

Dear Financial Creditor(s) & Home Buyer(s), (Financial Creditors In A Class) ,

Hope you, your families, friends and colleagues are doing well and keeping in good health.

As you all are aware of the fact that the entire world is facing Covid-19 pandemic and it is causing immense stress and anxiety as schools, businesses, states and even countries have shut down. In an effort to stop the spread and protect the vulnerable populations, this pandemic has impacted the economy in several ways. While the long-term impact is still unknown and to what extent the economy get affected is yet to be analyzed and determined. However, the Government is trying to tackle it & each individual is also contributing and supporting the efforts of Government by following the rules of Lockdown & other various measures. This Covid-19 pandemic would have large impact on the global Economy and as well as on all the Stressed Projects.

It is very perturbing that we are carrying this Insolvency Process during this pandemic period and there are number of issues and concerns which require immediate attention from the Financial Creditors. In the first meeting of Committee of Creditors, I have raised various issues with respect to the Project of the Corporate Debtor i.e. Sanskriti and Casa Royale & seek the suggestions from the Financial Creditors about the problems of residents residing at the partial completed Projects, Pending Construction at the Project site i.e. Sanskriti and Casa Royale Projects, Current expenses of Corporate Debtor, meeting of multiple CIRP costs such as legal, physical infrastructure, documentation, verification, audit, banking, statutory compliances, etc..

During the proceedings so far, I have faced several hurdles that have been created by few people for derailing the process. If we would have been able to resolve the issues of First CoC meeting, which prima facie was in the best interest of the Financial Creditors (i.e. in the class includes the Home Buyers) on 2nd March 2020, the results might have come at the right time prior to the lockdown, which could have saved the crucial time for all the Financial Creditors. Now, due to such disruptions and delay that has happened since the 2nd March, 2020, the people who have suffered the most are those residents who are residing at Sanskriti & Casa Royale Projects. The residents residing at the partial completed projects without the necessary approvals are the most affected persons/sufferer during this process because of irregular supply of essential services. I have always tried my best despite threat to my wellbeing, the Pandemic and personal challenges at the home front to ensure supply of most essential services to residents and undertaken various steps as mentioned in minutes of First CoC meeting, but my hands have been tied due to lack of finance and continues non-cooperation of the Corporate Debtor.

When I was appointed as IRP of the Corporate Debtor, I have tried several times to gather information & seek cooperation from the Ex-Directors & Personnel of the Corporate Debtor, but never got any support nor cooperation for running the Corporate Debtor affairs to keep it a going concern as well as collecting such information including home buyer data recorded and maintained by the Company. Normally, in the Real Estate Industry, with flats pending for registration, the sources of income/ receipts are from the customers of the Company who have booked their flats. Already the Corporate Debtor has made the project suffer with huge delays in construction, delivery, statutory approvals and various other compliances.

Various Financial Creditor(s) and Financial Creditors in Class (i.e. Home Buyers) have approached me after I was appointed as Interim Resolution Professional wherein they have claimed that they can complete the Construction work at their own if chance were given to them and then there were those who felt betrayed by the Ex-Directors for the delaying the project and giving them false hope/information either directly or indirectly. Moreover, I always told them that this is time bound process now and we are required to the provisions of the IB Code, 2016 and only after holding the first CoC meeting, we will be in a better place to analyse all the options available for running the Corporate Debtor and keeping it a going concern.

I have been receiving emails directly from the home buyer class, the home buyers are requested to keep the process stream lined, further requested to communicate via their Authorised Representative, Mr. Deepak Gupta to avoid any communications to get passed over. Moreover, a requested to keep the process positive and transparent so that we can achieve our end objectives quickend manner.

Further to make you'll aware that vide. Amendment of the IBC, code 2016 via notification dated 29th March, 2020, which adds the following section:

“Section 40C Special provision relating to time-line.

Notwithstanding the time-lines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of COVID19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process.”

