

**MINUTES OF THE 04<sup>TH</sup> MEETING OF THE COMMITTEE OF CREDITORS OF K V DEVELOPERS PRIVATE LIMITED HELDON TUESDAY 02<sup>ND</sup> MARCH, 2021 AT 03.00 P.M. AT THE CONFERENCE ROOM, QUARAM 5, HOTEL LALIT, BARAKHAMBA ROAD, NEW DELHI-110001 AND CONCLUDED AT 5:51 P.M.**

**PRESENT**

**A. RESOLUTION PROFESSIONAL & TEAM**

NAME	DESIGNATION	MODE OF PRESENCE
Mr. Pankaj Narang	Resolution Professional	Physical & Zoom App
Mr. Rakesh Bajaj	Team of Process Advisor	Physical & Zoom App
Mr. Harish Taneja	Process Advisor	Physical & Zoom App
Ms. Nikshubha Sethi	Team of Process Advisor	Physical & Zoom App

**B. FINANCIAL CREDITORS**

S.NO.	NAME OF FINANCIAL CREDITORS	DESIGNATION	MODE OF PRESENCE	VOTING SHARE
1.	Ms. Rekha Rani Mr. Ashok Panigrahi Ms. S Sayee Lakshmi Ms. Rashmi Bhandari [LIC Housing Finance Ltd]	Chief Manager  Advocate	Through Zoom App	28.25%
2.	Mr. Gagan Gulati	Authorized Representative of Financial Creditors in a Class (Home Buyers)	Physical & Zoom App	71.75%

**C. MEMBERS OF THE SUSPENDED BOARD OF DIRECTORS OF THE CORPORATE DEBTOR**

1. Mr. Aman Agarwal & Mr. Himanshu Agarwal, Directors of the Suspended Board of Directors of Corporate Debtor, were present in the meeting in person.

## **1. CHAIRMAN OF MEETING**

As per Regulation 24 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the RP shall act as the Chairperson of the Meeting of the Committee of Creditors. Accordingly, Mr. Pankaj Narang, Resolution Professional was appointed as Chairman of the meeting. The Chairman advised that the meeting has been called in accordance with the notice of meeting dated 25<sup>th</sup> February, 2021.

## **2. TO CONDUCT ROLL CALL OF ALL THE PARTICIPANTS /AUTHORISED REPRESENTATIVES INCLUDING THOSE ATTENDING THROUGH VIDEO CONFERENCING OR OTHER AUDIO/ VIDEO MEANS**

The Chairman took the roll call as per Regulation 24(2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and after roll call, it was informed that apart from the person authorized to attend the meeting, no other person was allowed access to the Zoom Platform or to the venue where meeting was conducted.

## **3. TO ASCERTAIN THE QUORUM OF THE MEETING IN ACCORDANCE WITH THE PROVISIONS OF REGULATION 22 OF THE REGULATIONS**

The Chairman took the roll call and after roll call, it was informed that quorum is complete as CoC Members representing more than 33% Voting rights were present in meeting and accordingly the meeting was called to order and the required Quorum was maintained through out the meeting.

## **4. TO TAKE ON RECORD AND APPROVE THE MINUTES OF 03<sup>RD</sup> MEETING OF COMMITTEE OF CREDITORS HELD ON 03<sup>RD</sup> FEBRUARY, 2021**

The Minutes of the Previous meeting of Committee of Creditors were placed before the committee and were taken as read.

**5. TO TAKE NOTE ON ACTION TAKEN BY RESOLUTION PROFESSIONAL SINCE LAST COC MEETING**

The Chairman informed the CoC members that all the activities which have been undertaken by the RP to manage the affairs of the Corporate Debtor & all other actions taken by him along with all other facts & events from the date of last CoC Meeting till date have been duly mentioned in the agenda for their kind perusal & reference . All the CoC Members took note of the same and acknowledged it.

In respect of the matter of Claims updation , the Chairman informed the CoC Members that the claims received from the Financial Creditors and Operational Creditors have been provisionally collated with the available information in absence of complete availability of Data and records of the Corporate Debtor and the same is uploaded on the website of the Corporate Debtor and also for the Purpose of the Resolution Plan these claims shall be treated as “Admitted.

In respect of the Transaction Review Audit of the Corporate Debtor, the Chairman deliberated the CoC Members that a Preliminary Observation Report has been shared by M/s Singhi Chugh & Kumar and as per their observations, a forensic Audit of the Corporate Debtor should be Conducted and on the basis of the observations shared by them, the Resolution Professional has given them a go ahead for conducting the Forensic Audit of the Corporate Debtor and no extra fees will be paid to them for this purpose apart from the fees already ratified by the CoC members in previous CoC Meetings.

