

# Jaypee Infratech Limited Agenda items for Voting - Second CoC on 17 Oct 2018



**JAYPEE**  
**INFRATECH**

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# Notice for Second CoC Meeting – Jaypee Infratech Ltd.

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Notice for the second meeting of Committee of Creditors (“CoC”) of Jaypee Infratech Limited under Regulation 19(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Notice is hereby given to all the members of the CoC of Jaypee Infratech Limited as constituted by the Interim Resolution Professional (“IRP”) pursuant to Hon’ble Supreme Court order dated 09 August 2018, wherein Supreme Court directed recommencement of CIRP Proceedings against Jaypee Infratech Limited.

Name of Corporate Debtor: Jaypee Infratech Limited, Sector – 128, Noida, Uttar Pradesh

Day & Date of CoC meeting: Wednesday, October 17, 2018

Time of CoC meeting: 11:00 am to 2:00 pm

Venue of CoC meeting: Pullman & Novotel Hotel, Aerocity, New Delhi

## **List of the matters to be discussed at the meeting**

1. Status update by the IRP
2. Revised Constitution of the CoC
3. Discussion on evaluation matrix.
4. Discussion on appointment of valuation agencies.
5. Discussion of specific requests received from Authorised representatives of home buyers (Release of INR 750 crores, forensic audit, advisors to home buyers etc.).
6. Any other matter that may be raised by the member of the CoC.

## **List of the issues to be voted upon at the meeting:**

1. Appointment of Mr. Vijaykumar V. Iyer as the Resolution Professional to replace Interim Resolution Professional Mr. Anuj Jain, for the corporate insolvency resolution process of the Corporate Debtor, and authorize IDBI Bank (applicant bank), to communicate to the Hon’ble National Company Law Tribunal, Allahabad Bench (Adjudicating Authority), the decision of appointment of Mr. Vijaykumar V. Iyer as the Resolution Professional of the Corporate Debtor, as per the requirements of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed there under.
2. Appointment of Deloitte Touche Tohmatsu India LLP (“DTTILLP”) to assist the Resolution Professional in connection with the corporate insolvency resolution process of the Corporate Debtor.
3. Approval of fee of the Resolution Professional, (who will be assisted by DTTILLP) at INR 48.5 lakhs per month, plus OPE, and GST, as a part of the insolvency resolution process costs to be paid out of the cash flows of the Corporate Debtor to the extent possible.
4. Approval of related party transactions – Section 28 item.
5. Acceptance of resignation of 7 Independent Directors – Section 28 item.
6. Approval of Form G (Invitation for expression of interest).

# Voting by Committee of Creditors (CoC)

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Regulation 25 of the IBC Code 2016 with respect to **Voting by the Committee**, provides the following:

- Where all members are present in a meeting, the resolution professional shall take a vote of the members of the committee on any item listed for voting after discussion on the same.
- The resolution professional shall-
  - (a) circulate the minutes of the meeting by electronic means to all members of the committee and the authorised representative, if any, within forty-eight hours of the conclusion of the meeting; and
  - (b) seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 26 where the voting shall be kept open for at least twenty-four hours from the circulation of the minutes.
  - (c) The authorised representative shall circulate the minutes of the meeting received under to creditors in a class and announce the voting window at least twenty-four hours before the window opens for voting instructions and keep the voting window open for at least twelve hours.”

Regulation 26 of the IBC Code 2016 with respect to **Voting through Electronic Means**, provides the following:

- The resolution professional shall provide each member of the committee the means to exercise its vote by either electronic means or through electronic voting system.
  - The authorised representative shall exercise the votes either by electronic means or through electronic voting system as per the voting instructions received by him from the creditors in the class pursuant to sub-regulation (6) of regulation 25.”
- Once a vote on a resolution is cast by a member of the committee, such member shall not be allowed to change it subsequently.
- At the end of the voting period, the voting portal shall forthwith be blocked.
- At the conclusion of a vote, the resolution professional shall announce and make a written record of the summary of the decision taken on a relevant agenda item along with the names of the members of the committee who voted for or against the decision, or abstained from voting.
- The resolution professional shall circulate a copy of the record made to all participants by electronic means within twenty four hours of the conclusion of the voting.

