

# AJNARA

---

## **Proposal for Completion of project “Ajnara Ambrosia”**

**Dt. 14.03.2024**



**INDEX**

<b>S. NO.</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
1	SNAPSHOT OF THE CORPORATE DEBTOR	3
2	STATUS OF THE CORPORATE INSOLVENCY RESOLUTION PROCESS	3
3	BRIEF ABOUT THE PROJECT	3
4	STATUS OF PROJECT	4
5	PROPOSAL FOR COMPLETION	5
6	PROJECTED CASH FLOW OF THE PROJECT	6
7	COMPLETION PROPOSAL vs. INSOLVENCY PROCEEDINGS	7
8	ASSUMPTIONS	7

## 1. SNAPSHOT OF THE CORPORATE DEBTOR

Ajnara India Limited is a public limited company incorporated on 11.11.1991 working in the real estate sector. Over the last 32 years of its journey, Ajnara Group has successfully delivered more than 19 million square feet of area, and more than 15 million Sq. Ft. of area is under construction. The Group till date has successfully delivered around 75 small, medium and large-scale residential and commercial projects in various corners of Delhi NCR comprising of more than 16000 units.

Further, the Company is actively working to deliver 6 large-scale ongoing projects with sub-projects comprising of residential cum commercial spaces in Western-UP region.

The details of the ongoing projects of the Company are as follows:

- |                  |               |
|------------------|---------------|
| • Ambrosia       | - Integrity   |
| • Fragrance      | - Panorama    |
| • Grand Heritage | - Sports City |

## 2. STATUS OF THE CORPORATE INSOLVENCY RESOLUTION PROCESS

The CIRP of the Company commenced on 20.09.2022. Thereafter, by an appeal before the Hon'ble NCLAT by the ex-management, the NCLAT directed that the IRP shall continue to supervise the construction of all the projects of the Company with the assistance of the ex-management, its officers and employees vide its order dated 17.10.2022 read along with subsequent order dated 11.01.2023. Accordingly, both the IRP and the ex-management of the Company restarted the construction across most of the projects of the Company. Accordingly, the Ex-Management arranged funds of ~INR 30 cr. for construction work across projects of the Company and has offered more than 500 units for possession to homebuyers during the CIR process. However, due to no sales, no subsequent disbursements from housing finance companies and negligible proceeds from homebuyers, construction was made ongoing at slow pace.

Thereafter, Hon'ble NCLAT vide its order dated 29.02.2024 has inter-alia directed/invited the Ex-management to submit to the IRP, project-wise proposals, and term sheets before 14.03.2024 for approval by the stakeholders in the meeting as may be conducted by the IRP pursuant to the aforementioned order. Accordingly, in order to bolster the completion process, to speed-up the deliveries and to improve the cash flows for the settlement of all the stakeholders of the Company, Ex-management has prepared this proposal for their approval.

## 3. BRIEF ABOUT THE PROJECT

Ajnara Ambrosia is located at Plot No Gh-01, Sector 118, Noida, Uttar Pradesh covering an area of ~18 Acres. It comprises of 10 Towers and 3 Commercials in RERA Phase - I, II & III (launched), and 4 Towers in RERA Phase - IV (yet to be launched).

### RERA Phase - I, II & III

Details of the status of units in the above-mentioned project:

Total Units	:	1,694 units
Unsold Units	:	3,79 units
Sold Units	:	1,315 units
• Sold (Delivered)	:	182 units
• Sold (Undelivered)	:	1,133units

### RERA Phase –IV (Yet to be launched)

Details of the units in the above-mentioned projects:

Total Units	:	423 units
-------------	---	-----------

### Homebuyers of the Project

There are 1133 no of homebuyers (pre-CIRP) in project ambrosia, namely Towers – A, B, C, D, E, F, G, H, J, K and Commercials (C4, C5 and C6). Out of these, 2 Towers namely F and H have been completed with homebuyers residing, and only few deliveries are pending in the said towers. Moreover, Tower – C is nearly completed, rest 7 towers and 3 commercials are pending for completion.

