



C & C CONSTRUCTIONS Limited

AN ISO 9001 : 2008 Certified Company

Plot No. 70, Institutional Sector -32, Gurgaon – 122001 (Haryana) INDIA

Ph.: 0124-4536666 Fax : 0124-4536799

E-mail : candc@candcinfrastructure.com

Web: www.candcinfrastructure.com

(C&C Constructions Ltd is under Corporate Insolvency Resolution Process of the IBC 2016.)

Ref No: NKG / C&C / 2020 /

July 09,2021

The Securities Exchange Board of India

Plot No. c4-A, G Block,

Bandra- Kurla Complex, Bandra(East)

Mumbai-400051, Maharashtra

022-26449000

Subject: Request letter in continuation to the letter dated August 09, 2019 for granting time to submit the Quarterly and Annual financial statements for the year ending on March 2019, March 2020, March 2021 and beyond.

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Representation

Dear Sir,

This is in continuation to our earlier letter dated May 24, 2019 wherein the request for granting the time for 60 days was raised by M/s C&C Constructions Limited ('Corporate Debtor/CD') through the company secretary of the Corporate Debtor under the instruction of the undersigned. Thereafter the undersigned had filed an appeal before the Hon'ble Securities Appellate tribunal in August 2019 which was owing to the lockdown being imposed by the Hon'ble Government of India to contain the spreading of Novel Covid 19, the restricted opening of the lockdown and further another lockdown imposed by the Hon'ble State Government, could only be heard in January 2021 and in Appeal No 136 of 2021.

The aforementioned application is currently listed for hearing on July 12, 2021, however considering that the application was filed for seeking relief on the order of the BSE and NSE vide notice dated June 17, 2019. We are hereby filing a suo moto representation with your good office to provide the Corporate Debtor with a relief of filing the quarterly and annual financials until October 30, 2021 for the financial year ending on March 2019 to March 2021 on account of the reasons mentioned hereunder.

In order to establish a better understanding of the case we are hereby starting out with the initial events of the case and thereafter lay down the reasons of such delay in filing the financials with the stock exchanges.

Summary of the facts that contributed to the said non compliances.

- **Background and Appointment of Resolution Professional**

As already informed the Corporate Debtor was admitted under the Corporate Insolvency Resolution Process ('CIRP') within the ambit of the Insolvency and Bankruptcy Code, 2019 ('Code') vide an order of the Hon'ble National Company Law Tribunal dated February 14, 2019. Whereby Mr. Navneet Kumar Gupta was appointed as the Interim Resolution Professional ('IRP') of the Corporate Debtor and the powers of the existing directors of the Corporate Debtor were vested with the IRP. Copy of order attached as **Annexure-1**

Post taking over of the Corporate Debtor, Mr. Navneet Kumar Gupta discovered that the CD is experiencing critical financial crunch so much so that the employees and the statutory dues of the Corporate Debtor were not paid for more than 10 months on an average for some employees and statutory dues. It is to note that the financial crunch has been persistent for the entire CIRP and the same is highlighted from the repetitive request raised by the IRP and RP to the members of the committee of creditors ('CoC') for providing the interim finance in order to meet the statutory dues, employee salary, statutory auditor fees and other survival expenses. Unfortunately, the said agenda were denied by the members of the CoC time and again. The interim finance was denied to the undersigned in the first, second, third, fourth, fifth, sixth, eighth owing to which it has been very difficult for the RP to keep the company as a going concern so much so that the RP has experienced consistent non-cooperation from the employees and the other stakeholders whose dues have not been paid.

- **Initial Appeal against CIRP**

Further pursuant to the order of the Hon'ble NCLT admitting the company in CIRP, the promoters of the Corporate Debtor filed an application before the Hon'ble National Company Law Tribunal in Company Appeal No. 249/2019 and the Hon'ble Bench vide order dated March 14, 2019 stayed the proceedings of the CIRP with an instructions to ensure that the company remains as a going concern. Thereafter the process of CIRP was stayed and it was only post order dated May 30, 2019 that the Hon'ble NCLAT allowed the IRP to proceed with the meeting of the committee of creditors, however the application was not disposed off by the Hon'ble NCLAT on May 30, 2019.

Thereafter, on June 20, 2019 Mr. Navneet Kumar Gupta was confirmed as the Resolution professional of the Corporate Debtor through second meeting of the committee of creditors convened on June 14, 2019. Thereafter the RP undertook the operations of the company and since then the RP has been making continuous efforts to complete the filing of financials with the authorities. The said is highlighted from the update provided to the members of the committee of creditors in the various meetings of the CoC starting from the second meeting wherein the RP was appointed. The efforts made by the RP and the various reasons for not being able to compile the financial information were time and again placed before the members of the CoC which is highlighted from the month wise analysis presented by the undersigned below.

