

INTERIM FINANCING FOR ASSAM COMPANY INDIA LIMITED

BACKGROUND:

Assam Company India Limited (“**Company**”) is proposing to raise short term financing for an amount upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only), for meeting the basic operational expenses of the Company.

AUTHORITY FOR RAISING INTERIM FINANCE:

In pursuance of the resolution passed by the Committee of Creditors, the interim resolution professional (IRP) seeks to raise interim finance.

CASHFLOW PRIORITY OF INTERIM FINANCING:

As per Section 5(13)(a) of the Insolvency and Bankruptcy Code, 2016 (“Code”), “insolvency resolution process costs” includes the amount of any interim finance and the costs incurred in raising such finance. Under Section 30(2) of the Code, the resolution plan should provide for the payment of insolvency resolution process costs in priority to the repayment of other debts of the corporate debtor and also, under Section 53(1) of the Code, notwithstanding anything to the contrary contained in any law enacted by the Parliament or any State Legislature for the time being in force, the proceeds from the sale of the liquidation assets shall be distributed in the following order of priority and within such period and in such manner as may be specified, the first being the insolvency resolution process costs.

MANNER OF SUBMITTING INTERESTS:

1. The EOI should contain the following:
 - a. The amount of interim finance which the interested party is willing to provide;
 - b. The rate of interest at which such interim finance shall be granted; and
 - c. Any other terms, which may be pertinent for grant of loan.
2. The EOIs must be submitted in soft format, through email, with subject “*EOI for Interim Finance to Assam Company India Limited*”, addressing to: The IRP at the email id- resolution@vinodkothari.com.
3. The EOIs must be submitted on or before 4th January, 2018.

INDICATIVE TERMS:

The following are the indicative terms with respect to the interim finance (“**Loan**”) to be raised by the IRP, subject to approval of the committee of creditors:

| SL. NO. | PARTICULARS | DETAILS |
|----------------|--------------------|--|
| 1. | Lender | The Lender shall be selected based on the most competent rate of interest received through an expression of interest floated by the IRP. |
| 2. | Borrower | Assam Company India Limited |
| 3. | Purpose | The Loan shall be utilized by the Borrower for short term working capital needs only. The utilization of the proceeds |

| | | |
|-----|----------------------------|---|
| | | of the Loan will be checked by internal auditors/concurrent auditors who shall report the same to the Resolution Professional or IRP as the case may be. |
| 4. | Loan Limit | Rs. 50,00,00,000/- (Rupees Fifty Crores Only) |
| 5. | Security | The Loan shall be unsecured. |
| 6. | Tenure | Till the conclusion of the insolvency resolution process of the Borrower i.e. 22 nd April, 2018 or such extended period for which the insolvency resolution process continues. |
| 7. | Rate of Interest | Not exceeding 18% p.a. (Eighteen percent per annum) |
| 8. | Drawdown | During the Tenure, the Borrower will have the option of drawing down from time to time in tranches of at least Rs. 10,00,000/- (Rupees Ten Lakhs Only), maximum drawdown period shall be 4 (Four) months. There shall be no commitment charges for unutilized amount. |
| 9. | Payment of Interest | The interest on the draw down amount shall fall due at the end of the Tenure. |
| 10. | Loan Repayment | The Loan shall form part of insolvency resolution process costs. As per the Code, interim finance has been given super-priority status and the repayment of the Loan shall have first priority after a resolution is reached or when the Borrower is liquidated. |
| 11. | Documentation | The parties shall be executing a Loan Agreement under the arrangement. |

Disclaimer: All liability to pay interest/repay the Loan shall be on the Company. The RP and/ or any of the members of the COC have no liability whatsoever in this regard