

MINUTES OF THE 3rd MEETING OF THE STAKEHOLDERS' CONSULTATION COMMITTEE OF CONGLOME TECHNOCONSTRUCTIONS PRIVATE LIMITED HELD ON THURSDAY, 07TH MARCH 2024 FROM 5:00 P.M. TO 5:45 P.M. THROUGH VIDEO CONFERENCING.

People present in person through Video Conferencing:

Mr./Ms.

| | | |
|----|---------------------------|---|
| 1. | Harish Kant Kaushik | Liquidator, Chairman |
| 2. | Suleta Shastri | Financial Creditors in a class (Homebuyers), Nominated Representative |
| 3. | Anup Kumar Singh | Representative of Bank of Maharashtra |
| 4. | Shraddha Shah | Liquidator's Team |
| 5. | Ali Hussain Beechavera | |

A. LIST OF MATTERS DISCUSSED IN THE MEETING:

Item No. 1 and 2:

The Liquidator to chair the meeting of Consultation Committee formed under Regulation 31A of Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendments) Regulations, 2022

Harish Kant Kaushik, Liquidator, occupied the Chair. He extended a cordial welcome to all the members of the Stakeholders' Consultation Committee. The Chairman informed the members that this meeting of the Stakeholders' Consultation Committee is held via video - conferencing and after ascertaining that the requisite quorum was present, the Chairman declared the meeting to be in order and commenced the proceeding of the meeting.

Item No. 3:

To consider and approve the minutes of the 02nd Meeting of the Stakeholder Consultation Committee held on Thursday, 30th March 2023.

The Chairman informed the member that the minutes of the second meeting of the Stakeholder' Consultation Committee held on Wednesday 24th January 2024 was circulated by the liquidator on 25th January 2024. The Chairman asked the member whether he have any observations on the minutes. Since, there was no observations on the minutes the Chairman informed that the minutes shall be treated as read and approved by the member of SCC.

The Member took note of the same and accordingly the minutes were treated as read and approved by the member of SCC.

Item No. 4:

To take note of process update by the Liquidator

a. Brief Background:

The Chairman provided the SCC members with a brief overview of Conglome Technoconstruction Private Limited ('Corporate Debtor'). He highlighted that the Corporate Debtor is a co-owner of the Sathanagar Housing Project along with Sapphire Space Infracon Private Limited. Additionally, the Chairman mentioned that the Liquidation proceedings of the Corporate Debtor commenced on 6th January 2021, and Mr. Kondishetty Dushyantha was appointed as the Liquidator by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru.

Further, on an application filed by the secured financial creditor Bank of Maharashtra, Mr. Harish Kant Kaushik was appointed as the Liquidator vide order dated 14th March 2022. Subsequently, the Liquidator

conducted SCC meetings on 28th November 2022 and 30th March 2023. That on relinquishment of the security interest by Bank of Maharashtra, the third SCC meeting is being called upon so to discuss further course of action in the Liquidation process.

b. Composition of Stakeholders' Consultation Committee

The Chairman presented the composition of the constituted Committee under Regulation 31A of the Liquidation Regulations before the member:

| S No. | Class of Stakeholder | Name of Creditor/ Representative Admitted | Claims Admitted | Voting % |
|-------|--|---|---------------------|----------------|
| 1 | Financial Creditors - Secured FC | Bank of Maharashtra | 72,43,99,093 | 89.01% |
| 2 | Financial Creditor in a Class (Homebuyers) | Mrs. Suleta Shastri, Nominated Representative | 8,94,29,224 | 10.99% |
| | Total | | 81,38,28,317 | 100.00% |

The Chairman apprised the members that the revised Constitution of Stakeholders' Consultation Committee shall be filed, since Bank of Maharashtra has relinquished its security interest in favour of Liquidation Estate vide email dated 21 February 2024.

Liquidation Process update:

The Chairman apprised the members that he filed the Progress Reports for the quarter 31st December 2023 on 15th January 2024.

The Chairman apprised the members that Bank of Maharashtra has relinquished its security interest vide email dated 21st February 2024. Subsequently on relinquishment of the security interest, the Bank of Maharashtra has been admitted as the member of the Stakeholder Consultation Committee of the Corporate Debtor.

