

**MINUTES OF THE PROCEEDINGS OF THE FOURTH MEETING OF COMMITTEE OF CREDITORS OF REDTOPAZ REAL ESTATE PRIVATE LIMITED CIN-U45201DL2006PTC147961 HELD AT YWCA OF DELHI, CONFERENCE HALL NO. 2, 01, ASHOKA ROAD, NEW DELHI - 110001 ON MONDAY 17<sup>TH</sup> FEBRUARY, 2020 1600 HRS**

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**PRESENT**

The Following members were present in the meeting.

1. CS Vekas Kumar Garg, Resolution Professional (“**RP**”)
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
<b>Members entitled to discuss and vote on agenda items:</b>		
1.	BDR Finvest Private Limited.	Mr. Rajesh Gupta & Mr. Nitin Bajaj
2.	Renu Proptech Private Limited.	Mr. Rajesh Gupta & Mr. Nitin Bajaj
3.	Sunil Mohan	Self
4.	Vinita Mohan	Mr. Rakesh Arora
5.	Home Buyer being identified as Financial Creditors in a Class, hereinafter referred to as “ <b>FCC</b> ” being represented by their Authorised Representative	Mr. Jitender Arora

Also Present:

1. Mr. Ram Mehar Garg, Ex. Management Redtopaz Real Estate Private Limited
2. Mr. Sanjay Mittal, Redtopaz Real Estate Private Limited
3. Mr. Tilak Sethi, on behalf of Value Plus Insolvency Resolution Professionals Private Limited
4. Mr. Ashutosh Srivastava, Team RP

Total Number of Participants at the meeting were 10.

# 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)

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These are the Minutes of Fourth 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 Fourth Meeting of the Committee of Creditors, hereinafter referred to as “CoC”, has been convened on 17<sup>th</sup> February, 2020 at 1600 hrs at YWCA of Delhi, Conference Hall No. 2, 01, Ashoka Road, New Delhi - 110001 in accordance with the Notice and Agenda of the Meeting circulated to the Members of the CoC.

### 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, the Members of the CoC present voted CS Vekas Kumar Garg- Resolution Professional to chair the proceedings of the Fourth Meeting of CoC. Accordingly, CS Vekas Kumar Garg took the chair and presided over the meeting. He first of all welcomed all the Members of the CoC and the other persons who have been assisting him in discharging his responsibilities being the IRP of the Corporate Debtor.

The Chairman informed the CoC that the process of Corporate Insolvency Resolution of the Corporate Debtor was started in accordance with the Order of the Hon’ble National Company Law Tribunal (“NCLT”) dated 23<sup>rd</sup> August, 2019 and the order in this regard was received by the RP on 28<sup>th</sup> August, 2019.

He further informed that the structure of the Agenda for the businesses to be transacted at the meeting of the CoC has been devised to cover items under the Agenda which comprises of the items which are required to be taken note of by the Members of the CoC.

The Committee of Creditors took a note on the representation of all members participated in the meeting.

RP once again welcomed all the Members of the Committee of Creditors and all the other invitees for the proceedings of the meeting of the Committee of Creditors.

#### 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 most of the Financial Creditors through their Authorized Representatives were present having 86.93% 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 informed the Committee the details of the Claims received by the RP following the date of the Public Announcement made by him on 31<sup>st</sup> August, 2019 till 31<sup>st</sup> January, 2020:

<b>Sr. No</b>	<b>Type of Creditors</b>	<b>No of Claimants</b>	<b>Claims Verified and admitted by RP (Amount in Crs.)</b>	<b>Voting Share (% of Total COC Voting Rights)</b>
1.	Financial Creditors	11	41.34	39.91%
2.	Financial Creditors in a Class (Real Estate Allottees)	172	62.47	60.09%

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 Re-Constitution of Committee was placed before the meeting. The RP further informed the CoC that the aforesaid lists of Claims have also been uploaded on the website namely [www.redtopazcirp.com](http://www.redtopazcirp.com).

Accordingly, the members took a note of the Re-Constitutions of the Committee of Creditors and the receipt of Claims by the Resolution Professional.

