

MINUTES OF THE 1ST MEETING OF THE CONSULTATION COMMITTEE OF SAPPHIRE SPACE INFRACON PRIVATE LIMITED – IN LIQUIDATION HELD ON THURSDAY, 07TH DECEMBER 2023 FROM 3:00 PM TO 4:05 PM THROUGH VIDEO CONFERENCING

Present through video conferencing throughout the meeting

1.	Harish Kant Kaushik	Chairman, Liquidator
2.	Rahul Joshi	Representatives from Bank of Maharashtra
3.	Ritesh Ranjan	
4.	Shraddha Shah	Liquidator's Team
5.	Ali Hussain Beechavera	

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 Consultation Committee. The Chairman informed the members that this meeting of the 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 take note of process update by the Liquidator

The Chairman apprised the members that since opportunity was provided for ensuring successful resolution of the Corporate Debtor (“CD”) and that no prospective resolution applicants have shown interest to submit a resolution plan during CIRP Period; it was considered by CoC fit to initiate the liquidation process of CD as ‘going concern’ in a time bound manner in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 pursuant to which an application before the Hon’ble NCLT seeking initiation of the Liquidation Process of the Corporate Debtor. Accordingly, an application under section 33 of the Code was filed before the Hon’ble NCLT, Mumbai.

The Chairman informed the members that the Hon’ble NCLT, Mumbai Bench pronounced the Liquidation Order on 30th November 2023 for Sapphire Space Infracon Private Limited and appointed him as the Liquidator of the Company. The copy of the order was received on 30th November 2023, which duly advised to the member of Consultation Committee

The Chairman informed that pursuant to the receipt of the liquidation order, the following compliances were undertaken by Liquidator:

A. Public Announcement:

As per Regulation 12 of the Liquidation Regulations and in compliance with the directions of the Hon’ble NCLT, the Liquidator issued public announcement in the local newspapers having circulation in Mumbai and surrounding locations, namely “The Free Press Journal” – English (Mumbai Edition) and “Navakal” – Mumbai in Marathi on 05th December 2023.

B. Intimation of Initiation of Liquidation Process was sent to the following:

- Financial Creditor
- Operational Creditors including Statutory Authorities and Workmen & Employees
- Intimation sent to IBBI and IIPICAI

- Uploaded Public Announcement on IBBI portal on 06th December 2023
- Relationship disclosure of Liquidator with Corporate Debtor as IBBI circular no IP/ 2018 005 2018 dated 6th January 2018 has been made with IIPICAI on 06th December 2023.
- In the process of opening of new bank account, as per Regulation 41 of The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, with Bank of Maharashtra.

The Chairman thereafter gave a brief overview of the Liquidation Process (*Refer slide 4 of Annexed PPT*). He informed that the last day for submission of claims in the liquidation process is 30 December 2023. In case of any stakeholder fails to submit the claim during the liquidation process, the claims submitted by such stakeholder and duly collated by the Resolution Professional, during the CIRP process shall be deemed to be submitted as per the amendment to the IBBI Liquidation Regulations issued on 16 September 2022. Accordingly, the claims shall be verified and list of stakeholders shall be prepared and a Stakeholders Consultation Committee shall be constituted in compliance with the applicable regulations.

The members took a note of the same.

Constitution of the Consultation Committee:

The Chairman apprised the members that as per Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022, *“The liquidator shall convene the first meeting of the consultation committee within seven days of the liquidation commencement date and may convene other meetings, if he considers necessary, on a request received from one or more members of the consultation committee.”*

Accordingly, the Committee of Creditors constituted during CIR process shall form part of Consultation Committee until the Stakeholder Consultation Committee is constituted. The voting share of a member of the consultation committee shall be in proportion to their admitted claim in the total admitted claim during the CIR process. In pursuance of the above, the Composition of the Consultation Committee as per Regulation 31A(6) of the Liquidation Regulation (*Refer slide no. 6 of Annexed PPT*) is as under.

Sr. No.	Name of Financial Creditor	Amount Claimed	Amount Admitted	Voting Share
1	Bank Of Maharashtra	74,98,14,056	74,98,14,056	100%
	Total	74,98,14,056	74,98,14,056	100.00%

Additionally, he informed the member that since the Corporate Debtor is involved in a Residential Project, the home buyers in that project have the right to submit a claim against the corporate debtor. However, IRP / RP has not received any claim from homebuyer throughout the CIR process.