- **Non-Cooperation from Erstwhile Management and Employees**

It is also to be highlighted that on taking over the management of the Corporate Debtor the Interim Resolution Professional encountered various occasions of non-cooperation from the employees and suspended directors of the Corporate Debtor towards submission of information and owing to which an application was immediately filed before the Hon'ble National Company Appellate

Tribunal in CA 471/2019 on March 11, 2019 wherein the IRP pleaded that the information requested from the suspended directors of the Corporate Debtor have not been provided which also includes the partial books of accounts of the Corporate Debtor. It is to note that the said application was heard till August 2019 by the hon'ble NCLT post which the information sought by the IRP/RP was ultimately formed a part of the application filed under section 74 of the Code or was then included in the transaction audit report submitted by the auditor appointed under the provisions of the Code.

- **Appointment of Transaction Auditor for Transaction Review**

Also on initial perusal of the financial statements and the supporting documents thereof, the IRP observed certain transactions to be potential preference, fraudulent transfer, and fraudulent / wrongful transactions and required a thorough investigation to understand the essence of said transactions before they could be reported on the Financial Statements of the company to ensure that the financials present a true and fair picture of the Financial Position of the Company.

Thus in the second meeting of the committee of creditors the IRP introduced an agenda to the members of the committee of creditors for appointment of a transaction auditor in order to ensure transparency in the books of accounts of the Corporate Debtor and unearth any transactions not representing a bonafide intent. The said request was duly acceded to by the members of the committee of creditors and therefore the books of accounts would not have been able to be compiled considering the pendency of the transaction audit report on the Corporate Debtor. Copy of the minutes of second CoC is attached as **Annexure-2**.

- **Continued Non-Cooperation and Closure of Office of Company**

The transaction auditor also encountered issues of non-cooperation from the erstwhile management and the staff and the information was made available in a staggered manner and with much time lapse thus severely affecting the pace of completion of the assignment.

As informed, the RP and the team faced various disruptions on the premises of the Corporate Debtor on account of nonpayment of salaries in the form of protests wherein the team had to vacate the premises of the Corporate Debtor to ensure safety of its personnel.

The periods wherein the RP Team and the auditors could not access the premises of the Company and the record maintained therein is summarized hereunder.

1. Part of June 2019- Due to protest by the employees
2. Part July 2019- Due to protest by the employees
3. Part August 2019- Due to protest by the employees
4. September 2019- Non-payment of electricity charges leading to disconnection of electricity.

On subsequent examination by the transaction auditor, certain transaction including the inventory and receivables forming part of the of the books of accounts were identified to be potential preferential, fraudulent transfers, and fraudulent / wrongful transactions. Some other transactions could not be fully investigated for lack of information owing to non-cooperation from the erstwhile directors or the employees of the Corporate Debtor.

Thereafter, two separate applications were filed before the Hon'ble NCLT regarding the above mentioned transactions and in one application directions were sought against the erstwhile

management under section 19 (2) of the IBC for cooperating and providing the requisite information on transactions requiring further investigation and in the other application, reversal of avoidable transactions specifically covered under section 43, 45, 49, 66 and 74 of the Code.

The said applications are still pending before the adjudication authority and these contain transaction of substantial value which will form part of the books of accounts of the Corporate Debtor.

Even thereafter, the employees had purportedly refused to provide the requisite information on account of non-payment of their salary dues which are pending for over a year at this moment. The said report is hereby attached as **Annexure-3**.

- **Office closure due to Novel Coronavirus and other unfortunate events**

Even after the completion of transaction audit to the best possible extent in Feb 2020, the financials could not be compiled as the office had to be closed because of the onset of Novel Coronavirus.

The office had to be closed from March 2020 to June 2020 and after the initial wave the office was opened with restricted capacity from July 2020, however, there were unprecedented rainfall in the month of Aug 2020 at the location wherein the Corporate Office of company is situated and resulted in massive water logging again forcing the office into complete shutdown. The rainfall also resulted in severe damage to the server which were located in the basement that was most severely hit by the waterlogging.

The waterlogging affected the hard copy of the documents being vouchers and supporting documents of the financials were submerged in the water which could only be cleared with time and in tranches owing to non-availability of funds with the Corporate Debtor. Even still the Corporate Debtor is functioning on half the capacity of servers as the CD could not fund replacement by new servers, which ultimately increases the downtime of the data from the servers.

It may also be noted that the employees of the Corporate Debtor do not have any facility to work from home and have been allotted desktop computers for working and the RP could not create necessary infrastructure during the Pandemic to facilitate work from home as it required substantial outflow on IT infrastructure and laptops for which requisite funds were not available.

- **Non-Cooperation from Auditor due to Non-Payment of Dues**

The non-cooperation on account of funds was so much so that the existing auditor of the Corporate Debtor had denied to review the financial information of the Corporate Debtor owing to the non-payment of their fees for the pre CIRP period and demanded a payment schedule for payment of its post CIRP fees. In response to which the RP committed to the auditor that the auditor fees would be paid on priority as and when the funds were available with the Corporate Debtor. However no positive response was received by the RP from the auditor.