**4. To confirm and ratify the Minutes of Third Meeting of the Committee of Creditors held on 27<sup>th</sup> December, 2019.**

The RP informed the Members of the Committee of Creditors that the Minutes of Third Meeting of the Committee of Creditors held on 27<sup>th</sup> December, 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 Third Meeting of Committee of Creditors.

Since there were no observations on the Minutes of Third Meeting of Committee of Creditors held on 27<sup>th</sup> December, 2019, the Committee confirmed and ratified the minutes of meeting held on 27<sup>th</sup> December, 2019.

**5. To take note of actions taken by the Resolution Professional since the date of the last meeting of the Committee of Creditors**

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**6. To take note of issuance of Request for Resolution Plan and the extension in the date for submission of Resolution Plan**

The RP informed the Committee that after the last meeting of the Committee of Creditors he had taken the following actions:

- a. Circulated Request for Resolution Plan documents to 6 prospective Resolution Applicants. On completion of necessary formalities by them the Information Memorandum was also shared with them.

- b. On requests received from the prospective Resolution Applicants, the last date for submission of Resolution Plan was extended for a period of 10 days i.e. upto 20<sup>th</sup> February, 2020. However, RP had informed that the requests were being made by the Prospective Resolution Applicants to further extend the date for submission of the Resolution Plan since the perusal of the voluminous information was taking time with them. The Committee in principle agreed to extend the date for submission of the Resoluton Plan upto 11<sup>th</sup> March, 2020.
- c. On the hearing of the application in respect of double sale transactions carried out by the Ex. Management, the Hon'ble Tribunal had desired RP and Ex. Management to sit together and reconcile the list of double sales / allocation of units and had desired RP and Ex. Management to submit their affidavit in this regard. Despite regular chasing up with the Ex. Management, there was no response from the Ex. Management for reconciliation of the list. Accordingly, in absence of the Ex. Management and on the basis of further perusal of the records and after seeking explanations from the unit holders, an affidavit has been filed by Resolution Professional with the Hon'ble Tribunal in accordance with the directions of the Hon'ble Tribunal.
- d. CoC discussed and requested the RP to prepare and file complaint with Economic Offence Wing on the same lines of the similar application filed for Ninex Developers Limited.

The committee took note of the update provided by the RP.

#### **7. To take note of the Draft Report as received from the Forensic Auditor and to discuss the observations of the Forensic Auditor**

The RP informed that the Forensic Auditors have submitted their Report which had already been circulated with the Members of the Committee of Creditors.

Giving a brief of the findings of the forensic auditor, he informed that the Forensic Auditors have highlighted though various inter group transactions in the report in which various doubtful / fraudulent transactions have been reported by the Forensic Auditor. There were certain compliance defaults which have been highlighted by the Forensic Auditors. He further informed that Forensic Auditor has highlighted the undervalued transactions as taken place during the last one year in his report. He further shared the other observations of the Forensic Auditors at the time of the Meeting.

The Committee requested the RP to file additional application with the Hon'ble Tribunal duly highlighting therein the additional instances of undervalued/fraudulent transactions.

#### **B. NOTES/EXPLANATORY STATEMENTS OF THE MATTERS PUT TO VOTE AT THE TIME OF THE MEETING.**

##### **Resolution No. 1**

**To consider and approve convening of future Meetings of the Committee of Creditors with a shorter notice of 48 hrs as permitted under the provisions of Regulation 19(2) of the Insolvency & Bankruptcy Board (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.**

##### **Facts and Explanatory Statement:**

The RP informed that in the fast changing and maturing circumstances in the current stage of Corporate Insolvency Resolution Process (CIRP), the RP may require to conduct urgent meetings of the Committee of Creditors. It was therefore, felt by the RP to seek the authority of the Committee of Creditors to convene future meetings of the Committee wherever required, with a short notice of 48 hrs as permissible under the Insolvency &

Bankruptcy Code, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for the Corporate Persons) Regulations, 2016.

