

MINUTES OF THE PROCEEDINGS OF THE SECOND MEETING OF COMMITTEE OF CREDITORS OF REDTOPAZ REAL ESTATE PRIVATE LIMITED CIN-U45201DL2006PTC147961 HELD AT NITI BAGH CLUB, SUPREME COURT BAR CO-OPERATIVE HOUSE BUILDING SOCIETY LTD., NITI BAGH, NEW DELHI - 110049 ON WEDNESDAY 30TH OCTOBER, 2019 1700 HRS

PRESENT

The Following members were present in the meeting.

1. CS Vekas Kumar Garg, Interim Resolution Professional (“**IRP**”)
2. For and on behalf of Financial Creditor(s), The Member of the Committee of the Creditors:

Sr. No.	Name of Financial Creditors, Financial Creditors of a Class and Operational Creditor	Represented By
Members entitled to discuss and vote on agenda items:		
1.	BDR Finvest Private Limited.	Mr. Rajesh Gupta & Mr. Sanjay Goswami
2.	Renu Proptech Private Limited.	Mr. Nitin Bajaj
3.	HDFC Bank Limited	Ms. Sampurna Gupta
4.	Home Buyer being identified as Financial Creditors in a Class, hereinafter referred to as “ FCC ” being represented by their Authorised Representative	Mr. Jitender Arora

Also Present:

1. Mr. Sandeep Garg, Ex. Management Redtopaz Real Estate Private Limited
2. Mr. Tilak Sethi, on behalf of Value Plus Insolvency Resolution Professionals Private Limited
3. Mr. Sandeep Bhati, on behalf of Value Plus Insolvency Resolution Professionals Private Limited

Total Number of Participants at the meeting were 8.

**IN THE MATTER OF CORPORATE INSOLVENCY RESOLUTION PROCESS
OF
REDTOPAZ REAL ESTATE PRIVATE LIMITED (“Corporate Debtor”)**

(CP (IB) No. 667/ND/2019 admitted by the Hon’ble National Company Law Tribunal, New
Delhi on 23/08/2019. Order Received on 28/08/2019)

These are the Minutes of Second Meeting of the Committee of Creditors of Corporate Debtor namely REDTOPAZ Real Estate Private Limited. The Committee of Creditors has been constituted in terms of the provisions of Section 21 of the Insolvency and Bankruptcy Code, 2016. The Second Meeting of the Committee of Creditors, hereinafter referred to as “CoC”, has been convened on 30th October, 2019 at 1700 hrs at Niti Bagh Club, Supreme Court Bar Co-Operative House Building Society Ltd., Niti Bagh, New Delhi – 110049 in accordance with the Notice and Agenda of the Meeting circulated to the Members of the CoC on 25th October, 2019.

List of matters discussed and noted by the CoC

1. CHAIRPERSON

The Resolution Professional to take the Chair

In accordance with the Regulation 24(1) Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 & with the permission of the members of the CoC present, CS Vekas Kumar Garg- Resolution Professional took the chair to conduct the proceedings of the Second Meeting of CoC. He first of all welcomed all the Members of the CoC and other participants in the meeting.

2. QUORUM

To ascertain the quorum of the Meeting in accordance with the provisions of Regulation 22 of Insolvency and Bankruptcy Board of India & Insolvency Resolution Process for Corporate Persons) Regulations, 2016:

The Chairperson informed the Members of the Committee of Creditors present in the Meeting that pursuant to Regulation 22(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the quorum for the Meeting of Members of the Committee of Creditors of Corporate Debtor, should be at least 33% of the voting rights present either in person or by video conferencing or other audio-visual means. Since all the Financial Creditors through their Authorized Representatives were present having 100% voting power, the Chairperson called the Meeting in order.

3. To Take Note of the Reconstituted Committee of Creditors of Corporate Debtor viz Redtopaz Real Estate Private Ltd

The Resolution Professional has informed the members that on the basis of the further claims received by him, he has reconstituted the Committee of Creditors. The List of Reconstituted Committee Members and their voting share was circulated to the members along with the Notice and Agenda of the second meeting on 25th October, 2019.