Even in light of the above provision and many other circulars issued by NCLT, the State and the Center my team and are trying to be timely for the allottees in the Project.

Now that we that have conducted the first meeting of Committee of Creditors, we are looking at furthering the CIRP process, continuing the construction and completion activities and bring the Project to its logical conclusion. It is now important that we keep the Project operational and the Corporate Debtor a going concern. we need to plan & mobilize our resources so that down the line we could be able to initiate the construction work again and parallelly continue CIRP proceedings

Now this is the right time to mobilize our resources and plan for the future steps in this regard. As we all know that under the provisions of the IBC, 2016, the Financial Creditors are required to discuss & take decisions on the matters which are brought by the Resolution Professional for running the Corporate Debtor during the Corporate Insolvency Resolution Process. The Financial Creditors (including the class of home buyers) are responsible for the actions & decisions in the running of the Corporate Debtor.

During my various informal meetings with the Home Buyers at the site, wherein they wish to complete the construction, if chance was given to them. The representatives of few Home Buyers have many times stated that they have all the information of the project's cost of construction & have prepared a plan for construction & finances for the same accordingly.

After considering such requests I am inclined to receive a without prejudice working plan of action (“WPA”) for the project and the Corporate Debtor and consider all pending costs including construction cost, approval costs, expenses, statutory dues, dues to creditors, etc. from any such home buyers who maybe inclined to submit such a WPA.

The titled WPA shall be made after considering the following points, keeping in mind the project costs & dues and keeping the Corporate Debtor as a going concern:-

- a) Complete construction of the total Project Casa Royale & Sanskriti (in handing over possession);
- b) Arrangement of Domestic Electric supply;
- c) Water Softner Plant;
- d) Fire Safety approvals;
- e) Lift Renewal & Working;
- f) Solid Waste Provision;
- g) Dues of Greater Noida Authority;
- h) All necessary approvals from the Greater Noida Authority & other state Govt approvals;
- i) Repayment of Bank Loan;
- j) Repayment of Loans of other Financial creditors;
- k) Payment of Operational creditors & Salaries of employees;
- l) Payment of Taxes & other statutory dues;
- m) All type of structures as per approved maps;
- n) Other liabilities as per books of accounts of the Corporate Debtor;
- o) Estimated time lines of the completion of the Project;
- p) Essential supply of services such as Electricity, Maintenance/ Lifts in Casa & Sanskriti projects;
- q) Complete construction of basements of Sanskriti & other amenities;
- r) Any other aspect required under law of land.

I will be glad to review such WPAs and also present my finding and the suggestions made therein to the COC in furthering the CIRP process. WPA will be an essential tool to determine

the effective inflow of capital and its utilization and moreover a critical input to the COC when it is setting up the process for resolution.

Further, the onus of carrying & running of the Insolvency Process successfully, the financial creditors are also required to get themselves involved too, because at the end they have to give suggestions & decide all the issues in the interest of all the stakeholders.

There are some urgent issues listed below on which I would like to seek the suggestions from all the Financial Creditors, so that during the course of the process, we can further make our road map accordingly and discuss the issues in the next CoC meeting(s):-

1. How to bear the expenses of the Electricity? The present dues for past two months is approximately for an amount of Rs. 16 lakhs and March bill (due in April) is yet to received which could be approximate Rs. 8-10 lakhs.
2. The Corporate Debtor has approximately 35-40 employees and the monthly remuneration bill is around Rs. 16-18 lakhs approximately with statutory benefits Rs. [●] lakhs approximately. Financial Creditor including Home Buyers class should give their suggestion about the treatment of all these employees during the CIRP & payment of their remuneration.
3. The Corporate Debtor has provided single lift in the towers but there is provision for two lifts in each tower. Further, there were two lifts repaired for which the AMC renewed it recently, the status of other lifts are doubtful. The residents need all the lifts to be installed, restored and renewed at the earliest.
4. There is urgent need of setting up of the Domestic Electricity Meter and at present it is working on Temporary Commercial meter which is not capable to take the load in the peak summers. (Capital expenditure is required & suggestion is required for resolving this issue)
5. There are some issues which are related to cleanliness, sanitization, Guard, local maintenance etc. in both societies which needs urgent care attention & money.
6. There is a need to create Website to publish information regarding Corporate Debtor and developments in CIRP process for benefit of all stakeholders. The Corporate Debtor has till date failed to give access to its website.
7. Any other issue which can be highlighted by any of the Financial Creditors

