

MINUTES OF THE THIRD MEETING OF THE STAKEHOLDERS' CONSULTATION COMMITTEE OF SAPPHIRE SPACE INFRACON PRIVATE LIMITED – UNDER LIQUIDATION HELD ON SATURDAY, 17th FEBRUARY 2024 FROM 03:30 PM TO 4:30 PM THROUGH VIDEO CONFERENCING

Present through video conferencing throughout the meeting

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1.	Harish Kant Kaushik,	Chairman, Liquidator
2.	Rahul Joshi	
3.	Anup Kumar	Representative of Bank of Maharashtra
4.	Ritesh Ranjan	
5.	Mrs Shraddha Shah	
6.	Ali Hussain Beechavera	Liquidator's Team

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 member 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 Wednesday, 24th January 2024.

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) Composition of Stakeholders' Consultation Committee

The Chairman presented the composition of Stakeholders' Consultation Committee constituted as per regulation 31A(6) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation,

2016 which is as follows:

Sr. No.	Class of Stakeholder	Name of Creditor / Representatives Admitted	Claims Admitted	Voting %
1	Financial - Secured Creditors Creditors Financial	1. Bank of Maharashtra	113,56,98,271	98.43
2	Financial - Unsecured Creditors Creditors Financial	NIL	-	-
3	Financial Creditors in a class	NIL		
4	Workmen	NIL		
5	Employees	NIL		
6	Government Departments	NIL		
7	Other Operational Creditors	Vikas Interiors	1,80,82,851	1.57
8	Shareholders	NIL		
	Total		115,37,81,122	100

He further stated that filed the List of Stakeholders and Stakeholder's Consultation Committee with the Hon'ble Mumbai NCLT on 29th January 2024.

The members took note of the same.

b) Liquidation Process Update

The Chairman further apprised the members on the summary of claims received:

S. No	Name of Claimant	Nature of Stakeholder	Amount Claimed	Amount Admitted
1	Bank of Maharashtra	Secured Financial Creditor	113,56,98,271	113,56,98,271
2	Phoenix Infratech (India) Pvt Ltd	Unsecured Financial Creditor	4,61,65,626	Under Verification
3	Hatch Creation	Operational Creditors	59,25,287	59,25,287

4	Vikas Interiors	Operational Creditors	1,21,57,564	1,21,57,564
<ul style="list-style-type: none"> Claim filed by Phoenix claiming given unsecured loan to Sapphire of Rs2.5crs in FY 2014 and 2015 to purchase some land around the Sathyangar Project. On non-payment as claimed, an ex-parte decree obtained on 28.11.2022 by Phoenix from Dist Court for Commercial Disputes, Hyderabad for principal and interest thereupon for INR 4,61,65,626/-. However, Audited accounts of CD ended 31.3.2015, shown zero liability towards the Claimant. Query raised by Liquidator with CD management did not elicit any response yet. 				

The Chairman apprised the Members that the agreement dated 28th March 2014, executed between Phoenix Infratech India Private Limited (“Phoenix”) and Sapphire Space Infracon Private Limited (“Corporate Debtor” or “Sapphire” hereafter) stipulates that Phoenix have approached Sapphire to identify and purchase land near Sathyangar Housing Project site for Phoenix Infratech India Private Limited.

Phoenix has filed a claim on Sapphire with Liquidator on 28Dec 2023, wherein Phoenix has claimed that Sapphire has failed to refund amount provided by Phoenix to Sapphire as a refundable deposit and which was to be paid back to Phoenix in case the Sapphire failed to execute the agreement for identification of land parcel near Sathyangar Housing Project.

The Liquidator is in the process of verifying the claim and informed the members that there exist certain discrepancies in the claim vis-à-vis the records available with Liquidator and thus the Liquidator has requested the claimant and also the suspended Directors of CD to respond with relevant information.

The Members took note of the same.

Valuation Summary:

The Chairman further apprised the members on the Summary of Valuation as conducted in the CIRP Process. The Member in the Second Meeting of the Consultation Committee Meeting held on Wednesday, 24th January 2024, had opined to continue with the valuation conducted during the CIRP period and of advised Liquidator for not having need to seek fresh valuation for the CD assets.

Summary of Valuation Reports during CIRP		
Particulars	Valuer 1	Valuer 2
	(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
Average Values:		
Average Fair Value:		18,87,23,150
Average Liquidation Value:		13,21,12,750

Liquidation Update:

The Chairman further apprised the members that he has filed the first Progress Report for Sapphire Space Infracon Private Limited (“Sapphire” or “the Corporate Debtor”) on 15th January 2024 for the quarter ending 31st December 2023.