- **Efforts made by Resolution Professional to ensure Compliance to the extent possible**

Notwithstanding the severe non-compliance and difficulties posed by the close-down on numerous occasions, the RP has made an earnest attempt to keep the shareholders, and the members of public with an interest in the Corporate Debtor, apprised of the situation, vide regular

updates and filing various reports with the concerned stock exchanges and also on the online portal of the website viz.:

1. Latest updates of the CoC meeting convened by the Corporate Debtor.
2. Latest update on the claims admitted by the RP under the CIRP

It is to note that any delay in providing such information to exchange or uploading on the website pertaining to the convening of the meeting of the committee of creditors or any other representations, were also due to the fact that company secretary of the Corporate Debtor had provided late cooperation to comply with such update due to non-payment of his salary.

Also as mentioned above that the existing statutory auditor of the Corporate Debtor denied performing his duties due to non-payment of his pre CIRP dues and demanded a payment schedule which was duly replied by stating that the pre CIRP dues were to be dealt as per the Code and the post CIRP would be paid on priority.

These developments were duly informed to the CoC and in turn interim finance was demanded on various occasions and meeting of CoC which was not approved despite repeated requests.

Also, to change the financial auditor the RP had to pay some fees to the new statutory auditor which was not possible considering the financial crunch being faced by the Corporate Debtor.

- **Other Impediments to timely completion of Audit Process**

It is imperative to highlight that the financials of the Corporate Debtor are compiled on the basis of line by line addition of all the various heads in the financials for all the relevant associate entities as per the accounting standard.

Thus, the books of accounts were dependent on completion of accounts for such entities. The financials of the various associate entities including the major joint ventures were only received by the RP in December 2019 as the RP did not have direct control over all the other entities. The RP also encountered resistance from the business partners of company due to their outstanding claims against the company and past non-payment.

The list of entities whose financials are required to prepare the standalone financials for the company are mentioned hereunder: -

1. BSC C&C JV (a joint venture with M/s BSCPL Infrastructure Limited)-under the management of the JV partner
2. BLPL C&C JV (a joint venture with M/s Broadway Links Private Limited)- Under the management of the JV partner
3. EPI C&C JV (a joint venture with Engineering Projects India Limited)
4. C&C Isolux JV's (a joint venture with M/s Isolux Corsan)
5. C&C Oman (a branch entity setup in Oman)- assisted by the employees of the operating entity (one of the subsidiary company)
6. C&C ESM JV

Further it is to note that the financials for upto March 2019 have been received for the joint ventures and thereafter no financials have been received for the joint ventures mentioned above at S.No. 1, 2,3,4 and 6.

Thus the RP undertook all the best possible efforts to ensure that the compliances are met by the Corporate Debtor and finally on repeated discussions with the CoC in the last meeting of the CoC (25th meeting) the RP introduced the agenda for approval of the revised fees of the statutory auditor. Post which on seeking legal advice from the advisors the RP informed the existing auditor for opportunity of being heard. Nonetheless it is to note that the Information Memorandum published by the undersigned as stipulated under the Insolvency and Bankruptcy Code, 2016 ('Code') it was mentioned that

“The financial information provided above is based on the published results for the quarter ended December 31, 2018, the latest provisional financials could not be presented herein primarily owing to the fact that the company is carrying its operations through multiple setups being JVs/JCOs, overseas branch offices etc. and the data is also managed at the respective locations from where the finalization and retrieval is a time taking process. The annual audit for the FY 2018-19 is in progress and the financials would be updated in due course“

Also, the Resolution Applicants were duly informed that the accounts of the Corporate Debtor have not been audited for the aforementioned financial periods.

- **Envisaged impact of non-submission of audited financials on the Public Investors**

It is observed that the trading volume as compared to total number of shares listed for trading, is 1.53 % of total capital of the Company and the average daily trading during the same period is .00614% of the total capital of the company (which means 614 shares out of every 100,000 shares). The above fact may be construed to interpret that there was no apparent significant impact on any person during the period of absence of information about financial statements and release of results by the Company amongst public at large. Thus, the reasons of the Stock Exchanges for imposition of penalty are unfounded.

Also that the financial crunch being faced by the Corporate Debtor is so much so that even if the liquidation value of the Corporate Debtor is distributed among the existing claimants of the Corporate Debtor, it would not suffice for payment of secured creditors itself thereby implying no residual value attributable to equity stakeholders.

It is to highlight that the undersigned had made the disclosure with the stock exchange on 24.05.2019 and 07.06.2019 wherein it was mentioned that the financial statements are not available with the Corporate Debtor. Further a representation was also made before your good office vide letter dated 24.05.2019 and 09.08.2019 for providing 60 days for filing the financials. Further the undersigned had informed the investor through publishing the letter dated 04.12.2019 on the website of the Corporate Debtor wherein it was specifically highlighted that the financial statements of the Corporate Debtor could not be finalized owing to financial crunch with the Corporate Debtor.

