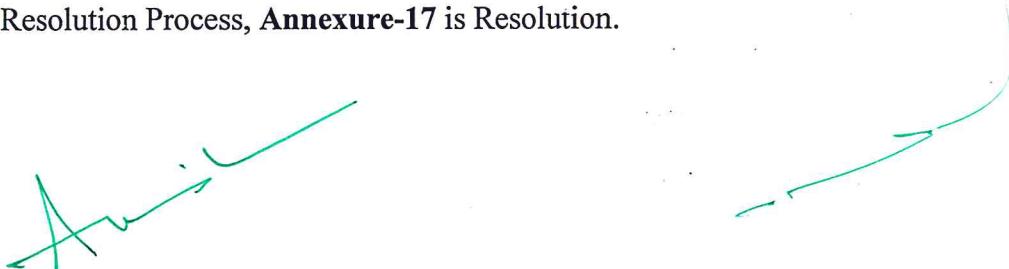
constituted. Initially the personnel of the Corporate Debtor were not co-operating with the Insolvency Resolution Professional and hence he approached the Tribunal for a direction. This Tribunal passed order and in pursuance of the order, the IRP is getting a limited help.

The notice of convening of the first meeting of Committee of Creditors dated 18th September 2017. He has conducted 4 Committee of Creditors meetings dated 25th September 2017, 16th October 2017, 22nd January 2018 and 7th February 2018. The Committee of Creditors took a decision for appointing "Edelweiss Financial Services" as Investment Banker for getting resolution plan. The Resolution Professional is also holding discussions with prospective resolution applicants. He has also called for Resolution Plan. He has also engaged in preparing Information Memorandum. Publications were made inviting Resolution Plans.

He alleged information memorandum was prepared to the extent feasible, all details are noted in the Resolution Plan.

Hon'ble Madras High Court-Chennai was pleased to send Court Commissioner for auction of the machinery of the company. The Applicant alleged, he has moved the Application for stay before the Hon'ble Madras High Court-Chennai.

He also alleged minority shareholders approached the Hon'ble NCLAT challenging the order of this Tribunal dated 30th August 2017. The Hon'ble NCLAT observed that all further proceedings shall go on and decision taken shall be subject to the result of the Appeal. Order of the Hon'ble NCLAT is shown as **Annexure-16**. The period of Corporate Insolvency Resolution Process (CIRP) proceeding should be completed within 180 days which is going to expiry by 25th February 2018. The Corporate Insolvency Resolution Process cannot be completed with 180 days. Therefore, the Committee of Creditors has passed a resolution dated 7th February 2018 directing the Resolution Professional to file application before the Tribunal for extension of period of Corporate Insolvency Resolution Process, **Annexure-17** is Resolution.



Hence, this Application for extension of another 90 days beyond 180 days for completing Insolvency Resolution Process.

We have heard the Counsel appearing for Applicant (Resolution Professional). The present application is filed under section 12(2) of the Code seeking extension of another period of 90 days beyond 180 days. We have seen the grounds for extension of period of Corporate Insolvency Resolution Process. Necessary steps have been taken by Resolution Professional including preparing Information Memorandum. However to complete the process the Resolution Professional required some more time. The Resolution process cannot be completed by 25th February 2018. He has to prepare Resolution Plan and he is taking steps now. The Committee of Creditors passed resolution for seeking extension of time by Resolution Professional. Therefore, there are grounds to extend the period of Resolution Process by another 90 days beyond 180 days i.e., beyond 25/02/2018.

In the result Application is allowed. The period of Insolvency Resolution Process is extended by another 90 days beyond 180 days under section 12 (2) of the Act.



(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL



20/2/18
(RATAKONDA MURALI)
MEMBER, JUDICIAL