

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

BENGALURU BENCH

Case No. CP. (IB) No. 305/BB/2019

In the Matter of:

M/s. Kotak Mahindra Bank Limited(Petitioner/Financial Creditor)

Vs

M/s. Arun Shelters Private Limited(Respondent/Corporate Debtor)

REPORT CONSTITUTING COMMITTEE OF CREDITORS AS PER REGULATION 17 OF THE IBBI (CIRP) REGULATIONS 2016 AND REVISED LIST OF CLAIMS AS PER REGULATION 13 OF THE IBBI (CIRP) REGULATIONS, 2016 OF INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS 2016

1. I am the Resolution Professional, having Registration No.: IBBI/IPA-001/IP-P00771/2017-18/11316 for the Petitioner / Corporate Debtor M/s Arun Shelters Private Limited. I was appointed by this Hon'ble Tribunal *vide* order dated 11.09.2020 in I.A. No. 322 of 2020 which was received by me on 18.09.2020.
2. The erstwhile RP issued a public announcement on 04.02.2020 in Prajavani (Kannada daily) and Deccan Herald (English daily) newspapers calling for claims from the creditors of the Corporate Debtor.
3. At present there are two projects which are pending execution, Arun Auroville and Arun Parkwoods. Claims have been received in respect of both projects by the previous RP
4. The erstwhile RP relied on the judgement of Hon'ble NCLAT in Wintermills Vs Umang Realtech and constituted only one CoC namely only for Project Auroville.
5. Thereafter CoC meetings were held on 02.03.2020, 17.03.2020 and 30.04.2020. In the third meeting of the Committee of Creditors the RP intended to change of constitution of CoC by constituting a single CoC for the Corporate Debtor without reference to the real estate projects of the Corporate Debtor.
6. The erstwhile RP, inspite of an objection from M/s.Kotak Mahindra Bank Limited, proceeded and changed the constitution of the CoC. This decision of the erstwhile Resolution Professional was objected and challenged by M/s Kotak Mahindra Bank Limited **vide Application I.A. No. 187 and 195 of 2020**. This Hon'ble Tribunal allowed the application on 29.06.2020 thereby reinstating the erstwhile CoC for Project Arun Auroville.
7. Thereafter, the Resolution Professional revised the constitution of the CoC once again and submitted a Memo to the NCLT on **21 August 2020 to revert to the position as at the first CoC meeting namely, a project wise CoC only in respect of Arun Auroville**
8. In the meeting that was held on 10.08.2020, the Committee of Creditors passed resolution for the replacement of the RP. The erstwhile RP filed application I.A. No. 322 of 2020 for replacement of RP and by order dated 11.09.2020, present RP was appointed.

9. After taking over as the Resolution Professional, the Applicant proceeded to review the claims, it was found that the Corporate Debtor has one completed Project Arun Patios and one more Project Arun Parkwoods (apart from Project Arun Auroville) , which has also committed default to its creditors and claims have been received from financial creditors, home buyers and the operational creditors of the said project Parkwoods (formerly called as Arun Kausthuba).
10. Based on the above, Applicant discussed the matter with the main Financial Creditors of Project Arun Parkwoods about the need for inclusion / constitution of CoC for Project Arun Parkwoods. Since the projects are independent in nature with different set of financial and operational creditors barring a few common claims which can be apportioned to these projects or appropriately dealt with, it was felt that project wise CoC and CIRP would maximize the value of real estate projects. The Financial Creditors of Arun Parkwoods and the creditors have unanimously consented to the constitution of second CoC.
11. However, the undersigned preferred an Application to the Hon'ble NCLT to permit the constitution and continuance of the CoC for Arun Parkwoods. After hearing in the Tribunal where in the legal counsel of the main Financial Creditor – M/s Kenstream Ventures was also present, this Application was subsequently withdrawn by the undersigned and the Financial Creditors of Arun Parkwoods have been intimated that the CIRP process is being carried on only for Arun Auroville, their Claims are kept in abeyance and that they may do the needful in the matter to seek inclusion of their claims and several mails were sent to them in this regard
12. The present RP is carrying out the CIRP Process only in respect of Arun Aurovilla as per the orders in IA 187 / 195 of 2020
13. The main financial creditors of Arun Parkwoods , namely M/s Kenstream Ventures and M/s Puravankara Limited have now approached the Hon'ble NCLT and have sought the directions of the NCLT to consider their inclusion in the COC . The matter is yet to be heard
14. Further I wish to now state that I have proceeded to review all the claims placed before me with reference to books, records, information and explanations available and provided and now present the present status of the Committee of Creditors and the Revised list of Claims before the Hon'ble NCLT, Bengaluru, along with details of security interest, subject to further determinations, if any. Certain claims have been kept in abeyance and will be decided based on the orders of the Hon'ble NCLT and based on any further information as may be received