The Chairman apprised the members that the Liquidation order for Sapphire Space Infracon Private Limited ("Sapphire"), was passed on 30.11.2023 by Hon'ble NCLT Mumbai. Sapphire is the co-owner of Sathanagar Project along with the Corporate Debtor. Mr. Harish Kaushik has been appointed as the Liquidator of both the above entities. Further that, Bank of Maharashtra, the sole secured creditor of Sapphire has relinquished their security interest while filing their claim. The members took note of the same.

The Chairman apprised the members that as per recent amendments in the Liquidation Regulations, 2016 the Liquidator shall share the Preliminary Report and the Progress Reports (filed quarterly) with the members of the SCC after obtaining the confidentiality undertaking from each of them. The same shall be shared along with the minutes of the meeting.

The members took note of the same.

Other issues involved:

The Chairman informed the members that, according to the list obtained from the Registry office, a total of 838 Homebuyers have registered for flats at the Sathanagar Project in the period 2010-12. The above details were shared by Secured Creditor, BoM with RP during the course of CIRP. Additionally, based on a list shared by the management of the Corporate Debtor, it was found that the Corporate Debtor has to recover balance amount of INR 5.6crores for the registered flats from 478 Homebuyers. Moreover, up to the current date, a total of 114 Homebuyers have filed a claim on the Corporate Debtor against the SathyaNagar Project (being developed by CD along the other co-owner, Sapphire). This suggests that there is a possibility that some homebuyers have not yet filed their claims with the Liquidator.

The Chairman emphasized to the members the importance of determining the claimants eligible to file a claim against the Corporate Debtor before proceeding with the auction process. This is crucial because if the liability against the homebuyers remains uncertain, prospective bidders may lower the price of the asset of the Corporate Debtor to accommodate potential future liabilities from the Homebuyers. Such discounting would be detrimental to the interests of the Stakeholders' Consultation Committee (SCC) as it would result in not obtaining the fair value of the asset that could have been obtained if the liabilities were duly ascertained.

Therefore, in the interest of the SCC member and Homebuyers in the said Sathyanagar Project, the Liquidator sought views on the above from the members to formally obtain a legal opinion determining conclusive liability of the potential bidder(s) during the liquidation process of CD once the assets are sold as per the IBC process. The Chairman apprised the members that based on experiences with similar housing projects having large number of Homebuyers, obtaining legal advice on the above aspects before finalizing liability of CD towards homebuyers is crucial. Without legal immunity, homebuyers might approach legal authorities at a later stage, potentially causing further delays in the liquidation process / discovery of lower value of CD assets.

The Representative of Bank of Maharashtra took note of the same and suggested that they will require an internal approval to confirm the proposal put forth by the Liquidator and hence the same shall be discussed in subsequent meeting.

Chairman took a note of the above.

Delay in issuance of Auction notice as per timelines of the Liquidation Regulation:

The Chairman apprised the members that as per Schedule 1 of Liquidation Regulations it provides as below:

(1) *“Where an asset is to be sold through auction, a liquidator shall do so in the manner specified herein.*

[(1A) Subject to provisions of regulation 2B, the liquidator shall issue a public notice of an auction for sale under regulation 32 within forty-five days from the liquidation commencement date unless the consultation committee advises to extend the timeline”

The Chairman further stated that since there was a delay in relinquishment of security interest by the sole secured creditor for the jointly asset owned by the Corporate Debtor and Sapphire Space Infracon Private Limited, the issuance of auction notice has been delayed. The Member has expressed since the said process is now completed, the Liquidator shall take the liquidation process forward and complete the same in the short period.

The member and Chairman took note of the above.

Valuation Summary

The Chairman further apprised the members on the Summary of Valuation as conducted in the CIRP Process. The Member opined to continue with the said valuation in Liquidation period as well:

| Summary of Valuation Reports during CIRP | | |
|---|----------------------|-----------------|
| Particulars | Valuer 1 | Valuer 2 |
| | (Amt in INR.) | |
| Total Valuation of the Sathya Nagar Project | | |
| Fair Value | 49,45,80,000 | 48,58,00,000 |
| Liquidation Value | 34,62,00,000 | 34,01,00,000 |
| Conglome Technoconstruction Private Limited Share (61.5 %) | | |
| Fair Value | 30,41,66,700 | 29,87,67,000 |
| Liquidation Value | 21,29,13,000 | 20,91,61,500 |
| Average Values for Conglome Share in the Project | | |
| Average Fair Value: | 30,14,66,850 | |
| Average Liquidation Value: | 21,10,37,250 | |

The member took note of the same.