- **Steps initiated by the Resolution Professional to complete the Audit process henceforth**

The RP team is determined to resolve the situation had sought external help of experts for ensuring the compliance of the said provision including the IT consultants. Further in order to resolve the situation of the appointment of auditor the RP in the twenty fifth meeting of the CoC convened on April 05,2021 had approached the members of the CoC for approving the revised fees for appointment of the statutory auditor for the financial year March 2019, March 2020 and

March 2021. The said agenda was approved by the members of the CoC. Post which the RP approached the existing auditors with the approved fees and currently the process of final appointment is underway

We have reopened the office of the Corporate Debtor post receipt of revised lockdown restrictions and the process of finalization of books of accounts for all the three years as per the report of the transaction auditor and the valuation reports under Code is underway. The said process will be completed in another 120 days subject to any further lockdown and cooperation from the employees and erstwhile management of the Corporate Debtor.

- **Present Representation**

The current representation is being made before your good office for:

- a. Accepting the reasons submitted by the Resolution Professional for inability to complete the financial statements in a timely manner as elaborated above, including, but not limited to:
 - i. the presence of objectionable and material transactions requiring a thorough and independent assessment,
 - ii. non-cooperation from erstwhile management and employees,
 - iii. non-cooperation from auditor due to non-payment of dues,
 - iv. extended periods of closure of office due to reasons beyond the control of Resolution Professional
 - v. Company being state of shut down
 - vi. Severe financial crunch and lack of funding from the Committee of Creditors
 - vii. Liquidation application already filed at NCLT in month of April 2021
- b. Permitting relief to the Corporate Debtor considering the genuine request basis reasons mentioned hereinabove resulting in non-filing of quarterly and annual financial statements with the stock exchange for FY 2018-19, FY 2019-20, FY 2020-21 and beyond and
- c. permitting time upto October 30, 2021 for completion of the Audit Process and submission of audited financials which represent true and fair financial position of the company.

In view of continuous efforts by RP and underlying conditions of corporate debtor, it would be very apt for the undersigned to seek relief from your good office as any imposition of a financial penalty will only exacerbate the financial hardships of the Company.

The detailed list of events in chronological order is appended to this response and includes 21 annexures to elaborate the Company's situation.

This is for your kind information.

Thanking you,
Yours faithfully,



For C & C Constructions Limited
Navneet Kumar Gupta
Resolution Professional

C&C Constructions Ltd
Reg no IBBI/IPA-001/IP-P00001/2016-2017/10009

Process related address:

Navneet Kumar Gupta (RP, C&C Constructions Limited)
C/o Duff & Phelps India Pvt. Ltd, 206-207, WorldMark 2, Hospitality District, Aerocity, New
Delhi – 110037

Registered Address:

548, Sunview Pocket 4, Sector -11, Dwarka, New Delhi, National Capital Territory Of Delhi
,110075

Process e-mail address: ip.candcconstructions@duffandphelps.com

Registered e-mail address: navneetkgupta@gmail.com

CC:-

National Stock Exchange of India Limited,

Department of Corporate Services
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai — 400 051

Symbol: CANDC

BSE Limited

Department of Corporate Services
1st Floor, P. J. Towers
Dalal Street, Fort
Mumbai — 400001

Security Code: 532813

Month wise specific list of events for M/s C&C Constructions Limited

February 2019- The CIRP of the Corporate Debtor was initiated on February 14, 2019 and the IRP took over the management of the Corporate Debtor.

March 2019- An application was filed by the promoters of the Corporate Debtor with the Hon'ble NCLAT in CA 249/2019 to stay the proceedings of the CIRP and constitution of CoC which was acceded to vide order dated March 14, 2019 and the CIRP proceedings were stayed with ensuring the going concern payments to be made.

Also, the IRP filed non cooperation application against the promoters of the Corporate Debtor in CA 471/2019 requesting information pertaining to the books of accounts of the Corporate Debtor.

April 2019- The proceedings in CA 249/2019 were continued and the CIRP was stayed by the Hon'ble NCLAT with the direction that the going concern of the CD must be maintained and the payments any thereof must be made accordingly.

May 2019- It is imperative to highlight that on May 30, 2019 the IRP and the team were approached by almost 70 employees of the Corporate Debtor with the complaint of non-payment of overdue salary for the month of April 2019 and May 2019 post initiation of CIRP. The employees demand was that till their dues are not cleared they will not continue to work. In response, the IRP team tried to placate them and reason with them, however this approach was not accepted by the employees, they were relentless in their demand and started silent protesting, resulting in house arrest of the team.

Even after various rounds of discussions the employees were adamant on their demands and were of the view that their dues are also pending for pre CIRP period for varied durations for different employees, therefore they would neither work themselves nor let the IRP team work. The electricity in the building of CD, wherein the IRP team was placed were shut out and the lifts were also stopped. In order to avoid any further mishap and to deescalate the matter, the IRP team vacated the premises of the corporate debtor.

The said incident was informed to the members of the CoC and the reason for non-payment was duly highlighted which was that the payment of employee salaries and wages could not be made on account of precarious financial condition of the Corporate Debtor.