He further apprised the members that the liquidator shall constitute a committee (Stakeholders' consultation committee), comprising of all creditors of the corporate debtor, within sixty days from the liquidation commencement date (30.11.2023), based on the list of stakeholders prepared under regulation 31, to advise him on matters relating to

- remuneration of professionals appointed under regulation 7;
- sale under regulation 32, including manner of sale, pre-bid qualifications, reserve price, marketing strategy and auction process
- fees of the Liquidator
- valuation under regulation 35(2)

(e) the manner in which proceedings in respect of preferential transactions, undervalued transaction, extortionate credit transaction or fraudulent or wrongful trading, if any, shall be pursued after closure of liquidation proceedings and the manner in which the proceeds, if any, from these proceedings shall be distributed.

The members took a note of the same.

Discussion of Valuation as per Regulation 35:

The Chairman apprised the members regarding the appointment of Registered valuers as per Regulation 35:

- Where the Valuation has been done in CIRP, the liquidator shall consider the average of the estimates of the values arrived under those regulations.
- Where the Valuation has not been done in CIRP, two Registered Valuer’s shall be appointed to ascertain the estimated realizable value of assets under clauses (a) to (f) of Regulation 32
- Liquidator can initiate fresh valuation if deemed fit.

The Chairman gave a brief background on how the valuations were conducted during the CIRP process. Firstly, since the assets of the Corporate Debtor primarily consist of only Land & Building, which forms part of an integrated affordable housing project co-owned by CD along with another corporate entity, Conglome Technoconstructions Pvt Ltd (under liquidation) therefore, the RP had only 2 appointed Land & Building valuers to value the said overall project. Subsequently, on receipt of the Valuation Reports, the RP observed that there is a significant difference between the valuations given by the two appointed valuers, it was decided to appoint a third valuer as per the CIRP Regulations. Further, on receipt of the Valuation Report from the third valuer, the following matrix was emerged as final valuation which was further attributed to both the corporate entities based on their profit- sharing ratio in the Project.

The Chairman presented the below valuation summary:

Summary of Valuation Reports		
Particulars	Prashant Agrawal	Adroit Appraisers & Research Pvt. Ltd.
	(Amt in INR.)	
Total Valuation of the Project		
Fair Value	49,45,80,000	48,58,00,000
Liquidation Value	34,62,00,000	34,01,00,000
Sapphire Space Infracon Share (38.5 %)		
Fair Value	19,04,13,300	18,70,33,000
Liquidation Value	13,32,87,000	13,09,38,500

The Chairman stated that since a considerable period of time has elapsed since the valuation in CIRP and further as the valuations in CIRP were carried out on a Going Concern basis, whereas the valuation in Liquidation process will be for both Going Concern and Piecemeal basis.

The Chairman thereafter sought the directions from the Members on the requirement of fresh valuation, if any. After due discussion, the Member concurred with the views of the Chairman.

The Chairman took a note of the same.

Plan of Action for Liquidation:

The Chairman apprised the members that in the committee of creditors in the 08th Committee of Creditors (“CoC”) Meeting held on 14th March 2022, the Member had approved to liquidate the Corporate Debtor as per Section 33 of the Code and decided to explore the sale of Corporate Debtor as ‘going concern’.

Hence, the Liquidator shall request the members of the Consultation Committee to discuss & recommend the mode of sale of Corporate Debtor.

The members opined that the Chairman shall first explore the sale as a Going Concern for value maximization. The Chairman took a note of the same and stated that as per regulation 32A(4) of Liquidation Regulation for sale of Corporate Debtor as Going Concern; the liquidator may sell the assets of the corporate debtor under clause (e) of regulation 32 exclusively only at the first auction.

The Chairman stated that he shall, subject to relinquishment of assets to the liquidation estate by Member, who is the sole secured creditor, call for another meeting of the Consultation Committee to discuss on the manner of sale of assets.

The Member took a note of the same.

Fees of the Liquidator:

The Chairman apprised the Member that the fees of the Liquidator shall be paid as per Regulation 4 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 which is tabulated as below at the following rates:

1. As per Regulation 4(2)(a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 – INR 50,000/- per month starting from the date of appointment of Liquidator,

and

2. As per Regulation 4(2)(b) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 – The card rate as prescribed in the above Regulation 4.