Mr. Gagan Gulati , AR of the Home Buyer, also submitted that a group of Home Buyers have also requested him that the Forensic Audit of the Corporate Debtor should be conducted and he has conveyed the same to the resolution professional for actions on his part.

**6. TO TAKE NOTE OF THE EXPENSE INCURRED BY THE RESOLUTION PROFESSIONAL FOR MANAGEMENT OF OPERATIONS OF THE CORPORATE DEBTOR AS GOING CONCERN AND TO PROTECT AND PRESERVE THE VALUE OF THE PROPERTY**

The Chairman informed the present CoC Members regarding Statement of Expenses

incurred by the RP to keep the Corporate Debtor as a going concern and to protect and preserve the Value of the Property of Corporate Debtor (CD). The Chairman briefed them regarding the details of all of aforementioned expenses which have been duly disclosed in the agenda sent to them. Here Officials of LIC Housing Finance Ltd. discussed the justification item wise and were briefed .

The present CoC members took note of the Expense amounting to Rs2,85,802/- which shall form part of the CIRP Cost.

The Chairman also informed the CoC Members that the Total Expense as approved in 02<sup>nd</sup>COC, [*Rs. 3,30,188 For November, 2020, Rs. 337,088 for December and Rs. 2,85,802for January, 2021*] amounting to Rs 9,53,078/- Shall Form Part of the CIRP Cost.

#### **7. TO TAKE NOTE OF THE STATEMENT OF EXPENSE INCURRED BY THE RESOLUTION PROFESSIONAL (RP) FOR THE CIRP OF CORPORATE DEBTOR**

The Chairman informed the present CoC Members regarding Statement of Expenses incurred by the RP for the CIRP of the Corporate Debtor. The Chairman informed them that as per Regulation 31 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 “Insolvency resolution process costs” under Section 5(13) shall include expenses incurred on or by the Interim/Resolution professional to the extent ratified under Regulation 33&34 . Accordingly, the Committee of Creditors, had Approved the Appointments of Resolution Professional and The Professionals appointed by RP in the 02<sup>nd</sup>COC Meeting and the CoC shall discuss and ratify the unapproved expenses incurred by the Resolution Professional for the CIRP of Corporate Debtor up to the date of the Meeting.

After this, The Chairman briefed them regarding the details of all of aforementioned expenses which have been duly disclosed in the agenda sent to them. The Total Expense as per Approval of COC are amounting to Rs. 38,21,829/- shall be Treated as CIRP Expense as per Section 5(13) of IBC Code,2016.

The Expense Subject to approval are Rs. 1,35,085/-and the Fees of Rs. 60,000/- of Mr. Gagan Gulati as Per Regulation 16(8) shall be Booked & treated as CIRP Expense as per Regulation 31.

#### **8. TO TAKE NOTE OF UPDATED LIST ALL CREDITORS**

The Chairman informed the present CoC members that as on date, on the basis of claims received by him till 22-2-2021 and on verification of the same, the revised voting share of the CoC is as follows:

1. LIC Housing Finance Ltd – 28.25%
2. Home Buyers – 71.75%

The Chairman also informed the CoC members that the Up dated list of Claims of Corporate Debtor is published on the website of Corporate Debtor.

The CoC Members Took the note of the Same.

#### **9.TO TAKE NOTE OF THE FINAL LIST OF ELIGIBLE PROSPECTIVE RESOLUTION APPLICANTS PUBLISHED BY RP.**

The Chairman deliberated the present CoC members that pursuant to Form G published on 10<sup>th</sup>January, 2021 and EOIs received in respect of that, the final list of 6 Prospective Resolution Applicants has been prepared by RP which is provided in the Agenda of the Meeting for the kind reference of the CoC Members. He further submitted that the said list is also uploaded on the website of the company. The CoC members took note of the same.

## **LIST OF MATTERS TO BE VOTED UPON**

The CoC Members discussed the following resolutions and put them for e-voting after a thorough discussion:

### **1. TO DISCUSS & APPROVE THE RAISING OF INTERIM FINANCE AMOUNTING TO 70 LAKH FOR MEETING CIRP COST**

The Chairman informed the CoC members that in the 03<sup>rd</sup> CoC Meeting, the said matter was deliberated to all the CoC members and it was explained to them as how the Interim Finance of Rs. 70 Lakh for meeting the CIRP cost of the Corporate Debtor is a must in this situation. In respect of the same, 2 options were put forth for the CoC Members for their approval by way of E-voting, i.e. 1. To raise Interim Finance from any External Source by way of Borrowing, or 2. To raise Interim Finance by way of Contribution from CoC Members and that contribution shall become part of the CIRP Cost. However, after the conclusion of the last CoC Meeting, when the said matter was put for e-voting, both the resolutions for raising of Interim Finance were rejected by the CoC Members and no resolution was approved.