Item No. 5:

To consider and discuss the Sale of Assets of the Corporate Debtor under Regulation 32 of IBBI (Liquidation Process) Regulations, 2016.

The Chairman apprised presented the valuation of Sathyanagar project and the share of the Corporate Debtor in the said project.

| Particulars | Amount (INR) |
|--|---------------------|
| Average Liquidation value of the Sathyanagar Project | 34,31,50,000 |
| Average Liquidation value of the share of Conglome Technoconstruction Private Limited in the Sathyanagar Project (38.5%) | 21,10,37,250 |

The Chairman requested the members to discuss and determine the reserve price for the auction process of the corporate debtor. The Representative of the Bank of Maharashtra opined to issue combined auction notice since the asset i.e the Sathyanagar Project is co-owned by the Corporate Debtor and Sapphire Space Infracon Private Limited and the same cannot be sold separately.

The Chairman further stated that that the entire Sathyanagar Project is phase-wise registered on the MahaRERA (i.e. Real Estate Regulatory Authority) and the details of the same is as below:

| Sr. No. | Particulars | Registration No. |
|----------------|--------------------|-------------------------|
| 1 | Phase 1 | P99000011436 |
| 2 | Phase 2 | P99000008795 |
| 3 | Phase 3 | P99000009459 |
| 4 | Phase 4 | P99000010507 |
| 5 | Phase 5 | P99000010497 |

He further stated by virtue of Joint Development Agreement-2 entered dated 11 December 2014, that the Corporate Debtor is responsible to complete the project as a co-developer for the project alongwith Sapphire Space Infracon Private Limited and the revenues shall be distributed in agreed profit-sharing ratio of 61.5% and 38.5% respectively and further the property is co-owned by both the entities. Further he stated that since there is no other asset apart from the land & building and further opined by the members earlier the Corporate Debtor shall be sold as a Going Concern. The Representative from Bank of Maharashtra thereafter opined to consider average fair value of the project as the reserve price. The Representatives of Bank of Maharashtra agreed to the Chairman's suggestion, and it was decided to proceed with the combined average Fair Value of the Sathyanagar Project i.e. INR 49,01,90,000 as the reserve price in the auction and the same shall be put for voting purposes.

Timeline for proposed e-auction:

The Chairman apprised the members on the tentative timeline for the e-auction process for a reference of the SCC Members:

| Sr No | Particulars | Timeline (Days) | |
|--------------|---|------------------------|-----------|
| 1 | Public Announcement of Auction | T | 17-Mar-24 |
| 2 | Opening of Auction Portal and this Process Memorandum made available on the websites as per Terms and Conditions | T | 17-Mar-24 |
| 3 | Submission of Bid Declaration Form, Bid Application Form along with Affidavit cum Undertaking and KYC by the bidder | T+ 14 | 31-Mar-24 |

| | | | |
|---|---|---|-----------|
| 4 | Site Visit/Inspection, Due Diligence and Request for Title Documents and Discussion Meeting (Access to be given only to Eligible Bidders post submission of the Bid Declaration form, Bid Application Form along with Affidavit cum Undertaking and KYC by the bidder) | T+ 21 | 07-Apr-24 |
| 5 | Submission of Earnest Money Deposit (EMD) | T+ 23 | |
| 6 | E- auction Date | T+ 25 | 09-Apr-24 |
| 7 | Announcement of successful bidder | T+ 26 | 11-Apr-24 |
| 8 | Return of Earnest Money for unsuccessful bidders | T+ 50 | 12-Apr-24 |
| 9 | Payment of balance consideration by successful bidder/ | Within 90 days of such demand made by Liquidator <i>Payments made after 30 days may attract interest at the rate of 12% p.a.</i> | |

The Bank of Maharashtra requested clarification on the timeline of the auction specifically regarding the due date for payment of balance consideration by successful bidder. The Chairman apprised the member that the Liquidator will issue a letter to the Successful Bidder and the Successful Bidder shall have to deposit the balance consideration (after adjustment of the EMD) of the sale price within 30 days of such demand. On payment of the full amount, the sale shall be completed and the Liquidator shall execute certificate of sale or sale deed to transfer such Assets and the Assets shall be delivered to the Successful Bidder in the manner specified in the terms of sale. Further, if the balance consideration is not made by the Successful Bidder within 30 days of such demand, interest at the rate of 12% p.a shall be levied till date of actual payment and if payments are not made within 90 days from date of initial demand made by Liquidator the sale shall stand cancelled.