Lack of finances is one of the obstructions that I am facing at this moment. The promoter & Ex-Director have failed in tackling these issues (as they have also been allegedly been diverting monies from the Corporate Debtors account). Salaries are due from last 4-5 months, Electricity bills are due but there is no money to pay, high voltage power transformer and Domestic Electric connection is required, Dues of various operational creditor, statutory dues, Dues of Essential services providers are also pending and many other dues.

The above shared information is based on the estimates and as per facts which I became aware of during the process.

There is near no cooperation or help from the Ex-Directors/management & Personnel of the Corporate Debtor and an Application for non-cooperation under Section 19(2) of the Code was also filed before the Hon'ble Adjudicating Authority. Therefore, we yet don't have the proper information of books of account showing all the expenses & income, recoveries, debtors & creditors etc. The Hon'ble Adjudicating Authority vide their order dated March 19, 2020 have sanctioned adequate security through Police to enable me to perform duties as per the provisions of the IBC, 2016. Further, The Hon'ble Adjudicating Authority have but not limited to directed the suspended directors of the Corporate Debtor to cooperate with me by providing the books of accounts and other relevant information including the list of Debtors, their details and vouchers, audited balance sheets for the last three years along with Tally data plus the provisional balance sheets of the current years. But due to Covid-19 situation, and lockdown starting March 22, 2020 in Uttar Pradesh, next steps are impeded. However if you allow me to work further, we will arrange the required information and provide it in the format of Information Memorandum as per IB Code, 2016.

During this process, any Resolution Professional is required to spend a lot of manpower, time & money for the purpose of running the CIRP process such as collation of claims, Administrative affairs of the Corporate Debtors, conducting meetings, advertisement in newspaper, conducting voting, website, filing applications with Adjudicating Authority from time to time, Valuations, appointing consultants, Forensic Audit, Accounting & Taxation consultant, GST consultants, Technical Valuations, Legal Compliance, Secretarial Records, Insurance, Statutory Fees to be deposited to the Govt. & other various issues etc. To do all such activities as required under the law & actions, the Resolution Professional requires fund for meeting those expenses.

In addition to the above we also required funds for meeting the expenses towards maintaining the essential services to residents. Being the project is a huge project and is divided into two projects named as Sanskriti & Casa Roya. More than 400 allottees have taken the possession of their units and out of 400 approximately 250 families have been shifted (210 in Sanskrit & 40 in Casa Royal). The estimated expenses for arranging the essential services in the Project is approx. Rs. 18,00,000/- per month & for 6 months it will touch Rs. 1 Crore and for another 9 months it may touch Rs. 1.77 Crores.

Projection of expenses related to Essential Services

S. No.	Particulars of expenses	Amount/month (taken from the invoiced in previous months)	If process go upto 6 months	If process extended 9 months
1	Security Guard	312500	1875000	2812500
2	House keeping expenses	131653	789918	1184877
3	Maintenace Team	100500	603000	904500
4	Electricity Expenses (estimated)	1000000	6000000	9000000
5	Diesel Generator	42000	252000	378000
6	Other expenses @15% (other overheads)	237997.95	1390187.7	2265281.55
	Total	1824650.95	10910105.7	17745158.5

We don't have enough financial resources & even the receipts received from residents are not sufficient to meet the above costs. Some of the residents are paying properly and some of them are not making properly. In addition to above cost towards the remuneration of all the employees of the Company is approx. Rs. 16-18 Lacs per month. The pending cost of renewal of AMC of Lifts are expected to touch Rs. 1 lacs plus per lift for the AMC for one year. This will add approximately more than Rs. One Crore in the next 6 month in the above cost. In the initial first 6 months approximately we need Rs. 2 Crores for the purpose of running the corporate debtor & meeting the cost towards essential services.