The Members present in the meeting took note of the same.

5. To Take note of the claims received by the Resolution Professional

The Resolution Professionals informed the Committee the details of the Claims received

by the RP following the date of the Public Announcement made by him on 31st August, 2019 till 14th October, 2019:

Sr. No	Type of Creditors	No of Claimants	Claims Received (Amount in Crs)	Claims Verified by RP (Amount in Crs.)	Claims under Verification (Amount in Crs.)	Voting Share (% of Total COC Voting Rights)
1.	Financial Creditors	3	33.79	32.25	1.54	42.30%
2.	Financial Creditors in a Class (Real Estate Allottees)	117	60.07	43.99	16.10	57.70%
3.	Operational Creditors	8	8.64	6.60	2.04	Nil
4.	Workmen & Employees	12	0.17	0.17	Nil	Nil

The Resolution Professional had informed the COC that on the basis of the Claims received by him, the Committee of Creditors had been reconstituted in accordance with the provisions of Section 21 of Insolvency & Bankruptcy Code, 2016. The RP further informed the CoC that the aforesaid lists of Claims have also been uploaded on the website namely www.redtopazcirp.com.

Accordingly, the members took a note of submission of the Resolution Professional.

4. To Confirm and ratify the Minutes of First Meeting of the Committee of Creditors held on 3rd October, 2019.

The RP informed the Members of the Committee of Creditors that the Minutes of First Meeting of the Committee of Creditors held on 3rd October, 2019 had already been circulated to all the Members of the Committee of Creditors. He specifically asked the Members of the Committee of Creditors as to whether any of the Member had any observations on the Minutes of First Meeting of Committee of Creditors. The representative of the HDFC Bank Limited mentioned that though it may not be necessary to modify the minutes of the First Meeting of Committee of Creditors, however, as part of the Minutes of this Committee Meeting held on 30th October, 2019, the fact may be specifically brought out here that during the last meeting of COC, the Ex. Management undertook to return the remaining Vehicles to Resolution Professional in a time period of ten days. The Committee Members took a note of the above submission and decided to include the said statements made by Ex. Management in the last meeting herein.

Since there were no further observations on the Minutes of First Meeting of Committee of Creditors held on 3rd October, 2019, the Committee confirmed and ratified the minutes of meeting held on 3rd October, 2019.

6. To Discuss the issue of Non-Compliances by the Ex. Management as per the discussions held in the last Committee of Creditors held on 03rd October, 2019.

The RP informed that in the last meeting of the committee of creditors of the company, there were several issues discussed with regard to Non-Handover of the vehicles by the Ex. Management to Resolution Professional. Besides, there were several other serious observations raised by the RP with regard to the various transactions e.g. double allocation of units to more than one entity & allotment of various units at a very nominal prices which are suggestive of fraudulent / undervalued transactional activities.

The COC in their meeting had allowed a time period of ten days to the Ex. Management on their specific assertion to furnish their point wise reply to the observations of the RP by way of suitable clarifications and also hand-over of the vehicles to Resolution Professional.

It was informed by RP that the Ex. Management has not furnished any kind of reply. In addition, no vehicles have been handed over to RP by Ex. Management till date. The current meeting is being convened on this backdrop to take a note of the current situation.

The Ex. Management comprising of Mr. Sandeep Garg had drawn the attention of RP to the mail sent by him at 4.52 pm. (*just before the meeting*) with regard to the clarification submitted by him on certain matters as pointed out by RP especially with regard to observation of RP in respect of double sale of units of 27 in Nos. Although the reply were sent just before the commencement of the meeting through E-mail on which the RP did not have the time to go through and verify the same.