The IRP was allowed to work from the premises of the Corporate Debtor post few weeks after requesting the erstwhile directors to assure the various employees on payment of their past dues, as currently an application was already present in the Hon'ble NCLAT on settlement of the dues of the creditors by the erstwhile directors of the Corporate Debtor. Copy of the email informing the May incident to CoC is attached as **Annexure-4**.

June 2019- As mentioned above the IRP was appointed as the RP of the Corporate Debtor and in the second meeting of the CoC it was duly mentioned that the financials of the Corporate Debtor could not be compiled owing to the non-receipt of financials of the major associate companies and receipt of financials of some companies on May 31, 2019.

Further, the RP had discovered that there were certain transactions which could be objectionable – in the form of preference, fraudulent transfer, and fraudulent / wrongful trading. Thus, a transaction auditor was appointed, in consultation with the COC, to conduct an investigation into

the assets and affairs of the Corporate Debtor. Copy of the detailed agenda of the second meeting of CoC is attached as **Annexure-5**.

July 2019- It was mentioned in the third meeting of the CoC that some of the financials of associate companies were received by the RP on July 16, 2019. However one of the major joint venture's and subsidiary's audited financials were not yet received by the RP which made it impossible to consolidate and file the financial statements with the stock exchange on the due date.

Also on July 09, 2019 the RP and the team were once again approached by almost 50 employees of the Corporate Debtor with the complaint of non-payment of overdue salaries for the month of May 2019 and June 2019. The employees demand were similar but contained more intensity in the agitation. They demanded that till their dues are not cleared they will not continue to work and neither let the RP team to function and thereafter the RP team was asked to vacate the premises of the Corporate Debtor.

The RP team in its communication duly informed the members of the CoC that such disruptions and the consistent financial crunch will make it difficult for the RP to ensure compliance including the Statutory Audit. Copy of the email informing the July incident to CoC is attached as **Annexure-6**.

The RP once again requested the erstwhile directors who were present on the site during the protest to pacify the situation and the RP was allowed to rejoin the work from the premises of the Corporate Debtor after few weeks.

August 2019- On August 22, 2019 the RP team was once again approached by almost 40-50 employees of the Corporate Debtor with the complaint of non-payment of overdue salaries. The salaries are due for some employee for the month of May 2019 and for all the employees for the month of June, July 2019 with August salary also going to fall due very shortly. The employees demand were yet again similar that, now that the agenda for interim finance has been voted negatively by the CoC, there is no resort left with the employees and till their dues are not cleared they will not continue to work and neither let the RP team to function. The RP team vacated the premises of the Corporate Debtor and it was duly informed to the members of the CoC that owing to such disruptions due to non-payment of salary and consistent finances it is very difficult for the RP to undertake the compliances including filing of financial information with the authorities. Copy of the email informing the August incident to CoC is attached as **Annexure-7**.

September 2019- The RP team was not allowed to work for several weeks from the premises of the Corporate Debtor and an update email in this regard an email was sent on September 04, 2019 highlighting that this may lead to non-compliances including Statutory Audit of the Corporate Debtor.

Further the RP team resumed the work from the premises of the Corporate Debtor on September 09, 2020 which was soon brought to halt owing to non-payment of electricity dues to the electricity department of the head office, which ultimately led to disconnection of electricity. The Corporate Debtor was under so much financial crunch that an amount of INR 8 Lakhs approx. could not be paid to the electricity department. In solution to which the RP team used to work from the premises of the Corporate Debtor for few hours on gensets as the employees of the Corporate Debtor had no portable systems and were allocated desktops in the office premises only.

An update email was sent to the members of the CoC on September 20, 2019 wherein it was duly mentioned that *“the RP is making the best possible efforts to coordinate with the employees of the Corporate Debtor while the generators are running and the office is operational to cooperate with the RP for the ongoing CIRP. But ultimately due to no electricity in the office of the Corporate Debtor over and above the non-payment of salaries partly for the month of May 2019 for some employees and for most of the employees for the month of June 2019, July 2019 and August 2019, the cooperation is getting difficult.*

Such long interventions have led to hampering of the work including compliances like Statutory audit of financial statements, collation of data for meeting of committee of creditors and has also made the pursuing of imperative process of the CIRP difficult, such process being Transaction Audit, Valuation etc.”

Copy of the email informing the September 2019 incident to CoC is attached as **Annexure-8**.

October 2019- In the fifth meeting of the committee of creditors the RP once again brought to the notice of the CoC that the financial information could not be compiled as certain information pertaining to the audited financials of few associate and joint venture were not received and also the recurring disruptions from electricity disconnections and the non-cooperation from employees due to non-payment of salaries. Copy of the detailed agenda for fifth meeting of CoC is attached as **Annexure-9**.