***The Committee discussed the matter and following Resolution was put to vote:***

“RESOLVED FURTHER THAT the consent of the Committee of Creditors be and hereby accorded to convene future meetings of the Committee of Creditors with a shorter notice with a gap of at least 48 hours as permissible under the Insolvency & Bankruptcy Code, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for the Corporate Persons) Regulations, 2016”

Summary of the decisions taken on relevant agenda item along with the name of the members of the Committee who voted for or against the decision or abstain from voting:-

S.NO.	Details of the Voter	Voting Preference			
		Yes	No	Abstain	
1.	Financial Creditors	32.38	--	7.54	
2.	Financial Creditors in a Class	60.08			
	Voting pattern Yes : 12.04% No : 1.86% Abstain : 46.18%		As per amended Section 25A (3A) of the IBC Act, 2016, the voting done by AR in accordance with decision taken by FC in a Class by more than 50% of the persons who have cast their vote, would be deemed decision taken on behalf of the entire FC in a Class. Since the voting for this Agenda item has been done by 13.90% vote share and more than 50% of the persons i.e. 12.04% vote share of the persons casted their vote in favour of the Resolution accordingly, entire 60.08% voting has been taken as casted in favour of the Resolution.		
	<b>TOTAL</b>	92.46	--	7.54	100%

Result: Basis the above result the Resolution appended in the Item No. 1 stands passed.

## **Resolution No. 2**

**To approve the Corporate Insolvency Resolution Process (CIRP) Cost.**

### **Facts and Explanatory Statement:**

The Committee of Creditors was informed that in order to discharge the functions of the Resolution Professional and keep the Corporate Debtors as a going Concern as under the IBC Act, 2016, it was required to incur certain expenses. The details of the expenses incurred by the RP during the period commencing from 01<sup>st</sup> December, 2019 to 31<sup>st</sup> January, 2020 was tabled before the Committee in order to keep the Corporate Entity as a going concern and in view of achieving the objectives of CIR Process. The Committee discussed the same and approve the same for further necessary action in the matter.

***The Committee discussed the matter and following Resolution was put to vote:***

“RESOLVE THAT the total amount of **Rs. 12,94,838/-** Incurred towards CIRP cost for the period commencing from 01<sup>th</sup> December, 2019 to 31<sup>st</sup> January, 2020 as per statement produced by RP is hereby approved / ratified.

RESOLVD FURTHER THAT in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016, these expenses shall form a part of Corporate Insolvency Resolution Cost.”

Summary of the decisions taken on relevant agenda item along with the name of the members of the Committee who voted for or against the decision or abstain from voting:-

S.NO.	Details of the Voter	Voting Preference			
		Yes	No	Abstain	
1.	Financial Creditors	31.44	0.94	7.54	
2.	Financial Creditors in a Class		60.08		
	Voting pattern Yes : 6.08% No : 7.07% Abstain : 46.18%		As per amended Section 25A (3A) of the IBC Act, 2016, the voting done by AR in accordance with decision taken by FC in a Class by more than 50% of the persons who have cast their vote, would be deemed decision taken on behalf of the entire FC in a Class. Since the voting for this Agenda item has been done by 13.15% vote share and more than 50% of the persons i.e. 7.07% vote share of the persons casted their vote against the Resolution accordingly, entire 60.08% voting has been taken as casted vote against the Resolution.		
	<b>TOTAL</b>	31.44	61.02	7.54	100%

Result: Basis the above result the Resolution appended in the Item No. 2 has been declined.

### **Resolution No. 3**

**To consider and approve raising of Interim Finance for keeping the Corporate Debtor as a Going Concern.**

#### **Facts and Explanatory Statement:**

The Committee was informed that for keeping the Corporate Entity as a Going Concern, the company needs at least an amount of Rs. 25-50 Lacs in order to meet the Insolvency Resolution Process Cost (IRPC) and the fees of the RP and other consultants appointed by RP. RP further informed that ever since the initiation of CIRP, no remuneration has been paid to the RO and other consultants engaged by him. Further RP has already incurred more than Rs. 5-6 Lacs out of his personal account which are pending to be recovered from the Corporate Debtor. Further there was no inflow of cash in the Corporate Debtor, accordingly, it was becoming extremely difficult for the RP to maintain the Corporate Debtor to meet the requirements of IBC Code, 2016 and effectively dis-charge its functions on a going concern basis. He therefore, requested the members of the Committee to consider funding the Corporate Debtor with at least an initial funding of Rs. 25 Lacs in the proportion of their vote share in order to maintain the Corporate Debtor as a going concern.

