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'EMPEE TOWER'
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Ref: EDL: SECY: 2018

8.11.2018

The Bombay Stock Exchange Limited Phiroze Jeejhobhoy Tower, Fort , Dalal Street, Mumbai – 400101.	The National Stock Exchange of India Ltd, Exchange Plaza,C/1 , G Block, Bandra-Kurla Complex, Bandra (E),Mumbai 400 051.
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Dear Sirs:

Sub: In the matter of Union Bank of India Vs Empee Distilleries Ltd – Appointment of Interim Resolution Professional by NCLT Division Bench, Chennai

In connection with the above, at the outset, we wish to draw your kind attention to Point No.7 under Notes to Financial Results, for the 4th quarter/Financial Year ended 31.3.2018 published/furnished to Stock Exchanges and also to Point No.7 again under Notes to Financial Results, for the quarter ended 30.6.2018, published/furnished to Stock Exchanges, wherein the company had provided information about the petition filed by Union Bank of India, as Financial Creditor against Empee Distilleries Limited, as Corporate Debtor. before National Company Law Tribunal (NCLT) Division Bench, Chennai.

As the Scheme of Settlement offered by the company did not meet with the approval of Union Bank of India, the Hon'ble NCLT Division Bench, Chennai, vide Order dated 1.11.2018 (copy enclosed), received by the Company on 7.11.2018, has appointed Mr. V. Venkata Siva Kumar, as Interim Resolution Professional (IRP).

This is for your information please.

Thanking you,

Yours faithfully,

For EMPEE DISTILLERIES LIMITED

R. VENKATESH
COMPANY SECRETARY

Encl: as above.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

CP/280/ (IB)/2018

Under Section 7 of the IBC, 2016 r/w Rule 4 of the Insolvency and
Bankruptcy(Application to Adjudicating Authority) Rules, 2016

In the matter of

M/s. UNION BANK OF INDIA

.....Financial Creditor

V/s

M/s. EMPEE DISTILLERIES LIMITED

.....Corporate Debtor

Order delivered on: 01.11.2018

CORAM:

B.S.V.PRAKASH KUMAR, MEMBER (JUDICIAL)
S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For the Applicant/FC : Shri.M.Muthuperiasamy, Advocate
For the Respondent/CD: Shri. P.H.Arvinth Pandian,Senior Advocate
Shri.Roshan Atiq, Advocate

ORDER

Per : S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

Under consideration is a Company petition filed by **M/s. UNION BANK OF INDIA** (in short Applicant/Financial Creditor) against **M/s. EMPEE DISTILLERIES LIMITED** (in short Corporate Debtor) under section 7 of the Insolvency and Bankruptcy Code, 2016 (in short IB Code 2016) r/w rule 4 of Insolvency & Bankruptcy (Application to “Adjudicating Authority”) Rules, 2016 (for brevity, IB Rules 2016).

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1. The Corporate Debtor is a private limited Company incorporated under the Companies Act, 1956 on 15.09.1983 having its registered office at Empee Towers, 59, Harris Road, Pudupet, Chennai- 600002.
2. The amount claimed to be in default by the Corporate Debtor as per the Application is ₹10,18,20,789 as on 31.12.2015. The date of default as per the petition is 31.12.2015 and the amounts due as on 08.02.2018 is set out in **Annexure-5**.
3. The Applicant Bank is a Financial Creditor of the Corporate Debtor. A multi banking arrangement was entered into between Andhra Bank, Egmore Branch, Chennai and the Applicant Bank (Union Bank of India, IFB, Chennai). The ratio of finance provided to the Corporate Debtor is 60% by the Andhra Bank and 40% by the Applicant Bank. Accordingly, total amount of debt granted is as follows:

- a. Andhra Bank- sanctioned on 29.10.2009.