Accordingly, we propose to deliver pending units to all the homebuyers of the respective towers through a tower-wise completion schedule as proposed under this completion proposal.

#### **Lender of the Project**

L&T Finance was the principal lender for the project. Their dues were duly serviced till the commencement of the CIRP. Post commencement of CIRP, their loan accounts turned NPA having total dues of ~INR 410 cr. as on CIRP date. Subsequently, L&T Finance assigned their debt to ARCIL.

As a settlement, the ex-management proposes, through this completion proposal, to pay the said dues of ARCIL from the cash flows of the project in full, during the duration of this proposal.

#### **Land Authority of the Project**

IVR Prime developers (Avadi) Pvt. Ltd. leased the land of Sector-118 from NOIDA Authority. IVR collaborated with the Company for the development of ~18 Acres as project Ajnara Ambrosia. NOIDA Authority has ~INR 300 Cr. dues\* on the said project.

Further, the Company has proposed to avail the “Legacy Stalled Real Estate Policy” issued by the UP Government dt. 21.12.2023, for payment of their dues\* and for obtaining relevant construction approvals. Accordingly, the ex-management proposes, through this completion proposal, to pay the said dues\* of NOIDA Authority in full during the duration of this proposal.

*\*awaiting confirmation from NOIDA Authority.*

#### **4. STATUS OF PROJECT**

The status of construction for the respective towers and commercials is as follows:

<b>Phase</b>	<b>Towers/ Commercial</b>	<b>Status</b>
RERA Ph – I	A	80%
	B	75%
	C	96%
	D	65%
	E	65%
RERA Ph – II	G	65%
	F	99%
	H	99%
	J	80%
	K	76%
RERA Ph – III	C4 (Commercial)	0%
	C5 (Commercial)	10%
	C6 (Commercial)	95%
RERA Phase - IV	yet to be launched	

The launched area of the project, i.e. RERA Phase – I, II & III is on the last stages of completion with the overall project being 80-85% completed and requires ~INR 133 cr. (exclusive of taxes) to complete the balance construction.

The un-launched area of the project, i.e. RERA Phase - IV requires ~INR 581 cr. (exclusive of taxes) to complete the construction.

## 5. PROPOSAL FOR COMPLETION

The Ex-Management has outlined a strategy for completion of the project under the supervision of the IRP and has proposed to onboard a Strategic/ DM Partner for the same. Thus, we hereby present **three terms sheets from renowned companies i.e. Gulshan Homes Pvt Ltd, EMS Ltd and Express Builders Ltd who shall infuse funds into the project for the completion of the same.** Following are the broad terms of the respective Strategic/ DM Partner:

Gulshan Homes Pvt. Ltd.	EMS Ltd.	Express Builders Ltd
<ul style="list-style-type: none"> <li>Proposed to infuse INR 125 cr.</li> <li>As Interim Finance at 18% p.a. and repayment shall start after 14 months from date of disbursements.</li> <li>DM Fee               <ul style="list-style-type: none"> <li>@ 17% DM Fee on gross receivables</li> </ul> </li> <li>Average Selling Price of inventory               <ul style="list-style-type: none"> <li>RERA Ph – I and II at INR 8,500/- per Sq. Ft. for flats</li> <li>RERA Ph – III at INR 15,000/- Sq. Ft. for Commercial.</li> <li>RERA Ph - IV at INR 12,000/- per Sq. Ft. for flats.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Proposed to infuse INR 130 cr.</li> <li>As Interim Finance at 18% p.a. and repayment shall start after 24 months from date of disbursements.</li> <li>DM Fee               <ul style="list-style-type: none"> <li>@ 16% DM Fee on unsold inventory</li> <li>@10% DM Fee on sold inventory</li> </ul> </li> <li>Average Selling Price of inventory               <ul style="list-style-type: none"> <li>RERA Ph – I and II at INR 8,500/- per Sq. Ft. for flats and</li> <li>RERA Ph – III at INR 15,000/- Sq. Ft. for Commercial.</li> <li>RERA Ph - IV at INR 12,000/- per Sq. Ft. for flats.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Proposed to infuse INR 125 cr.</li> <li>As Interim Finance at 18% p.a. and repayment shall start after 24 months from date of disbursements.</li> <li>DM Fee               <ul style="list-style-type: none"> <li>@ 16% DM Fee on unsold inventory</li> <li>@10% DM Fee on sold inventory</li> </ul> </li> <li>Average Selling Price of inventory               <ul style="list-style-type: none"> <li>RERA Ph – I and II at INR 8,000/- per Sq. Ft. for flats and</li> <li>RERA Ph – III at INR 15,000/- Sq. Ft. for Commercial.</li> <li>RERA Ph - IV at INR 12,500/- per Sq. Ft. for flats.</li> </ul> </li> </ul>