However it is imperative to highlight that the RP and team has already instructed the employees to compile the financial information in order for the statutory auditor to review and finalize the accounts. But no cooperation was received from the employees of the Corporate Debtor due to non-payment of their salaries the said is also highlighted from the detailed update sent by the RP to the CoC highlighting the adversities being faced by the RP team including the working conditions on gensets due to no electricity and non-cooperation of employees. Further the email highlighted the consequences of such non-cooperation including the non-compliance of the various provisions of the law. The excerpts of the email are reproduced hereunder:-

“It is also informed to the members that the Corporate Debtor had received some amount from the supply bill but the payment to the supplier for said supply is also pending as on date. It is noteworthy that the proceeds from the earlier supply were utilized for the payment of salary to staff only at that point of time. The nominal receipts are not sufficient to meet the outstanding liabilities amounting to approx. INR 10 Crs (after adjusting the said receipt) which have been incurred post commencement of CIRP.

Presently, the said amount is available in the bank account of the Corporate Debtor and though the RP was in the process of making an equitable allocation of these receipts but the same had to be put on hold in view of the application preferred by the employees. The litigation counsel for the RP have advised to permit the Hon’ble NCLAT to decide upon the utilization/allocation of said funds.

Also in order to restore the electricity connection at the Corporate Office of the Corporate Debtor, the RP has filed an appeal with the Hon’ble NCLT on 30.09.2019 to issue directions to the concerned electricity board, for supply of essential service with the Corporate Debtor which is presently undergoing CIRP. The non-payment of staff salary and the non-availability of electricity have collectively flared up the agitation and the RP and team are being repeatedly confronted by the employees over the payment of salaries out of the limited money received.

Given the prevailing situation and the fact that the allocation/utilization of money has presently become sub-judice, the RP and his team is presently working from their own office and not from the premises of the Corporate Debtor in order to avoid any unwanted incidence.

Further as you are already aware that the request for interim finance has also not been considered favorably by the members of the CoC. The severe cash crunch is causing grave hurdles/problems to RP in discharging his duties under IBC 2016 including protecting value of assets of CD as we are unable to pay for salaries, security expense, electricity, rent.

Please note that the CIRP process is passing through a critical phase wherein the Expression of Interest have been called and in order to pursue the resolution of Corporate Debtor, cooperation from staff to provide the requisite information is imperative and presently, the staff has withdrawn the entire support and have stopped providing information from the Corporate office and also from the site which is resulting in delay in execution of critical deliverables including compliances like Statutory audit of financial statements, collation of data for meeting of committee of creditors and has also stalled the development in critical processes like Valuation, transaction audit, etc. which are imperative to the overall process of CIRP,

The team shall be able to resume full time working from the premises of the Corporate Debtor after payment of the electricity bill and outstanding salaries of the Corporate Debtor, post receipt of directions from the Hon'ble NCLAT. Meanwhile CoC is requested to consider providing some interim finance to the corporate debtor which will help smoothening and increasing effectiveness of process. The RP is also exploring alternate sources for arranging the funds which shall be appraised to the members of CoC in due course."

Copy of the email informing the October 2019 incident to CoC is attached as **Annexure-10**.

Also the employees of the Corporate Debtor filed an application before the Hon'ble NCLAT for directions to the RP to make the payment of their outstanding dues and also for direction to the CoC for providing interim finance.

November 2019- In November on achieving the finalization of accounts subject to receipt of certain financial information pertaining to JV and other subsidiaries, the RP went ahead and wrote to the employees and then subsequently to the existing auditor of the Corporate Debtor who in turn on November 23, 2019 replied seeking details of how the payment would be made by the Corporate debtor of the already pending fees and also the fees for the FY 2018-19.

To which the RP replied highlighting that the pre CIRP expenses have to be filed in the form of claim form as per the provisions of the Code and for the post CIRP period the RP duly informed the auditor of the Corporate Debtor that any fees attributable to them would be part of CIRP cost and would be paid on priority to any other cost.

Copies of the emails to employees and auditor including the response therein is attached as **Annexure-11**.

December 2019- In the sixth meeting of the committee of creditors it was once again informed to the members of the CoC that owing to delay in providing the audited financials of the associate entity the RP is unable to compile the complete financial information and also that the RP had written to the existing auditor of the Corporate Debtor who has denied acting on the financials and has first demanded a payment schedule for making the payments due to the auditor including the pre CIRP payments.

Further the employees of the Corporate Debtor preferred an application before the Hon'ble NCLT to direct the RP to make their overdue payments and also direct the CoC to provide the interim finance.

Copy of the detailed agenda placed in the sixth meeting of the CoC is attached as **Annexure-12**.

January 2020- RP wrote to the auditor through the accounts head of the Corporate Debtor to kindly cooperate with the RP and team and initiate the process of verification and review of financial information of the Corporate Debtor, however no positive affirmation was received from the auditor of the Corporate Debtor.

Copy of the email is attached as **Annexure-13**.

Further the application filed by the employees of the Corporate Debtor was listed for hearing before the Hon'ble NCLT and the Tribunal had asked the RP to be present in the said hearing, wherein RP was directed to release the amount available with the Corporate Debtor to the employees of the Corporate Debtor which was kept by the RP for other necessary payments.