However, the reply of the Ex. Management were still discussed in the meeting. After discussion, it was observed that the ad-hoc reply given by the Ex. Management in the meeting were not only found vague but without any supporting documents which could prove the bona-fide nature of the transactions. Further, the Ex. Management was not able to provide any justification on the other points as raised by the Resolution Professional as discussed in the last COC Meeting.

The representative of the BDR Finvest Private Limited had desired RP / his team for recording of all the instances of the non-compliances as part of the Minutes.

In that series following were requested to be recorded in the minutes of this meeting of the Committee of Creditors:

- i. The 2 (Two) Remaining Vehicles comprising of 1 Mercedes and 1 Fortuner Car has not been handed over to RP as per the commitment made by the Ex. Management.

This Point was further discussed at length and representative of HDFC Bank had expressed a very serious concern on the matter and desired RP to take all probable steps for taking the custody of the vehicles from the Ex. Management. RP had informed that he had lodged a Police Complaint for seeking their assistance with regard to taking the custody of the vehicles from the Ex. Management in the last week. The representative of BDR Finvest Private Ltd. had desired that it should be followed closely so that on the basis of the complaint, efforts should be taken by RP / his team for lodgement of FIR against the Management.

Connected to the point on return and custody of vehicles by the RP, the Committee also discussed the disposal of 1 Mercedes Benz vide registration number ended with 4344 which is already in the custody of RP. The Committee discussed that the delay in disposal of the assets would only lead to depreciation in the value of the vehicles and would then ultimately get the lesser value for the Corporate Debtor. Accordingly, it was unanimously decided by the Committee Members that besides the valuation being done by the Resolution Professional. Another Valuation of the Vehicles may be carried out by HDFC Bank of the said Mercedes Benz as lying with RP. On the basis of the Valuation and consultation with HDFC Bank Limited, the vehicle may be sold in the market and the amount received from sale of the assets may be kept in a separate account. The proceeds of which shall not be used by the company for any purpose but to be used at the time of settlement of dues of Financial Creditors / as per the provisions of IBC Code, 2016. All the Members of the Committee of Creditors also expressed their no objection to this process.

- ii. On the Non-Cooperation by the Ex. Management to the RP as felt by RP in discharge of his functions under IBC Code, 2016, RP informed that an application under the provisions of Section 19(2) of the IBC Act, 2016 has already been moved for the consideration of the Hon'ble National Company Law Tribunal ("**Hon'ble NCLT**"). The Members of the Committee of Creditors requested the RP to share a copy of the same with the Members of the Committee of Creditors. To which, RP had agreed to share a copy of the same.

- iii. In the matter of under-valued sale transaction on which the Management did not furnish any reply to the RP. The matter was discussed at the meeting in which the members of the committee sought the view point of Ex. Management Mr. Sandeep Garg. He informed in the meeting that the transactions were entered into a situation of crisis management. The reply was not found tenable since in various situations even the cost of the unit itself is a far less than the cost of construction per square feet. by a huge difference. Further, the year wise sale instances as recorded by the company are suggestive of a huge pricing gap between the highest and lowest price and therefore the reply given by the Ex. Management did not find any merit.
- iv. Further, various sale instances were taken place by way of transfer entries from the other group company in which no direct sale consideration has moved to the company.
- v. The Committee had discussed the point related to 9 units which have been booked without receipt of any amount by the Corporate Debtor. They discussed that these transactions seem to be fraudulent and the RP was advised to reverse the accounting entries about such 9 transactions of related parties
- vi. On the point that nearly around there were transactions worth Rs. 300 Cr. (Both Debit and Credit Sides) that had taken place with various related party transactions. Most of these transactions had taken place without entering into any specific contracts. The Committee Members had enquired with RP as to the nature of these transactions. The RP informed that these would be in the scope of Forensic Auditor, accordingly, these may be discussed post the findings of the Forensic Auditor.
- vii. On auditing of the accounts of the Corporate Debtor, the RP informed that the accounts have been audited and the Audit Report is likely to be signed on the next day. The Committee requested RP to share a copy of the audited accounts with the members of the Committee at the earliest.