respective terms sheets of the Strategic/ DM Partners is Annexed as [redacted].

**Once a Strategic/ DM Partner is approved from the stakeholders and Hon'ble NCLAT, the said amount as proposed will be infused** in the following manner:

- **First tranche** - INR 25 Crores shall be disbursed within 30 days of approval from Hon'ble NCLAT and Stakeholders which shall be utilized for relevant construction approvals and construction works,
- **Second tranche** - Funding of amount equal to 25% of the land dues shall be infused and paid within provided timelines upon the confirmation from the NOIDA Authority in accordance with the "Legacy Stalled Real Estate Policy" issued by the UP Government dt. 21.12.2023. The said confirmation from the NOIDA Authority shall inter-alia crystalize the land dues of the said project.
- **Third tranche** – Funding of the balance amount after first and second tranche, shall be infused during the construction period for meeting the project cost, as and when required.

Aforementioned tranches are sacrosanct and shall be followed accordingly.

After funding as envisaged above, **construction will commence for the respective RERA Ph – I, II and III, and will be offered for possession to homebuyers (pre-CIRP)** from the date of disbursement of first tranche in the following manner:

Tower	Months
C, F, H & C6	: 6 <sup>th</sup> month onwards
A & B	: 7 <sup>th</sup> month onwards

J, and K	:	8 <sup>th</sup> month onwards
D, E, and G	:	9 <sup>th</sup> month onwards
C4 & C5	:	12 <sup>th</sup> month onwards

As mentioned above, we propose to deliver 1133 no of pending deliveries to respective homebuyers in a tower-wise completion schedule as there are multiple towers in different stages of completion.

Abovementioned stage wise **construction completion schedule of RERA Ph I, II and III** will generate revenue of more than INR 583 Cr. i.e. INR 186 Cr. from sold units and more than INR 397 Cr. from unsold units.

Simultaneously, **construction of RERA Phase - IV** will be completed within 42 months from the date of launch which is 6<sup>th</sup> month from the date of disbursement of first tranche. Thereby, completing the entire project in a period of 48 months. The development of this phase will generate revenue of more than INR 2058 Cr. over the life cycle of the project. Thus, generating combined revenue of more than INR 2666 Cr.

The funds so generated shall be utilized towards meeting the construction costs, payments of Strategic/ DM Partner, ARCIL, NOIDA Authority, Admin and other costs. Further, the payments to ARCIL and NOIDA Authority will be made as mentioned below:

**ARCIL will be paid a total dues of INR 410 Cr.** in the following manner:

- equivalent to 10% of the collections will be made from the 15<sup>th</sup> month of approval of our proposal and disbursement of funds as proposed up to 48<sup>th</sup> month of the construction of the project, and
- remaining dues in equal instalments spread across 31<sup>st</sup> month to 48<sup>th</sup> month,

**NOIDA Authority will be paid a total dues of INR 300 Cr.** in the following manner:

An initial amount of 25% of the land dues\* shall be paid to NOIDA Authority in accordance with the "Legacy Stalled Real Estate Projects Policy dt. 21.12.2023. The said funds will be funded by the Strategic/ DM Partner in accordance to their term sheet. Accordingly, post payment of 25% dues, as per the said policy, NOIDA Authority shall confirm the following conditions:

- shall grant in principal approval for the benefits of the Legacy Stalled Real Estate Policy as applicable on the project,
- shall give in principal approval for revalidation/ regularization of the Plot and crystalize the 50% liability of the land-owning entity (IVR), i.e. w.r.t. Ajnara Ambrosia project.
- Acknowledge the Company as the Co-Promoter of the project,

Thereafter, the remaining dues will be cleared progressively from the project's cash flow within provided timelines in accordance to the said policy and this proposal. These will ensure CC/OC and Registries in the project.