Facilities Availed	Amount (₹) crores
Open Cash Credit (OCC)(for Grain based Alcohol Plant)	5
Term Loan)(for Grain based Alcohol Plant)	35
Letter of Credit	3
Sub Total(A)	43

b. Union Bank of India- sanctioned on 16.01.2010

Facilities Availed	Amount (₹) crores
Letter of Credit (Inland and Export)	2
CC (Hypothecation)	3.49
Term Loan	23.04
Sub Total(B)	23.53
Grand Total(A+B)	66.53

This Applicant is concerned with the facility granted by this Applicant.

Of the facilities granted by the Applicant Bank, the CD availed only the Term Loan as stated above.

4. This Tribunal vide order dated 11.09.2018 has noted as follows;

"Counsel for Petitioner/Financial Creditor present. Senior counsel for Respondent/Corporate Debtor present and submitted that in addition to ₹50 Lakhs already paid, the Respondents brought another ₹50 Lakhs by way of Demand Draft and handed over the same to the Petitioner's counsel today. Further, Respondent undertook to place a proposal mentioning schedule of payments to the other side for their consideration, since they are intending to settle the matter with the Petitioner. Matter is adjourned for reply in relation to the fresh proposal."

5. From the above, the Tribunal observes that payment as per the fresh proposal has not fructified and order has been reserved in the said matter on 16.10.2018.

6. The counsel for the Corporate Debtor has not filed any counter,

documents or objections for the petition filed against them by the Applicant Bank before this Tribunal after the attempts to settle the matter has failed.

7. In view of the above, the Tribunal observes that there is a debt due payable by the Corporate Debtor and that a default has occurred which the Corporate Debtor was responsible to pay. The date of occurrence of default shall be 31.12.2015. We are of the opinion that the Applicant Bank has established that the amount in default committed by the Corporate Debtor is a fact and it is supported by the documentary evidence placed before this Adjudicating Authority. In this regard the Tribunal observes that the ₹1Crore received from the CD shall be excluded in the amount claimed and the FC shall proceed against the CD for the remaining amount. (₹9,18,20,789)
8. Therefore, the instant petition is admitted and we order the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed within 180 days, reckoning from the day this order is passed.
9. We appoint **Mr.V.Venkata Siva Kumar**, as Interim Resolution Professional (IRP) as proposed by the Applicant. There is no disciplinary proceeding pending against the IRP and the IRP's name is reflected in IBBI website. The IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to make

public announcement as prescribed under Section 15 of the I & B Code, 2016 within three days from the date of the copy of this order is received and call for submissions of claim in the manner as prescribed.

10. We declare the moratorium which shall have effect from the date of this order till the completion of Corporate insolvency resolution process for the purpose referred to in Section 14 of the I & B Code, 2016. We order to prohibit all of the following, namely:

- (i) *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.*
- (ii) *Transferring, encumbering, alienating or disposing of by the corporate debtors any of its assets or any legal right or beneficial interest therein;*
- (iii) *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 (54 of 2002)*
- (iv) *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

11. The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. The provisions of Sub-section (1) of Section 14 shall not apply to such transactions, as notified by the Central Government.

12. The IRP shall comply with the provisions of sections 13(2), 15, 17 & 18 of the Code. The directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance

and cooperation to the IRP as stipulated under Section 19 and for discharging the functions under Section 20 of the I & B Code.

13. The Applicant/FC as well as the Registry is directed to send the copy of this order to IRP so that the IRP could take charge of the Corporate Debtor's assets etc and make compliance with this order as per the provisions of the I & B Code, 2016.

14. The Registry is also directed to communicate this order to the Financial Creditor and the Corporate Debtor.

15. With the above directions the application is admitted.

16. The address details of the IRP are as follows: -

Mr.V.Venkata Siva Kumar
Reg. No. IBBI/IPA-001/IP-P00182/2017-20178/10852)
10/11, Dr.Subbrayan Nagar,
Main Road, Samiyar Madam,
Kodambakkam,
Chennai – 600024.


S. VIJAYARAGHAVAN
MEMBER (TECHNICAL)


B.S.V.PRAKASH KUMAR
MEMBER (JUDICIAL)

/sd/