The Member took a note of the same.

CIRP Cost position as on 30.11.2023

Liquidator Team presented the updated position of CIRP costs till LCD (30.11.2023)

CIRP Costs - Details up to 30.11.2023			
Particulars	Incurred	Paid	Unpaid
IRP Payments (paid directly by BoM)	1,72,008	1,72,008	-
Advertisement expenses for public Announcements	18,507	18,507	-
Security Charges	8,87,095	5,79,095	3,08,000
Insurance	1,28,371	1,28,371	-
G Aniruth Purusothman (Legal Counsel)	2,00,724	59,112	1,41,612
IPE Fees	23,77,700	17,70,000	6,07,700
RP Fees	15,85,133	11,80,000	4,05,133

RP OPE	15,464	15,464	-
E-Voting	29,500	29,500	-
Compliance expenses	64,996	27,900	37,096
Valuers Fees	2,58,349	1,47,649	1,10,700
Website Charges	26,080	26,080	-
Transaction Auditor' Fees	94,400	-	94,400
Bank Charges	4366	4,366	-
Total	58,62,693	41,58,052	17,04,641
Cash Balance in CIRP Account			161,254
Interim Finance received from BoM		43,19,306	

The Member took a note of the same.

The Chairman requested the Member to provide some funds for settlement of old dues of service providers / vendors, to which Member advised to consider the same on submission of details of such dues.

The Chairman and Member took a note of the same.

Estimated Liquidation Cost

Liquidator Team presented the estimated Liquidation costs presented and agreed by CoC in the 8th CoC Meeting as under:

Particulars	Amount	Remarks
Legal Counsel Fees	1,50,000	Estimated
Other (Public Announcement, Meetings etc.)	1,20,000	Estimated cost (Advertisements and Auction including travel)
Security	5,28,000	Considered INR 44,000 PM for 12 Months
Miscellaneous Expenses	1,00,000	Estimated cost
Insurance	64,000	Based on current policy premia
<u>Estimated Liquidation Cost (a)</u>	9,62,000	
<u>Estimated Liquid Assets (b)</u>		
Cash/Bank Balance	NIL	Current Balance
<u>Contribution by Financial Creditor</u>	9,62,000	

Further, the Chairman apprised the members that currently the security cost per month for the site location is INR 44,000 for four security guards. The security agency has requested that the remuneration for security services be increased to INR 50,000 at least. Responding to the above request, the Representative of Bank of Maharashtra asked the Chairman to request the concerned security agency to continue its services at the current rates. The Member shall consider to increase the same in foreseeable future.

The Chairman took a note of the same.

Item No. 5:

To discuss another matter with the permission of the Chair:

Liquidator informed Member that he has been summoned by EoW, Maharashtra Police, Palghar in connection with the complaint filed by some homebuyers against promoters of the Company and he is required to present before police on 09.12.2023.

The Member took a note of the same.

There was no further matter to be discuss.

List of Issues to be voted after Discussion.

Item No.1:

To consider and approve the reduction in time of notice period from 5 days to 2 working days (excluding the date of dispatch of notice) as per Regulation 19 (2) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), 2016 for convening the meeting of Consultation Committee.

After due deliberation, the members agreed and requested the Chairman to have a voting in the meeting for the below agenda instead of online e-voting. The Chairman informed that the representative from OSI Steel Limited is not present in the meeting and hence it was decided to seek their voting on email.

The Chairman thereafter placed the following resolution for the consideration of the members:

“**RESOLVED THAT** pursuant to Regulation 19 (2) of Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the consent of members of Consultation Committee be and is hereby accorded to reduce the time for sending the notice for calling meeting of Consultation Committee, including this meeting, from 5 days to 2 working days i.e. 2 days (excluding the date of dispatch of notice), with immediate effect for all the meetings of the Consultation Committee”

The members who were present in the meeting deliberated on the same and approved the agenda unanimously.

The Chairman took a note of the same.

Vote of Thanks

The Chairman concluded the meeting with the vote of thanks to all the members of the Consultation Committee.



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

Enclosed: Deck of 1st meeting of Consultation Committee