15. Financial Creditors with Voting Share in Arun Aurovilla

S.No	Name of the Financial Creditor	Amount	Voting Share
1	Kotak Mahindra Bank Limited	34,27,27,729	85.0%
2	Mr. Shashidhar Muniyappa	4,36,49,782	10.8%
3	Mr. Manjunath. B	51,48,711	1.3%
4	Mr G S Srinivas	1,16,07,000	2.9%
	TOTAL		100.0%

16. All Claims Received and Status Thereof

The details of the latest total position of all claims are kept in Annexure A and the details of the Security Interest in respect of the claims received is kept in Annexure B and Annexure C

Sripriya Kumar | Resolution Professional
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For Arun Shelters Private Limited | Corporate Debtor
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Date: 17 February 2021 | Place: Chennai

Annexure A

1. List of Claims as of Feb 17, 2021

The RP is in the process of verification of Claims with due correspondence to the various parties stated herein and the final amounts may vary.

Name	Project	Date	Claims	Auroville	Others
				Admitted	Under Verification
Financial Creditor				Rs	Rs
Kotak Mahindra Bank Limited	Auroville	20-Feb-20	34,27,27,729	34,27,27,729	-
Corporation Bank	Others	20-Feb-20	2,18,93,767	-	2,18,93,767
Kenstream Ventures LLP	Park wood	18-Feb-20	36,37,16,712	-	36,37,16,712
Home Buyer					
Puravankara Limited	Park wood	18-Feb-20	1,35,16,601		1,35,16,601
Shashidhar Muniyappa	Auroville	17-Feb-20	4,36,49,782	4,36,49,782	
Manjunath. B	Auroville	19-Feb-20	51,48,711	51,48,711	
Maheshwari Nagaraj Parasiva and Nagaraj Parasiva	Park wood	21-Feb-20	13,61,414		13,61,414
Mr. Ravi Kumar. Patil	Park wood	11-Jun-20	7,39,599		7,39,599
M. V. Patil	Park wood	11-Jun-20	7,39,092		7,39,092
G S Srinivas	Auroville	19-Dec-20	2,48,33,048	1,16,07,000	1,32,26,048
Operational Creditor					
Mango Financial Advisors LLP	Split available	19-Feb-20	85,84,500	41,59,500	44,25,000
Sankalp Communications.	Park wood	20-Feb-20	41,87,683	-	41,87,683
Sankalp Print and Production	Park wood	20-Feb-20	5,82,952	-	5,82,952
Bhavani Enterprises	Park wood	20-Feb-20	32,82,001	-	32,82,001
Adcanopus Digital Media Private Limited	Park wood	02-Mar-20	6,65,520	-	6,65,520
Difesa Security Services	Combined	18-Apr-20	2,13,171	92,408	1,20,763
Provident Housing	Park wood	18-Feb-20	3,24,50,154	-	3,24,50,154
Sonu Marketing	Auroville & Otl	09-Nov-20	17,15,648	16,43,253	72,395
Statutory Authorities					
Deputy Commissioner of Commercial Taxes, (Audit)	Entity Level	10-Mar-20	8,90,23,644	22,27,395	8,67,96,249
ACCT ND 5 Bengaluru	Entity Level	26-Aug-20	12,23,78,415	-	12,23,78,415
ITO, TDS Ward 1, Bengaluru	Entity Level	16-Sep-20	1,06,93,881	7,54,331	99,39,551
Professional Tax Officer	Entity Level	16-Jan-21	79,961	29,514	50,447
Employee & Workmen					
S. Ravindra	Entity Level	20-Feb-20	6,83,862	2,36,506	4,47,356
Cheruku Lakshminarayan Reddy	Entity Level	17-Feb-20	64,86,563	45,490	64,41,073
Ramya. R	Entity Level	21-Feb-20	62,000	25,678	36,323
Shantha M L	Entity Level	18-Feb-20	74,000	29,490	44,510
Promoter					
Arun Kumar-Remuneration payable	Entity Level	02-Nov-20	1,41,63,514	64,18,631	77,44,883
Arun Kumar-Rent payable	Entity Level	02-Nov-20	89,75,000	42,75,000	47,00,000
Arun Kumar-Working Capital funded through Neelagiris Wines	Entity Level	02-Nov-20	7,88,00,572		7,88,00,572
Suchitra N - Remuneration	Entity Level	02-Nov-20	54,60,465	25,23,533	29,36,933
Total			1,20,68,89,961	42,55,93,949	78,12,96,012