# Agenda 1: Appointment of Resolution Professional

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- Appointment of Mr. Vijaykumar V. Iyer as the Resolution Professional to replace Interim Resolution Professional Mr. Anuj Jain, for the corporate insolvency resolution process of the Corporate Debtor, and authorize IDBI Bank (applicant bank), to communicate to the Hon'ble National Company Law Tribunal, Allahabad Bench (Adjudicating Authority), the decision of appointment of Mr. Vijaykumar V. Iyer as the Resolution Professional of the Corporate Debtor, as per the requirements of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed there under.
- The details of Mr. Vijaykumar V. Iyer are as follows:

<b>Name of the Insolvency Professional</b>	:	<b>Mr. Vijaykumar V. Iyer</b>
<b>Registration No.</b>	:	IBBI/IPA-001/IP-P00261/2017-18/10490
<b>Address</b>	:	Deloitte Touche Tohmatsu India LLP, Indiabulls finance Centre, Tower 3, 27th floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai, Maharashtra, 400013
<b>Email id</b>	:	<a href="mailto:viyer@deloitte.com">viyer@deloitte.com</a>
<b>Insolvency Professional Agency registered with</b>	:	Indian Institute of Insolvency Professionals of ICAI with the registration number IBBI/IPA-001/IP-P00261 /2017-18/10490

- Mr. Vijaykumar V. Iyer has submitted his consent to act as the Resolution Professional in the specified form. Form AA from the proposed RP can be referred to in Annexure – 1.
- Existing engagements of Mr. Vijaykumar V. Iyer includes:
  1. SPS Steels Rolling Mills Limited
  2. Murli Industries Limited
  3. Binani Cement Limited
  4. Aircel Limited
  5. Aircel Cellular Limited
  6. Dishnet Wireless Limited

# **Agenda 2: Appointment of Deloitte Touche Tohmatsu India LLP to assist the Resolution Professional**

- Appointment of Deloitte Touche Tohmatsu India LLP (“DTTILLP”) to assist the Resolution Professional in connection with the corporate insolvency resolution process of the Corporate Debtor.
- The technical bid proposal for Corporate Insolvency Resolution Process of Jaypee Infratech Limited submitted by Mr. Vijaykumar V. Iyer, Deloitte Touche Tohmatsu India LLP is enclosed along with Agenda notes as Annexure – 2.

# Agenda 3: Proposed fee of Resolution Professional

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Description	Fee
The fee for Resolution Professional Mr. Vijaykumar V. Iyer, who will be assisted by DTTILLP, to be paid out of the cash flows of the Corporate Debtor to the extent possible:	INR 48.5 lacs per month

**Note:**

- The above fee is exclusive of:
  1. Fees to be charged by the appointed Legal Counsel to the Resolution Professional
  2. Insurance charges for the Resolution Professional
  3. Fees to be charged by any facilitator for M&A related advisory work, if any
  4. OPE
  5. taxes payable in India, including GST
- In case the claims verification is required to be undertaken, then an additional one-time fee of INR 15 lakhs shall be charged. All OPEs will be charged at actuals, estimated at a monthly amount of up to INR 2.5 lakhs.

# Agenda 4: Ongoing Related party transactions (Section 28 item)

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## ***Project development expenses***

- Project development expenses pertain to Survey, Investigations, Design, Planning, Sales, Marketing Management, Construction and development of Residential, Commercial, Institutional & recreational Buildings on Land for Development for JIL.
- Jaiprakash Associates Limited (JAL), which is a related party, has entered the contract on “Cost Plus” basis which include all direct cost, indirect cost, overheads and profit. The amount billed by JAL is at a margin of 15% on the cost incurred. In addition to this, 5% material handling charges are levied by JAL on all purchase of raw materials such as steel, cement etc. The arrangement is as per the terms of the construction contract between JIL and JAL.
- An Independent project monitoring agency (CBRE) is evaluating and monitoring the progress of construction and work done by contractor/sub-contractor at sites.
- On an average, monthly payments related to real estate operations are approx. INR 25 crores.
  - Although the master contract is with JAL, the payment for site works is made directly in the account of JAL’s sub-contractors after due verification by Independent Project Monitoring Agency
  - JAL is paid only for GST /Other Taxes and reimbursement of manpower/staff and other costs working for JIL
  - No payment is made to JAL for the margin earned on the construction contract

# Agenda 4: Ongoing Related party transactions (Section 28 item)..contd.

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## ***Support from JAL***

- As the holding company, JAL has been providing need based support to JIL such as communication facilities, office space at Sector-128, Noida, email domain name and ancillary support in material planning and procurement, legal and other strategic issues. No charges has been levied on JIL towards these services.

## ***Support to JAL***

- JIL has provided certain parcels of land to JAL for real estate development. We understand that the economic interest has been transferred to JAL in the past, however , the title remains with JIL. As per the terms of the arrangement between JAL and JIL, entire approvals / NOC for the land were to be prepared by JAL in consultation with JIL and all approvals / NOCs are to be obtained by JIL (on behalf of JAL) in its own name, style, being the main lessee of the entire land.
- The approvals / NOCs are to be applied / obtained from the relevant authorities include – (i) Layout approvals, (ii) Building plan approvals, (iii) Approval for completion of layout and (iv) Approval for building completion.
- Further, JIL needs to get the sub-lease registered as a confirming party for registration of SLD's for customers of JAL projects. This is an ongoing activity for JIL.
- It is an agreed understanding that the cost of obtaining such approvals including fee etc. shall be borne by JAL.