The RP further informed the Members of the Committee of Creditors that they have compiled the Information Memorandum in accordance with the requirements of IBC Code, 2016. The Information Memorandum will be available for sharing with COC Members prior to circulation of the minutes of the meeting of committee of creditors of the company subject to receipt of confidentiality undertaking.

With a view to know the process of Resolution Proceedings and steps being taken by Resolution Professional, the COC Members desired that a weekly status report be presented to the Members of Committee on a weekly basis and the same should be uploaded on the website of the Corporate Debtor. The Resolution Professional expressed his affirmation on the same.

The Committee also requested RP to present appropriate application before the Hon'ble NCLT for all such dubious transaction for seeking appropriate directions from the Hon'ble NCLT within a period of 7 days. The Members had desired RP to take stern action against the Ex. Management on the various violations as being noticed by RP in view of the non-supportive attitude of the Ex. Management.

- viii. A point was also raised by the representative of M/s BDR Finvest Private Limited. that since there is a proposed Settlement Transaction by the Ex. Management with DMI Finance Ltd. for clearing their outstanding and sale of shares in Abloom Infotech Private Limited. The Original Title Deeds of the Papers of Project at Sector – 70A are mortgaged with M/S DMI Finance Ltd. The Member had advised Resolution Professional to ensure that all title documents and papers of the property to be taken and retained by the Resolution Professional under its custody.

The Ex. Management informed the Committee that as per understanding in respect of sale of shares of Abloom Infotech Private Ltd. held by Ninex Developers Ltd. there is a proposal for clearance of dues across the group entities besides M/s Abloom Infotech Private Ltd. including Redtopaz, Ninex which shall stand settled and paid fully. The Committee requested the Full and Final NOC be obtained in favour of each of the entities separately from DMI Finance and all the documentation related to the same along with all the agreements being executed should be routed through RP in order to avoid any future issue in this regard.

- ix. The Authorized Representative of the Financial Creditors in a Class informed that the claims of some of the unit buyers have not been included so far for want of some information or documentation by the RP from those Unit Buyers. It was suggested that a system be developed whereby the proper communication channels be set up for flow of information between such Unit Buyers and the RP for speedy inclusion of the claims of such Unit Buyers.

Further, the following points were also raised by Authorized Representative in the meeting on behalf of the instructions received from various Financial Creditors in a Class.

1. Builder's statement on issues discussed in last meeting and RP Roadmap of CIR process.
2. Findings of the Project so far by RP Vikas Garg
3. Clarity on mortgage of units with BDR or Renu Prop (about terms and conditions)
4. Database of FC along with their amounts need to available on the portal so that FC may check and get corrected wherever any mistake is found
5. Complete detail of Units are required by CoC , such as No of units, particular of Units, sale consideration as per agreement, amount received and amount pending
6. As it is difficult for builder to construct above the present structure, it is better to ask the buyers of 4/5th or above floors to choose from G+3 (because various unsold units on G+3 are available and builder does not have license to construct beyond G+3). Swapping of such 4th/5th floor units with G+3 should not invite any rate difference or reduction of space allotted in the MOU.
7. RERA registration need to be done on priority basis for G+3
8. All FC need to bear proportionate cost of CIRP
9. An independent assessment of Costing in relation to pending work need to be done along with disclosure of Scope of pending work
10. The proposed resolution of 5 crores need to be hold till the builder provide complete details, costing evaluation for completing the project from this level to OC.
11. Status of Information Memorandum
12. Clarification or details required in respect of Value of Commercial Units or shops available in ground floor, main entrance and above floors
13. Property paper which was not released by the financial institution whose loan is already cleared
14. Captain Biala G-43 claim amount is short, all docs are sent kindly review and update. A system of updation in database and claim is required either physically or thru email basis with some turnover time.
15. Experienced and Cash rich (liquidity wise) Resolution Applicant is required who could give us a good amount of BG etc if any.
16. Breakup of proposed 5 cr required
17. Some members have requested to include following points also.
 - a) RP need to focus simultaneously on RERA, EDC ,IDC.GST Project License renewal, re-start of Project const.work and OC.
Such advance planning may save on time for delivery of units.
 - b) Some members have requested to look into BDR agreement where they have become Guarantors of Redtopaz and details of Redtopaz units pledged to them.