2. Names and Addresses of Claimants

Names and Addresses of Claimants	Address
Financial Creditor	
Kotak Mahindra Bank Limited	
Corporation Bank	No-1, First Floor, Jairamnagar, Jakkur, Bangalore-560064
Kenstream Ventures LLP	No.130/2, Ulsoor road, Bangalore-560042
Home Buyer	
Puravankara Limited	130/1, Ulsoor road, Bangalore-560042
Shashidhar Muniyappa	No.54, 5th Main, 4th Cross, 60 ft Road, RMV 2nd stage, Boopasandra, Bangalore-560094
Manjunath. B	72, Pocket-1, Vasanth Vihar, Army Layout, billamarahalli, Bangalore-562157
Maheshwari Nagaraj Parasiva and Nagaraj Parasiva	No.8, AECS Layout, Florence English School Road, Sanjaynagar, Bengaluru-560094
Mr. Ravi Kumar. Patil	A-705, R R Signature, Chokkanahalli Layout, Thanisandra Road, R K Hedge Nagar, Bengaluru-560064
M. V. Patil	A-705, R R Signature, Chokkanahalli Layout, Thanisandra Road, R K Hedge Nagar, Bengaluru-560064
G S Srinivas	8/6, Srinivasa Iyer Compund, Martin Road, Bellary, Karnataka
Operational Creditor	
Mango Financial Advisors LLP	6th Floor, INGS Point, opp. Mumbai university campus, kalina Santacruz East, Mumbai-400098
Sankalp Communications.	No.32,/1, Krishna Reddy Colony, Domlur Layout, Bangalore-560071
Sankalp Print and Production	No.32,/1, Krishna Reddy Colony, Domlur Layout, Bangalore-560071
Bhavani Enterprises	No.09, 2nd Floor, Govindappa Road, Kammanahalli, Bangalore-560033
Adcanopus Digital Media Private Limited	No.555 1st Floor, Axis padegal building, 2nd main, 9th cross, 3rd phase JP nagar, Bengaluru-560078
Difesa Security Services	No.110, 10 cross, Venkatapura Main, 1st Block Koramangala, Bangalore-560034
Provident Housing	130/1, Ulsoor road, Bangalore-560042
Sonu Marketing	No. 14, 4th cross, Mysore Road, Deepanjali Nagar, Bangalore-560026
Statutory Authorities	
Deputy Commissioner of Commercial Taxes, (Audit)	Room No.506, 5th Floor, B-Block, VTK-2, Rajendranagar, Koramangala, Bangalore-560047
ACCT ND 5 Bengaluru	North Division 5, II Floor, No.16/1, S.P. Complex, Labagh Road, Bangalore- 560 027.
ITO, TDS Ward 1, Bengaluru	TDS ward-1(1), no.59, HMT Bhavan, 4th Floor, Bellary Road, Bangalore
Professional Tax Officer	10th Circle, Bangalore, TTMC, 4th Floor, BMTC Building, Yeshwanthpur, Bangalore 560022
Employee & Workmen	
S. Ravindra	#36, 3rd C Cross, 3rd Main, 3rd stage, 2nd Block, Basaveshwaranagar, Bangalore-560079
Cheruku Lakshminarayan Reddy	#226, B2 Wing, gataprabha Block, National Games Village, Koramangala, Bangalore-560047
Ramya. R	#1, 10th Cross, 1st Main, Prashanth Nagar, Bangalore-560079
Shantha M L	A-41, MSR Colony, Gokula Post, Bangalore-560064
Promoter	
Arun Kumar-Remuneration payable	No.100, 4th Main, Amarajyothi Layout, R.T. Nagar, Bangalore-560 032
Arun Kumar-Rent payable	No.100, 4th Main, Amarajyothi Layout, R.T. Nagar, Bangalore-560 032
Arun Kumar-Working Capital funded through Neelagiris Wines	No.100, 4th Main, Amarajyothi Layout, R.T. Nagar, Bangalore-560 032
Suchitra N - Remuneration	No.299, 6th Cross, 1st Block, R.T. Nagar, Near BDA Complex, Bangalore-560032

Annexure B

Particulars of Security Interests held - M/s Kotak Mahindra Bank Limited : Project Arun Auroville

A. Details of Immovable Property Charged by the CD (extracted from claim documents): -

All that price and parcel of the property being land and building being Residential Project by the name of Auroville situated in the property bearing BBMP khata No.944/33/2, 944/32/1, 944/33/5, 944/33/6, 944/32/2, situated at Shivanahalli Village , Yelahanka Hobli, Jakkur Road Bengaluru north Taluk totally land admeasuring 1,37,214 Sq. ft together with BF+GF+3 Upper floor in 17 block total 85 Villaments and 174 closed car parks or together with all existing building and structures thereon and buildings and structure as may be erected / constructed there upon any time from/after the date of respective mortgages and all additions thereto and fixtures and furniture's and plant and machinery attached to the earth or permanently fastened to anything attached to the earth both present and future. The Corporate Debtor as a security had deposited the Title Deed with the present Financial Creditor of the above-mentioned properties.