He further apprised the members that the Bank of Maharashtra, being sole secured creditor has relinquished its security while filing the claim during the liquidation period.

The Members 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 presented the valuation of Sathanagar project as above and the share of the Corporate Debtor in the said project.

Particulars	Amount (INR)
Average Liquidation value of the Sathanagar Project	34,31,50,000
Average Liquidation value of the share of Sapphire Space Infracon Private Limited in the Sathanagar Project (38.5%)	13,21,12,750
Reserve price for auction for sale of Corporate Debtor as a Going Concern	Deferred to subsequent meeting

The Chairman apprised the members that Bank of Maharashtra (BoM) being the sole secured creditor of ‘Conglome Technoconstructions Private Limited’ (the co-owner of Sathanagar Housing Project and corporate guarantor to the loan extended by BoM, the sole secured lender to Principal Borrower, Sapphire) is yet to decide on relinquishing its security interest in the favor of Liquidation Estate). The Chairman apprised the members that since Sapphire and Conglome are joint owners of the said integrated affordable housing Project, the sole secured lender in Conglome should decide whether they will be relinquishing the asset in favour of liquidation estate of Conglome. The Chairman further explained to Members that Liquidator of Sapphire is also Liquidator of Conglome. A decision in regard to relinquishment of its security on part of the secured creditor in the Conglome matter shall pave path for smooth liquidation process of both the entities.

In the background, the chairman requested the members to present their views:

The Representatives of Bank of Maharashtra opined that since as per their records Sapphire Space Infracon Private Limited is under Liquidation while Conglome Technoconstructions Private Limited is not under Liquidation, under which section of the IBC, 2016 can they relinquish the security interest of Conglome Technoconstructions Private Limited. Further, the representative of Bank of Maharashtra inquired with the Chairman that the Member being the sole creditor of Sapphire Space Infracon Private Limited will prefer that the share of Sapphire Space Infracon Private Limited in the sale proceeds from the sale of Sathyanagar Project be transferred to the member, prior to settlement of any other liability such as the Liquidation Costs and other priority payments as per the waterfall mechanism under the Section-53 of the code. However, the Chairman stated that the distribution needs to be done in accordance to Section 53 of the code.

The Chairman, in order to address the queries of the Member, gave a brief background of the Liquidation timelines of Sapphire Space Infracon Private Limited and Conglome Technoconstructions Private Limited. He informed the members that Conglome Technoconstructions Private Limited has been under Liquidation since 6th January 2021 and the secured financial creditor, the Bank of Maharashtra, applied to Hon'ble NCLT Bengaluru to replace the liquidator, and hence, Mr. Harish Kant Kaushik (IBBI/IPA-001/IP-P-01469/2018-2019/12340) was appointed as Liquidator by the Hon'ble NCLT, Bengaluru vide order dated 14th March 2022. Further, Hon'ble Mumbai NCLT vide order dated 30th November 2023, passed the Liquidation order for Sapphire Space Infracon Private Limited and appointed Mr. Harish Kant Kaushik (IBBI/IPA-001/IP-P-01469/2018-2019/12340) as the Liquidator for the Sapphire Space Infracon Private Limited as well.

Therefore, both the joint owners of the Sathyanagar Housing Project are now under Liquidation, and Mr Harish Kant Kaushik has been appointed as the Liquidator for liquidation of both the above entities.

The Chairman further apprised the members that the security (land and structures thereupon) of both the joint owners in the Sathyanagar Housing Project is not possible to be demarcated inseparable and if Bank of Maharashtra relinquishes its security interest in Sapphire Space Infracon Private Limited and decides not to relinquish the security interest in Conglome Technoconstructions Private Limited, in the Liquidator opinion, the sale of the asset either by the Liquidator and by the Bank of Maharashtra will be a futile exercise if done separately.

Accordingly, the member requested to defer the discussions on the reserve price and auction process of Sapphire part of Sathyanagar Housing Project for a subsequent meeting. In the meanwhile, member shall seek internal clarity on the entire matter.

The Chairman and Member took a note of the same.

Item No. 6:
To discuss any other matter with the Liquidator.

There was no further matter to be discuss.

List of Issues to be voted after Discussion.

Item No.1:

There was no other matter to be discuss apart from the agenda of the meeting and the matters to be voted upon by the members.

Vote of Thanks

The Chairman concluded the meeting with the vote of thanks to all the member of the Stakeholders' 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 3rd Meeting of Stakeholders' Consultation Committee