After considering the ongoing proceedings, essential services requirement, lock down situation due to Covid 19 and halt of proceedings due to Covid 19 the running & managing the CIR process has become a challenge. To come out of this challenging situation for running the Corporate Debtor, I have decided to make a pool of fund for meeting the cost of expenses during the CIR proceedings. As discussed above if the CIRP process get extended to 6-9 months, we would be requiring the funds of Rs.3.5 crores to 4 Crores. A contribution of Rs. 20,000/- per unit appears to be reasonable for achieving the target amount. In case if in future the amount is required to be revised. This amount of contribution will be used as advance against the electricity & maintenance charges. Those whose construction is not completed then such amount will be adjusted in the sales consideration.

I hereby request all the Allottees of the Project (Casa Royal, Royal Bazaar & Sanskriti) shall deposit their share of contribution of Rs. 20,000/- (Rs. Twenty Thousand only) per unit towards meeting the cost of expenses per unit in the Bank Account as given below of the Corporate Debtor. This amount of Rs. 20,000/- would be treated as advance payment towards their cost of unit or maintenance services. This will not be treated as loan to Corporate Debtor.

My team and I have nearly collated a list of all claims received by us received upto the date of lockdown but due to the pan India Lock all the data compiled till that date has been left in the Office Systems computer(s), we are reworking again on the mail download etc. again which is near to completion as we have access to the data, at present the team members are working from their homes to the extent they are able to do will share the list with you in the coming few days. As we all are spread across different locations and are facing various issues/challenges such as internet speed, printer, verification of data, punching of data, reconciliation of same & other issues etc., has become taxing us to complete the data. We regret the inconvenience caused to anyone and these circumstances are beyond our control.

All these circumstances led to delay in preparation of the list of creditor(s). However, we have already communicated each & every claimant about the acceptance of claims subject to the verification of same from the Corporate Debtor(s) records. Soon we will communicate to all the Claimants in regard to the amount admitted (to the extent verified from the documents submitted). I will be approaching the respective claimants, in case of any discrepancies.

In case of any query or suggestions, please feel free to contact (in case of Home Buyer class kindly approach me via your Authorized Representative).

In conclusion, this communication is aimed to communicate with all Financial Creditor(s)/ Home Buyers for considering the important issues, inviting suggestions & contributing for the cause of Allottee(s) :

- (i) Seeking working plan of actions for initiating the construction activities from all Financial Creditors after lifting of the Lockdown
- (ii) Seeking suggestions for controlling the cost & expenditure of Corporate debtor.
- (iii) Seeking the suggestions for maintaining the Essential Services at the Project Site
- (iv) Considering the immediate need of creating the Pool of funds for meeting the expenses related to supply of essential services to Residents of Sanskriti & Casa Royal for the next 6-9 months during the currency of Corporate Insolvency Resolution Process.

I would request all the Financial Creditors to give their suggestion towards running of the CIR proceedings of the Corporate Debtor and further also request to all the Home Buyers class / Allottees to consider & deposit the contribution which would be adjustable in the Cost of Units / Maintenance expenses of the Units.

The allottees are required to make their payment in the given below Bank account of the Corporate Debtors account/s.

Punjab & Sindh Bank
Connaught Place, New Delhi
Earthcon Universal Infratech Pvt Ltd (Escrow)
A/c No. 07171100011196
IFSC Code:- PSIB0000717

Thanking You,

Mr. Jitender Arora
Registration no: IBBI/IPA-002/IP-N00305/2017-18/10863
Resolution Professional of Earthcon Universal Infratech Private Limited

Dated: 1st May 2020
Place: Delhi