B. All present and future Current Assets (Excluding Project Kaustubha Project) of the company

C. All present and future receivables of Project Arun Auroville Jakkur Bengaluru.

D. Details of Immovable property charged by the Guarantor Mr. Arun Kumar

1. Vacant Land - All that price and parcel of the property being land and building bearing No.139/57/4, earlier Sy. No.57/4, Hebbal Village, Kasaba Hobli Bengaluru north Taluk measuring 16 guntas or 17424 Sq. ft or together with all existing building and structures thereon and building and structures as may be erected/constructed there upon any time from/after the date of respective mortgages and all additions thereto and fixtures and furniture and plant and machinery attached to the earth or permanently fastened to anything attached to the earth both present and future
2. Office Premises - All that price and parcel of the property being land and building of Site No.299, in block 1. Mattadahalli Extension. R.T nagar, now bearing BBMP Khata No.299,PID No.97-1 No.1 admeasuring land about 1961.60 Sq. ft along with building with Stilt +GF+FF+SF+ Terrace and total Stilt area admeasuring about 1206 Sq. ft and Built up area Block 3693 Sq. ft situated at Mattadahalli Extension, R.T Nagar Bengaluru or together with all existing building and structures thereon and building and structures as may be erected/constructed there upon any time from/after the date of respective mortgages and all additions thereto and fixtures and furniture and plant and machinery attached to the earth or permanently fastened to anything attached to the earth both present and future

3. Residential Premises - All that price and parcel of the property being land and building bearing Site No.100, now bearing BBMP Khata No.100,PID No.96-1-100 now situated at Amarjyothi Private Layout Cholanayakanahalli, R.T Nagar Post Ward No.96 Hebbal, Bengaluru measuring East to West 50 Feet and North to South (75+68)/2 feet, totally measuring 3575 Sq. ft , along with building with Gf+FF+SF total area admeasuring about 6775.00 Sq. ft total built up area or together with all existing building and structures thereon and building and structures as may be erected/constructed there upon any time from/after the date of respective mortgages and all additions thereto and fixtures and furniture and plant and machinery attached to the earth or permanently fastened to anything attached to the earth both present and future

Particulars of Security Interests held - Mr G S Srinivas, Home buyer , Arun Aurovilla

(Land Mark) Residential Unit bearing No. B-2020 in Second Floor of 'B' Block, having 3444 Sq.ft., of Super built up area along with 2 car parking and servant room ar B-Block, Basement, in the complex known as 'Arun Auroville' together with 644 sq feet out of 3300 sq feet., of Undivided right, title, interest and share in the land on the Schedule A property i.e., Property bearing BBMP Property Nos. 944/32/2, Ward No. 1, Shivanahalli, Yelahanka Hobli, Bangalore North Taluk (formerly the lands bearing Sy Nos. 33/2, 32/1, 33/5, 33/6 and 32/2, Shivanahalli, Yelahanka Hobli, Bangalore.

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Annexure C

Particulars of Security Interests held - M/s Kenstream Ventures : Project Arun Parkwoods

Security Particulars as per Debenture Trust Deed	
Issuer / Borrower:	Arun Shelters Pvt Ltd.
Promoter:	Mr. Arun Kumar & Mrs. Suchitra N
Security Provider:	Mr. Arun Kumar (Land) along with Arun Shelters Pvt Ltd (Buildings)
Lender/Subscriber:	Kenstream Ventures LLP
Facility Amount:	Upto Rs. 25 crs to be disbursed in two or more tranches
Instrument:	Non-Convertible Debentures (NCDs)
Primary Projects:	Residential Project code named "Kaustubha" on the land admeasuring 4 acres and 15 Gunthas on Sy No. 98, BBMP Khata No. 33/1/98 (New PID No. 005-W0132-16), Thanisandra Main Road, Bengaluru with the total Salebale area of 528,336 sqft approx. (Hereinafter called as the "project"). Project shall be more particularly described in Transaction Documents.
Security:	<ul style="list-style-type: none">• First & Exclusive Charge on the Land of the project• First & Exclusive charge on the Development Rights, Project Building both Existing and proposed structure and development potential• Hypothecation of 100% Existing and Future Receivables and Movable assets belonging to the Project including TDR etc.,• Escrow of 100% receivable from the project• Demand Promissory Noted• Undated Cheques for Principal amount and Interest• Personal Guarantee of Mr. Arun Kumar• Personal Guarantee of Ms. Suchitra N• Non Disposable Undertaking from shareholders of the Issuer

Sripriya Kumar | Resolution Professional

Regn. No: IBBI/IPA-001/IP-P00771/2017-18/11316

For Arun Shelters Private Limited | Corporate Debtor

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