The members took note of the same.

Liquidation Cost

The Chairman apprised the members on the Liquidation Cost incurred:

| Sr. No. | Particulars | Amount (INR) | Remark |
|---------|--------------|---------------|--|
| 1 | Legal Fees | 80,000 | For filing application of extension of Liquidation period and progress reports |
| | Total | 80,000 | |

The Chairman informed the members that the provided Liquidation Cost is incomplete due to certain expenses incurred on the Sathanagar Housing Project (such as insurance premiums and security charges) being allocated solely to Sapphire Space Infracon Private Limited, whereas these costs were meant to be jointly incurred by both co-owners. Further, the Chairman expressed gratitude to the representatives of Bank of Maharashtra for their contribution in providing funds to sustain the ongoing Liquidation process and for the maintenance of the assets of the corporate debtor.

The Members took note of the same.

Item No. 6:

To discuss any other matter with the Liquidator.

There was no further matter to be discussed.

List of Issues to be voted after Discussion.

Item No.1:

To consider and approve the extension in the interval between the meeting of Stakeholders Consultation Committee as per Regulation 31A(6) of Insolvency and Bankruptcy Board of India (Liquidation Process), 2016 before lapse of thirty days from the last meeting.

The Chairman apprised the members that as per latest amendments in the Liquidation Regulations dated 12 February 2024, the Liquidator is mandated to convene SCC meetings with a maximum interval of 30 days, to ensure timely decisions and oversight. However, the SCC may reduce the frequency of the meeting if deemed necessary, provided that at least a minimum of one meeting is held per quarter. He further clarified that in case of any of the members requests either individually or collectively, having at least thirty three percent of the total voting rights to conduct the meeting, he shall convene the meeting at their request.

The Representative of Bank of Maharashtra opined that the Liquidator shall convene a meeting within 30 days from the previous meeting as laid out in the Liquidation Regulations. The Liquidator is obliged to the request of the member.

Accordingly, the below said voting agenda is being *withdrawn*.

“RESOLVED THAT pursuant to The Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2024, proviso to sub regulation (6) of regulation 31A of Insolvency and Bankruptcy Board of India, the consent of members of Stakeholders Consultation Committee be and is hereby accorded to convene the meeting of Stakeholders Consultation Committee at least once in a quarter with immediate effect for all Subsequent Meetings.”

Item No. 2

To consider, discuss and approve the Sale of Assets of the Corporate Debtor under Regulation 32 of IBBI (Liquidation Process) Regulations, 2016

Pursuant to the discussion held at Item No. 5 above, the members of the Stakeholders Consultation Committee passed the following resolution:

“RESOLVED THAT the approval of members of Stakeholders Consultation Committee be and is hereby accorded to sell the Corporate Debtor as a Going Concern jointly along with sale of assets of Sapphire Space Infracon Private Limited as a Going Concern for a combined reserve price of INR 49,01,90,000 under Regulation 32(e) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

RESOLVED FURTHER THAT the approval of members of Stakeholders Consultation Committee be and is hereby accorded to the issuance of joint auction notice for sale of jointly owned asset as a Going Concern.

RESOLVED FURTHER THAT Mr. Harish Kant Kaushik, Liquidator be and is hereby authorized to issue notice of sale, do all such acts, deed, things and execute such documents as may be necessary in order to give effect to the aforesaid resolution.”

The members of the committee gave their unanimous approval on the said agenda and stated that no formal voting shall be required.

Vote of Thanks:

The Chairman confirmed that the necessary quorum was present throughout the meeting and there being no other matter to discuss, the meeting concluded at 5:45 P.M. with a vote of thanks.



Harish Kant Kaushik
Liquidator of Conglome Technoconstruction Private Limited
Registration No. IBBI/IPA-001/IP-P01469 /2018-2019/12340
Authorization for Assignment valid till 29th November 2024
Address: F-1904, Sapphire Regency Towers, Kavesar,
Ghodbundar Road, Thane (West) – 400615
Email id: conglome.liquidator@gmail.com , harishkant2007@gmail.com

Enclosed: Deck of 3rd Meeting of Stakeholders Consultation Committee