**The above arrangement is not exclusive to JAL and similar arrangement existed with other builders such as Mahagun, Kalpataru, etc. in the past.**



# Agenda 5: Acceptance of resignation of seven directors (Section 28 item)

#	Name	Designation	Date of Resignation	Reasons
1	Mr. Brij Behari Tandon	Independent Director	17 August 2018	Personal reasons
2	Mr. Shanti Sarup Gupta	Independent Director	17 August 2018	Personal reasons
3	Mr. S. Balasubramanian	Additional Director (Independent)	24 August 2018	As per latest amendments to LODR, a person who 75 years old cannot continue as a director beyond 31 March 2019 unless a special resolution is passed before the date for continuation. Since he is already attained the age of 75 years, such a resolution may have to be passed in the AGM, however, he does not wish to continue
4	Mr. Keshav Prasad Rau	Additional Director (Independent)	09 September 2018	Personal reasons
5	Mr. Basant Kumar Goswami	Independent Director	10 September 2018	Health issues
6	Mr. Lalit Bhasin	Independent Director	17 September 2018	Personal Reasons and other commitments
7	Mr. Sham Lal Mohan	Independent Director	17 September 2018	Personal Reasons

# Agenda 6: Approval of Form G (Invitation for expression of interest)

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- As per Regulation 36A(5) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016:
  - The resolution professional shall publish brief particulars of the invitation in Form G of the Schedule:
    - (a) on the website, if any, of the corporate debtor; and
    - (b) on the website, if any, designated by the Board for the purpose.
- It is proposed to approve the Form G (Invitation for expression of interest) as per the IBC Regulations.
- The Form G is enclosed along with the Agenda notes as Annexure – 3.

# Agenda 6: Approval of Form G (Invitation for expression of interest)..contd.

## Requirement

Pursuant to the provisions of the Code and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process For Corporate Persons) (Amendment) Regulations, 2018 ('CIRP Regulations'), we plan to invite prospective resolution applicants for submission of resolution plan for JIL

## Eligibility Criteria

### **For Body Corporates / Individuals / Consortium of Investors:**

- a. Minimum consolidated net worth of INR 1,000 Crore at group level for immediately preceding financial year; **and**
- b. Evidence to showcase that the prospective resolution applicant has experience of running large industrial businesses, preferably real estate and/or infrastructure during any of the three preceding financial years; and
- c. Ability to turnaround large industrial business preferably real estate and/or infrastructure business either directly or through joint ventures, etc.

### **For Financial Institutions / PE Funds / Asset Reconstruction Companies / Non-Banking Finance Companies / Other financial investors including consortium investors:**

- a. Minimum assets under management of INR 1,000 Crore in the immediately completed preceding financial year or at least **INR 1,000 Crore** of committed funds available for deployment/investment in the immediately preceding financial year; **and**
- b. Evidence to showcase that the prospective resolution applicant has current/previous investment/ management of large industrial businesses, preferably real estate and/or infrastructure; and
- c. Ability to turnaround large industrial business preferably real estate and/or infrastructure business either directly or through joint ventures, etc.

Eligibility for JIL Group companies under section 29A of the Code

# Agenda 6: Approval of Form G (Invitation for expression of interest)..contd.

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## Additional mandatory submissions along with Invitation

- a. A declaration that it meets the eligibility criteria.
- b. A refundable deposit of **INR 100,000,000 (Rupees ten crores only)**. The refundable deposit shall be in the form of Demand Draft in favour of 'IDBI Bank – Jaypee Infratech Limited' or a bank guarantee for **INR 100,000,000 (Rupees ten crores)** in the favour of 'IDBI Bank – Jaypee Infratech Limited'.
- c. Other evidences shall include but not be limited to financial statements for last 3 financial years, proof of address, copy of PAN card, company profile, and details of KMP/Promoters/Board of Directors and rational for bidding for JIL.

## Submission of Declaration

Prospective resolution applicants to submit the following in sealed envelope through speed/registered post or by hand delivery or email at [irpjil@bsraffiliates.com](mailto:irpjil@bsraffiliates.com). The envelope should be superscripted as "Declaration for Jaypee Infratech Limited" in the name of "Anuj Jain - Resolution Professional for Jaypee Infratech Limited" at BSRR & Co., 8th Floor, Building No. 10, DFL Cyber City, Gurgaon, Haryana - 122002

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Thank You !