Mr. Gagan Gulati, AR to Home Buyers also submitted that as per his discussion with some of the Home Buyers, they are interested in raising of Interim Finance from any external source by way of Unsecured Loans and not by way of Contribution by CoC Members.

After this deliberation, the Chairman solicited views from CoC Members & following submissions were made by them:

#### **A) LIC Housing Finance Ltd:**

- i. Strong Objection from their side regarding approval of all CIRP Expenses on a higher side despite of their rejection and not able to understand the same. The Fee of Valuers & Transaction Audit were not approved by LIC HFL officials as they considered the Fee is on higher side.
- ii. Not able to understand as on one side, the Home Buyers are approving all CIRP expense related Matters but on other side, not approving the Raising of Interim Finance internally.

- iii. It will also increase the CIRP cost and will create a liability on the complete CIRP process.
- iv. Clear reply requested from AR Mr. Gagan Gulati regarding the assent & dissent given by Home Buyers in respect of CIRP Cost & Interim Finance matter respectively and the basis on which these assent & dissent has been given.
- v. Home Buyers are not understanding the importance of the matter before giving approval regarding CIRP related expenses which will eventually increase the CIRP cost for all CoC Members.
- vi. Under the present circumstances, what is the viability of Interim Finance.
- vii. Ready to contribute towards Interim Finance in respect of their voting share to avoid further debt trap

**After this Mr. Harish Taneja ,Process Advisor to the RP ,made the following deliberations on agenda under discussion:**

- A) For raising of finance, we have 2 options, namely 1. To raise from inside, i.e. Contribution by respective CoC member as per their voting share, or 2. To raise from any external source.
- B) But raising of funds is a must at this stage to ensure smooth flow of CIRP.
- C) Also, for the convenience of CoC member ,we can divide the proposed resolution in two parts in following manner: 1. Pass a Resolution for raising finance through external sources, or 2. Pass a Resolution to raise finance from internal sources,i.e.by wayofcontributionfromCoC members.

**After a thorough discussion with CoC Members, following resolution was put for e-voting:**

**“RESOLVED THAT** pursuant to provisions of Section 25[2][c] & Section 28[1][a] of IBC, 2016, consent of the CoC members be & is hereby accorded to the Resolution Professional to raise an Interim Finance of Rs 70,00,000/- (Rupees Seventy Lacs only) for the Corporate Insolvency Resolution Process of the Corporate Debtor.”

**“FURTHER RESOLVED THAT** consent of CoC members is also accorded to include the Interim Finance of Rs 70,00,000/- (Rupees Seventy Lacs only) as part of CIRP Cost of Corporate Debtor section 5(13) of IBC, 2016.”

**“RESOLVED FURTHER THAT** the Interim finance and all expenses incurred for raising finance including interest be and is hereby approved as part of CIRP Cost as defined

under section 5(13) of IBC, 2016 and would have priority of payment as prescribed under section 30(2)(a) of IBC, 2016.

**2. TO DISCUSS, DELIBERATE AND APPROVE EVALUATION MATRIX & RFRP (REQUEST FOR RESOLUTION PLAN) PURSUANT TO THE REGULATION 36B OF THE IBBI REGULATIONS, 2016**

The Chairman informed the CoC members that in the 03<sup>rd</sup>CoC Meeting, the said matter was deliberated to all the CoC members and after that, the said matter was put for e-voting. However, pursuant to e-voting, the matter was rejected by all the CoC members due to which RFRP & Evaluation Matrix could not be approved. However this time the Proposal of Homebuyer as submitted by AR Mr Gagan Gulati are taken as Priority.

The Chairman informed the CoC members that as per Regulation 36B of the IBBI Regulations, 2016, the committee is required to confirm the Request for Resolution Plan & Evaluation Matrix Criteria to be given by the Resolution Professional to Prospective Resolution Applicants in respect of Performance Bank Guarantee [PBG], EMD, Term of plan etc. The draft RFRP & Evaluation Matrix is shared with the CoC members along with this Agenda for their kind perusal. The EMD/BG to be submitted with Resolution Plan is Fixed for 1,00,00,000/- (One Crore) and Performance Bank Guarantee is For 10 Crore. Considering Approx 10% of Remaining Project Cost. After this deliberation, the Chairman solicited comments from each CoC members for the agenda under consideration.