February 2020- Another application was filed by the employees of the Corporate Debtor with the Hon'ble NCLT for seeking payment of their dues through various funds available with the Corporate Debtor. Also the transaction auditor appointed by the members of the CoC, for conducting the transaction audit as per the provisions of the Code including the period of audit under discussion herein for FY 2018-19 had submitted its draft report to the members of the CoC wherein certain transactions pertaining to the period which was under scrutiny was highlighted as ambiguous and objectionable.

Also the valuation reports were submitted by the valuers appointed by the members of the CoC as per the provisions of the Code. The said reports affirmed the objections raised by the transaction auditor and also mentioned certain additional comments on the existing financial assets of the Corporate Debtor.

The above mentioned reports required reassessment of the financial information compiled by the employees of the Corporate Debtor and also detailed audit by the statutory auditor of the Corporate Debtor. Thus, the financial information were once again redrafted and provisions were made to the existing financial information by the employees of the Corporate Debtor.

March 2020- The accounts head of the Corporate Debtor once again wrote to the auditors of the Corporate Debtor to kindly undertake and finalize the statutory audit of the Corporate Debtor, however no response was received from the auditor of the Corporate Debtor.

Copy of the email from accounts head to the auditor is attached as **Annexure-14**.

Further the Hon'ble Prime Minister of India on March 25, 2020 declared a nationwide lockdown owing to curb the spread of Novel Covid-19, thereby following the instructions of the head office of the Corporate Debtor was shut down and as the employees of the Corporate Debtor had non portable desktop for working in the premises of the Corporate Debtor. The whole process was brought to a standstill which had recently picked up traction owing to release of some payments to the employees as per the order of the Hon'ble NCLT and finalization accounts, transaction audit report and the valuation report thereafter.

April 2020- March 2021- The hon'ble SC in its order dated March 08, 2021 decided to end the extended limitation period granted to litigants for filing appeals. It said

“In computing the period of limitation for any suit, appeal, application or proceeding, the period from March 15, 2020 till March 14, 2021 shall stand excluded”

A Bench led by Chief Justice of India (CJI) S.A. Bobde, on March 23, 2020, invoked its extraordinary powers under Article 142 of the Constitution to extend the limitation period of appeals from courts or tribunals due to the pandemic. The limitation period was extended with effect from March 15, 2020.

April 2020-May 2020- It is eminent to highlight that the Hon'ble Government of India through the Ministry of Home Affairs had imposed a strict lockdown during March 25, 2020 till May 31, 2020. Therefore in compliance to such orders the office of the Corporate Debtor were kept close and no employee was allowed to work from the office leading to no work being carried by any of the employees as they operate on non-portable fixed desktop computers for carrying out their work.

June 2020- Further as soon as the Hon'ble Ministry of Home Affairs had eased the restrictions, the RP through the administration head of the Corporate Debtor applied for the appropriate permission to open the premises of the Corporate Debtor. Therein the office was first completely sanitized and due care was taken that it would be opened for only the employees who had any urgent work from the premises of the Corporate Debtor. However no outside personnel for whom the tracing could not be ascertained were allowed in the premises of the Corporate Debtor and therefore no actions on the statutory audit could be undertaken by the RP and the team. The email highlighting to ensure the relevant arrangements on the office premises is attached herewith. The said sanitization was done on June 5th and June 6th however the complete arrangements were intimated to the RP team on June 20th, 2020.

Copy of the email from the admin head is attached as **Annexure-15**.

July 2020- While continuing to work under the aforementioned work arrangements wherein only the employees who require any urgent work document was allowed to visit the office and few employees were allowed to work from the office. The said decision was taken considering the fact that the Corporate Debtor already was undergoing critical financial crunch and there was no existing medical insurance and with the amount available with the Corporate Debtor the best medical insurance was availed for the employees. However the RP team would have been unable to cope up with any urgent requests in case the same would have arisen from the premises of the Corporate Debtor.

Further the RP finally received a positive affirmation from the erstwhile management (as they were also in discussion for settlement offer) and the members of the CoC to rationalize the employees of the Corporate Debtor considering the long overdue of employee salary, non-utilization of employees work hours even before the spreading of Novel Covid-19 and ensure payment to critical employees who are contributing towards maintaining the going concern of the company. Also, the salary of certain key employees were reduced.

August 2020- Amidst facing selective backlash and filing of application with the Hon'ble NCLT, the ex-employees of the Corporate Debtor denied cooperating with the RP team and providing a complete handover. However still the RP team had facilitated smooth transition with great efforts.

Further on August 19, 2020, there was a severe rainfall in the area where the head office of the Corporate Debtor is situated leading to excessive water logging in the area and a significant amount of water also logged into the basement level of the corporate office building. Considering the delicate nature of the incident and higher probability of fatal accident due to soaked electrical panels and wirings, the undersigned and the team swiftly acted upon the incident and informed the employees of the Corporate Debtor to vacate the premises and also informed the admin staff to carry out the process of drainage with highest standard of security to ensure the safety of staff and personnel carrying out the drainage and subsequent cleaning exercise.