The Authorized Representative had desired Resolution Professional to focus all on

the above points as raised by many Financial Creditors in a class. Many of the above points were discussed in the meeting for taking possible steps by RP in this regard.. The Resolution Professional had assured to look up all the above points and submit his response separately in this regard in due course.

- x. With respect to specific discussions with the Ex. Management by the Committee of Creditors as to how the Project can be completed, Mr. Sandeep Garg, Ex. Management informed that he had at length discussions with the Unit Buyer. The Gist of the said proposal was also available with Authorized Representative. Accordingly, AR had read out that as per the whatsapp message as received from some of the buyers, some people had suggested the idea whereby the Interim Finance @ Rs. 600 per sq. ft. be raised from the Unit holders at Ground/First Floor, and @ Rs. 500 per sq. ft. from Unit holders from 2-4th Floor and @ 400 per sq. ft. from Unit holders from 5th Floor onwards be raised for completion of balance work. He further informed that the phase-wise completion and possession of the Commercial Space can be planned. However, as the proposal was just received at the meeting and without any background working. The Committee members thought to postpone the same for subsequent meeting in case a detailed proposal in this regard with proper working is brought out by RP.

The Committee noted all the updates provided at the time of the Meeting.

7. To take note of appointment of Forensic Auditor on behalf of Corporate Debtor

The Committee was informed as per the directions of the Committee at the time of the previous meeting, M/s. Kansal Singla & Associates, Chartered Accountants, had been appointed as the Forensic Auditor to audit the transaction executed between 1.4.2017 to the date of the admission of Petition against the Corporate Debtor at a lumpsum remuneration of Rs. 2.40 Lacs. He further informed that the Audit Work in this regard is likely to begin from 05th November, 2019.

The Committee took note of the same.

8. To discuss the eligibility criterion for Prospective Resolution Applicant for Publication of Expression of Interest (EOI) in compliance with Regulation 36A of Insolvency Resolution Process for Corporate Persons Regulations, 2016

The RP presented pointers of tentative eligibility criterion for becoming a Resolution Application for the expression of interest to be invited by RP in the Resolution of the Corporate Debtor. The Committee discussed the same and suggested to include the following :

- The Prospective Resolution Applicant, hereinafter referred to as PRA, should have experience of completion of Commercial Projects
- The Prospective Resolution Applicant(s) means an individual / entity (proprietorship / partnership & private limited or a limited company)
- The PRA should have completed at least 1 project with at least 200000 sq. ft. built up area wherein at least 51% equity stake was owned by the PRA from the commencement and the till the obtaining of the OC for the Project. The PRA would be required to submit sufficient documentary evidence in this regard.
- The networth of the PRA should be at least Rs. 25 Crores on the basis of the last audited financials of the PRA.
- The Resolution Applicant may be a joint venture entity or a consortium of two or parties and any of the partner of the joint venture or consortium meeting the above criterion may be an eligible bidder. However, the networth criterion may be met by the Consortium or Joint Venture in aggregate by all the parties or by one or more parties of the Consortium or Joint Venture.

9. Any other matter not included in the Agenda circulated to the Members of the Committee of Creditors

There was no matter required to be discussed. Therefore, the meeting was ended with a vote of thanks to the Chair.

Sd/-

CS Vekas Kumar Garg

Chairman of First Meeting of Committee of Creditors

Also Interim Resolution Professional in the matter of M/s NinexDevelopers Limited.

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Date: 02nd November, 2019

Place: New Delhi