*The Committee discussed the matter and following Resolution was put to vote:*

**Resolution:**

***To consider and if found fit, to pass with or without modification the following Resolution:***

“RESOLVE THAT the RP be and is hereby empowered to raise Interim Finance for an amount of Rs. 25 Lacs on immediate basis from the Financial Creditors and Financial Creditors in a Class in order to meet the expenses of Corporate Insolvency Resolution Process and maintain the company on a going concern basis.

Resolved further that in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016, the amount to be raised through Interim Finance shall have priority to settle over the secured creditors.

Summary of the decisions taken on relevant agenda item along with the name of the members of the Committee who voted for or against the decision or abstain from voting:-

S.NO.	Details of the Voter	Voting Preference			
		Yes	No	Abstain	
1.	Financial Creditors	31.44	0.94	7.54	
2.	Financial Creditors in a Class		60.08		
	Voting pattern Yes : 3.33% No : 10.57% Abstain : 46.18%		As per amended Section 25A (3A) of the IBC Act, 2016, the voting done by AR in accordance with decision taken by FC in a Class by more than 50% of the persons who have cast their vote, would be deemed decision taken on behalf of the entire FC in a Class. Since the voting for this Agenda item has been done by 13.90% vote share and more than 50% of the persons i.e. 10.57% vote share of the persons casted their vote against the Resolution accordingly, entire 60.08% voting has been taken as casted vote against the Resolution.		
	<b>TOTAL</b>	31.44	61.02	7.54	100%

Result: Basis the above result the Resolution appended in the Item No. 3 has been declined.

**Resolution No. 4**

**To consider and approve seeking extension of time for completion of current Corporate Insolvency Resolution Process**

The Current CIR Process got initiated with effect from 23<sup>rd</sup> August, 2019. The order was received on 28<sup>th</sup> August, 2019. The Period for CIR Process is 180 days which is ending on 24<sup>rd</sup> February, 2020. In view of the current situation of CIR Process, it is likely to take some time beyond 180 days.

Therefore, in light of the above, Members of the Committee of Creditors are requested to consider time for extension of Current CIR Process.

*The Committee discussed the matter and following Resolution was put to vote:*

**Resolution:**

*To consider and if found fit, to pass with or without modification the following Resolution:*

“RESOLVED THAT the consent of Committee of Creditors be and is hereby granted for extension of time of current CIR Process for 90 days from the date of expiry of current CIR Process initiated with effect from 23<sup>rd</sup> August, 2019.

RESOLVED FURTHER THAT an appropriate application be made to Adjudicating Authority by Resolution Professional conveying the decision of Committee of Creditors. RP is further authorized to take appropriate steps in this regard.”

Summary of the decisions taken on relevant agenda item along with the name of the members of the Committee who voted for or against the decision or abstain from voting:-

S.NO.	Details of the Voter	Voting Preference			
		Yes	No	Abstain	
1.	Financial Creditors	31.44	0.94	7.54	
2.	Financial Creditors in a Class	60.08			
	Voting pattern Yes : 13.90% No : --% Abstain : 46.18%		As per amended Section 25A (3A) of the IBC Act, 2016, the voting done by AR in accordance with decision taken by FC in a Class by more than 50% of the persons who have cast their vote, would be deemed decision taken on behalf of the entire FC in a Class. Since the voting for this Agenda item has been done by 13.90% vote share and more than 50% of the persons i.e. entire 13.90% vote share of the persons casted their vote in favour of the Resolution accordingly, entire 60.08% voting has been taken as casted vote in favour of the Resolution.		
	<b>TOTAL</b>	<b>91.52</b>	<b>0.94</b>	<b>7.54</b>	<b>100%</b>

Result: Basis the above result the Resolution appended in the Item No. 4 has been declared as passed.

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

There was no matter required to discussed under Any other matter not included in the Agenda circulated to the Members of Creditors. Therefore, the meeting was ended with a vote of thanks to the Chair.





**CS Vekas Kumar Garg**

Chairman of Fourth Meeting of Commttee of Creditors  
of Redtopaz Real Estate Private Limited

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Date: 24<sup>th</sup> February, 2020

Place: New Delhi