Copy of the email informing the members of the CoC is attached as **Annexure-16**.

September 2020- The process of drainage and cleaning was undertaken by the admin employees of the Corporate Debtor alongwith hired support service. However owing to the delicate nature of the process and also coupled with the restrictions imposed in the area for spread of Covid-19 and financial crunch being faced by the Corporate Debtor. The RP team in order to ensure that no adverse incident took place during such time, directed to carry out the process with utmost care and diligence, which took more than month to be completely brought under control.

The adverse situation being faced by the Corporate Debtor and the RP team has been highlighted in the email sent to the members of the CoC, informing the aforementioned situation. Attached as Annexure-16.

Please note that the servers, locker rooms, parking, electricity panels and including the storage area for various documents pertaining to the books of the company were submerged under water and were completely damaged and destroyed.

October 2020- Post assessing the damage made by water logging and undertaking the total estimate for complete revamp of the servers, it was discovered that a hefty amount has to be paid to completely replace the entire system and therefore considering the financial condition of the Corporate Debtor, a selective repair was undertaken in October 2020. Further the accounts team was asked to visit the premises of the Corporate Debtor in restricted and regulated arrangements due to the spread of Novel Covid 19 and assess the damage to the books of accounts of the Corporate Debtor including the servers and ERP system.

Also applications were filed by the RP and team with the Hon'ble NCLT for the various transactions highlighted by the transaction auditor in its report as questionable under the relevant provisions of the Code for reversal including section 19 of the Code which is non cooperation from the erstwhile management of the Corporate Debtor.

November 2020- The members of the CoC were presented with a Resolution Plan from one of the Resolution Applicant and in turn the members of the CoC had appointed a Techno Economic Feasibility analysis consultant. The consultant had provided a detailed list of requisition and had undertaken the feasibility process of the plan due to which the limited accounts department employees who were able to work from the office due to restricted access of the office from spread of Covid-19 were occupied in providing the information to the consultant.

Copy of the information email from the consultant is attached as **Annexure-17**.

December 2020- The plan submitted by the Resolution Applicant was put up for consideration before the members of the committee of creditors in the twentieth meeting of the committee of creditors convened on 31.12.2021.

Further the erstwhile promoters of the Corporate Debtor had submitted an updated proposal for settlement of dues of the financial creditor and handover of the company to the erstwhile directors of the Corporate Debtor.

Copy of the minutes of the twentieth meeting of the CoC is attached as **Annexure 18**.

January 2021- The auditor was once again requested to provide the revised fee quotes as the earlier submitted quotes were too exorbitant and thus considering the financial crunch being faced by the Corporate Debtor was unacceptable. Email responding to the statutory auditor is presented herewith as **Annexure 19**.

February 2021- The plan submitted by the Resolution Applicant was finally put up for voting after rigorous discussions with the Applicant, RP team, TEV consultant and members of CoC, vide twenty second meeting of CoC convened on February 02, 2020.

Copy of the minutes of the twenty second meeting of the CoC is attached as **Annexure 20**.

March 2021- The RP team was in discussion with the auditor of the Corporate Debtor to reduce the fees being charged by them however such fee had already been agreed by the earlier management and the existing auditor was adamant to provide any relief to the Corporate Debtor. However with much persuasion the auditor finally agreed to provide a revised quote.

April 2021- The statutory auditor finally reverted to the RP team requests and provided a revised proposal for audit of the Corporate Debtor with a revised fee. The said fees was exorbitant considering the current financial condition of the Corporate Debtor. Thus the RP team introduced to the members of the committee of creditors to consider changing the statutory auditor for a revised fee amount considering that the existing auditor has proposed a way exorbitant fee which is not manageable owing to the meagre financial resource available with the Corporate Debtor. The said agenda was placed in the twenty fifth meeting of the Committee of Creditors convened on April 05, 2021.

The agenda was approved in affirmative by the members of the CoC and pursuant to which the quotations requested from other Chartered Accountant firms were considered by the RP team.

Also as per the provisions of the Code as the sole Resolution Plan was denied by the members of the committee of creditors, the agenda for voting on appointment of Liquidator was voted upon in the twenty fifth meeting of the CoC and considering the voting being conducted on said agenda, the RP team also introduced the agenda for rationalization of employees which could not be earlier relieved owing to the contention made by the erstwhile directors of the Corporate Debtor in their various settlement offers and then subsequently due to the prevailing lockdown and the heightened attrition rate, to safeguard the mental and physical condition of the employees of the Corporate Debtor.

Copy of the minutes of the twenty fifth meeting of the CoC is attached as **Annexure 21**.

May 2021- The Hon'ble State Government of Haryana had declared a statewide strict lockdown thereby closing the offices in the city of Gurugram Including the Corporate Debtor's office. This led to once again complete halt on the process of review of financial statements of the Corporate

Debtor and also appointment of statutory auditor. Also, the consultant appointed by the RP could not take over the books of accounts as the employees of the CD denied cooperation and in the garb of lockdown had gone to their hometowns and stopped cooperating.