Mr. Harish Taneja, Process Advisor to RP informed the CoC members regarding all items of Evaluation Matrix and what is the importance of all these items in ranking of various proposals which will be received.

LIC Hosing Finance Ltd strongly raised their objection as the amendments which were suggested by them under the draft RFRP & Evaluation Matrix has not been suitable incorporated in the same and instead all the changes suggested by Home Buyers are incorporated in it. Accordingly, they are not comfortable with the Evaluation Matrix and may not consider it for voting.

The chairman duly noted the objections raised by LIC Housing Finance Ltd and submitted that the same will be duly incorporated in minutes of meetings.



After a thorough discussion with CoC members ,the following resolution was put for e-voting:

**“RESOLVED THAT** pursuant to Regulations 36B of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 “Enclosed Request for Resolution Plan, Evaluation Matrix” is hereby approved.”

**3. TO RATIFY THE EXPENSES INCURRED BY RP FOR THE CIRP OF CORPORATE DEBTOR UP TO THE DATE OF THE MEETING**

The Chairman informed the CoC members that as per Regulation 31 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 “Insolvency resolution process costs” under Section 5(13)(e) shall include expenses incurred on or by the Resolution professional to the extent ratified under Regulation 33 & 34. Accordingly, the Committee of Creditors shall discuss and ratify the expenses incurred by the Resolution Professional for the CIRP of Corporate Debtor up to the date of the Meeting and such amount ratified shall be reimbursed to the RP.

The list of expense, was shared by the RP with the CoC members along with the agenda of the meeting for their kind perusal. The RP also deliberated the CoC members on all the expenses items which was shared by him under the agenda of the meeting for the convenience of the CoC members. The Expenses are Exclusive of Applicable Taxes.

After a thorough discussion with CoC members on all of the fees items and after giving them satisfactorily reply and addressing their all queries, following resolution was put for e-voting:

**“RESOLVED THAT** pursuant to Regulation 31 and 33 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other relevant provisions of Insolvency and Bankruptcy Code, 2016; the consent of the Committee of Creditors be and is hereby accorded to ratify expenses incurred by RP for the CIRP of Corporate Debtor up to the date of the Meeting, amounting to Rs. 49,69,992/- ( Rupees Forty Nine Lac Sixty Nine Thousand Nine Hundred Ninety Two Only) as per the details placed before the Committee and initialed by the RP shall be treated as Corporate Insolvency Resolution Process Cost.”

**4. TO APPROVE APPOINTMENT OF CS D K BHASIN, (COMPANY SECRETARY, INSOLVENCY PROFESSIONAL & REGISTERED VALUER) FOR ASSISTANCE IN DUE DILIGENCE & LEGAL ASSISTANCE FOR VARIOUS PURPOSE INCLUDING RESOLUTION PLAN**

The Chairman informed COC that in order to to assist the Resolution Professional in evaluation and presentation of resolution plans before CoC received pursuant to the Form G, Mr. Dharmendra Kumar Bhasin [CS], an Insolvency Professional has to be appointed as Legal associate for the said purpose.

However, LIC Housing Finance Ltd raised objection regarding the same and submitted that they will not consider this matter for voting as according to them, no such appointment is required now as it will again increase the CIRP cost.

After a thorough discussion, following resolution was put for e-voting:

**“RESOLVED THAT** the approval of Committee of Creditors is hereby accorded for appointment of Mr. Dharmendra Kumar Bhasin, as Legal associate to assist Resolution Professional in Legal Compliance & assistance in preparing & Vetting of Legal Documents and also evaluation and presentation of resolution plans before CoC received pursuant to the Form G, w.e.f 11-02-2021 for the remaining duration of CIRP period on the following terms –

- a) Monthly remuneration of Rs. 20000/- per month.
- b) Rs. 20,000/- per visit (Inclusive of Travel & Stay) for assistance for attending any COC Meeting or presentation and/or assistance in Holding Presentation of Resolution Plans.

**C.ANYOTHERMATTERSWITHTHEPERMISSIONOFTHECHAIR**

The chairman informed that there is no other matter which require to be discussed with the CoC members at the meeting

**D. VOTE OF THANKS**

There being no other business to transact, the meeting was concluded at 05:51 PM with vote of thanks by chairman to all participants for their effective participation.

**Place: New Delhi**

**Date: 4-3-2021**

**Chairman**



**Mr. Pankaj Narang  
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