

24 August 2018

Important Communication for Home Buyers of Jaypee Infratech Limited

The Hon'ble Supreme court, vide its order dated 09 August 2018 has directed recommencement of Corporate Insolvency Resolution process ("CIRP") in respect of Jaypee Infratech Limited ("the corporate debtor", "Company", "JIL") afresh from the stage of appointment of the Interim Resolution Professional ("IRP") on 09 August 2017, revive the period of 180 days from 09 August 2018 and follow the provisions afresh in all respects.

Accordingly, under the directions of the Hon'ble Supreme Court of India, the IRP Mr. Anuj Jain has recommenced the CIRP of the Company from 09 August 2018. A public announcement in prescribed Form A has also been released on 17 August 2018 in The Times of India and the Navabharat times inviting the claims from all the creditors.

By amendment made in the Insolvency and Bankruptcy Code, 2016 ("IBC") by way of Insolvency and Bankruptcy (Amendment) Ordinance, 2018 issued on 06 June 2018, home buyers are to considered financial creditors of the corporate debtor if they fall within the scope of amendment. As directed by the order of Hon'ble Supreme court, the Committee of Creditors ("CoC") of JIL shall be reconstituted afresh in accordance with the provisions of the Insolvency and Bankruptcy (Amendment) Ordinance, 2018 whereby home buyers shall constitute a part of CoC.

As per the regulation 16A(7) of the IBBI dated 3rd July 2018, "The voting share of a creditor in a class shall be in proportion to the financial debt which includes an interest at the rate of eight per cent per annum unless a different rate has been agreed to between the parties". Accordingly, for the purpose of voting share, the interest has been computed @8% per annum for home buyers unless a higher rate of interest has been agreed for delay in possession or cancellation as the case may be. The home buyers shall be carrying the voting rights through-out the CIRP and shall be required to exercise their vote as and when CoC meetings are convened.

The IRP has issued a public announcement under Form A to the Creditors of the Company. Under the public announcement, the creditors of the Company are called upon to verify their claims uploaded on Company website www.jaypeeinfratech.com based on the claim reconciliation exercise undertaken previously by the IRP/RP based on claims submitted by creditors pursuant to public announcement dated 12 August 2017. If the claim admitted as on insolvency commencement date is not disputed, the creditor has the option to inform the IRP rather than filing fresh Form to avoid duplication and cost to IRP. For any difference with the admitted amount of claim, the creditors are requested to submit their revised claims with proof on or before 28 August 2018 to the IRP at the email address irpjl@bsraffiliates.com. However, this is only an option offered and the creditor is free to file fresh claim notwithstanding the above if it so decides.

Further, as per the IBBI regulations dated 03 July 2018, one authorized representative for home

buyers has to be appointed to represent home buyers in the CoC meetings. The Authorised representative shall be a registered Insolvency Professional (IP). Accordingly, the IRP has proposed the names of 3 IPs for this purpose in the public announcement. The profile of the said IPs is uploaded on the Company website www.jaypeeinftratech.com. The home buyers are requested to visit the profile of the individual IP and cast their respective vote in favor of any one IP.

The voting shall be open from 20 August 2018 till 28 August 2018. The IRP shall select the IP, who is the choice of highest number of home buyers, to act as the authorized representative. The voting instruction shall be uploaded on the Company website www.jaypeeinftratech.com on or before 20 August 2018.

The detailed instruction to verify claims may be referred below.

Detailed instructions for home buyers

1. Process to verify the claims

A. Documents required to facilitate log in to the web site link:

- a. Latest statement of accounts (“SOA”) or
- b. Provisional allotment letter (“PAL”) or
- c. Demand notice raised by the Company
- d. Any other communication made by the Company

B. Information to be kept readily available:

- a. USER ID - UNIT NUMBER. This is a 10 digit number as mentioned in any of the above company documents. (for example AMN0152404)
- b. PASSWORD – CUSTOMER CODE. This is a 6 digit number, as mentioned in any of the above company documents (for example 392885)

C. Steps to be followed:

- a. Kindly visit Company web site www.jaypeeinftratech.com
- b. On the home page click on the link – [instructions to verify the claims](#)
- c. Enter your 10 digit Unit number as the log IN and 6 digit Customer code as your password, as clarified above.
- d. The home buyers shall verify his/her total amount of principal/collection and interest admitted for each unit. For multiple unit holders the home buyer need to login for each unit separately.
- e. The claims are admitted by the IRP/RP based on certain criteria as listed below.

- f. The home buyer thereafter shall compare the claims admitted by the IRP/RP against the computation done by the home buyer.
- g. In case of any difference between the claim admitted by the IRP/RP, or if the home buyer otherwise decides, the home buyer shall submit a revised claim form CA (as uploaded on the Company website) to the email address of the IRP/RP i.e. irpjil@bsraffiliates.com. This is an option offered to home buyers to avoid duplication and cost.
- h. The home buyers shall write to the customer relationship cell (“CRC”) of the Company in case their email ID / mobile numbers needs to be updated/registered afresh in the Company records. All the future correspondence with the home buyers shall be processed through the registered email ID.
- i. The claim admitted is a number derived/computed in accordance with the collection records available with the Company. Any change in the number basis additional information received by the IRP/RP shall be updated on the Company Website accordingly.

D. Criteria adopted for claim verification:

- a. The Corporate Insolvency and Resolution Process (“CIRP”) started on the Company on by the order of Hon’ble NCLT, Allahabad dated 09 August 2017. The Hon’ble Supreme Court vide order 09 August 2018 directed that the initial period of 180 days till the conclusion of CIRP process of Jaypee Infratech Limited shall re-commence from 09 August 2018. The CoC was also directed to be constituted afresh considered the home buyers as the financial creditors. Considering that the insolvency commencement date remains 09 August 2017, the validity of moratorium under section 14 for the initial 12 months when the Company was under CIRP, continued by NCLT by order dated 13 August 2018., no interest credit has been given to any of the financial creditor from insolvency commencement date. **However, the principal amount paid has been considered till 9th August 2018 for Home Buyers.**
- b. Pursuant to the regulation 16A(7) of the IBBI dated 3rd July 2018, for the purpose of voting share, the interest has been computed @8% per annum for home buyers unless a higher rate of interest has been agreed for delay in possession or cancellation as the case may be. The interest computed herein above shall have the restricted application so as to facilitate the computation of voting share of the respective financial creditor.
- c. The home buyers to whom the Offer Of Possession (OOP) has been issued are not considered eligible financial creditor as obligations to deliver flats/unit/Plot has been completed and accordingly are not considered as members of CoC.
- d. In case of customers who have opted for cancellation/refund, their voting share is restricted to the extent balance refund due and interest computed thereon.

- e. No interest has been applied on the collections made or on after 09 August 2017 although the payment made shall be counted for the purpose of assigning voting share. However, the collection received on or prior to 09 August 2017 has been considered for the purpose interest application.
- f. All the collections made till 13 August 2018 are considered while computing the claim amount.
- g. In case of transfer of unit or change in allotment interest for the purpose of computation of vote share is computed from the date of payment or date of allotment whichever is later.
- h.** The voting share has been computed as a percentage of respective admitted claims of financial creditor to the aggregate amount of financial claims (i.e. including banks, financial institutions, fixed deposit holder and home buyers) admitted by the IRP/RP.