- *Awaiting confirmation from the NOIDA Authority.*

## 6. PROJECTED CASH FLOW OF THE PROJECT

The projected cash flow of the project is summarized below:

(Amount in INR Crores)

Particular	Express	EMS	Gulshan
<b>Sold Receivables</b>	<b>186.43</b>	<b>186.43</b>	<b>186.43</b>
<b>Unsold Receivables</b>	<b>2,541.23</b>	<b>2,479.67</b>	<b>2,479.67</b>
<b>Total Inflow</b>	<b>2,727.66</b>	<b>2,666.10</b>	<b>2,666.10</b>
<b>Cost of Construction of the Project</b>	<b>843.12</b>	<b>843.12</b>	<b>843.12</b>
<b>Consultant Charges</b>	<b>25.46</b>	<b>25.46</b>	<b>25.46</b>

<b>Brokerage</b>	<b>239.89</b>	<b>204.82</b>	<b>204.82</b>
<b>Marketing</b>	<b>59.97</b>	<b>58.52</b>	<b>58.52</b>
<b>Admin Cost and CIRP Cost</b>	<b>55.36</b>	<b>54.13</b>	<b>54.13</b>
<b>Approvals</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>Statutory dues</b>	<b>12.18</b>	<b>12.18</b>	<b>12.18</b>
<b>Creditors</b>	<b>31.42</b>	<b>31.42</b>	<b>31.42</b>
<b>Lender Dues</b>	<b>410.00</b>	<b>410.00</b>	<b>410.00</b>
<b>Land Dues</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>
<b>Repayment of interest on Interim fund</b>	<b>46.80</b>	<b>46.80</b>	<b>21.90</b>
<b>DM Fees</b>	<b>501.78</b>	<b>490.16</b>	<b>534.82</b>
<b>Unforeseen causes and liabilities</b>	<b>84.31</b>	<b>84.31</b>	<b>84.31</b>
<b>Total Outflow</b>	<b>2,615.30</b>	<b>2,565.93</b>	<b>2,585.69</b>
<b>Net Surplus</b>	<b>112.36</b>	<b>100.18</b>	<b>80.42</b>

*\*For any further liability on account of loan and advances or any money Claim submitted with IRP if not provisioned here will be paid from surplus cash flow or will be undertaken by the CD on revival of the Company.*

Thus, the said proposal will generate enough cash flow to cater all the stakeholders of the project and Company, therefore is a viable project.

Refer Annexure \_\_\_\_ for detailed cash flow.

## 7. COMPLETION PROPOSAL vs. INSOLVENCY PROCEEDINGS

The Ex-management of the Corporate Debtor understands the crucial details require to conclude the ongoing project. The present proposal is conceived to serve the interest of the long awaiting homebuyers with the support of workings as presented in several paras hereinabove, it is clear that the project is viable and there is no risk for stakeholders, investors and other associates.

Further, this settlement proposal is conceived keeping in mind that the large no. of homebuyers will get their homes earlier then if they were to go through the normal course of CIRP, where IBC led resolution remains uncertain for various well-known reasons. Further, financial lenders and land owning authorities are being paid in full without any haircut which is otherwise not found in any Real Estate project led through COC process like JP Associates, Amrapali, etc. Further, recent order in the matter of project “RG Homes” clearly establishes that our resolution proposal under reverse CIRP is the most feasible solution in the interest of all the stakeholders.

Thus, the completion of the Project as proposed by the Ex-management through the above proposal will prove to be the most efficient and effective way to keep the corporate debtor an ongoing concern with the support of the IRP and it can be achieved with patience and trust in the vision of those who dreamt first for these homes. Thus, we are submitting our proposal for consideration before the Hon’ble NCLAT, IRP, lenders, homebuyers and other stakeholders.

## 8. ASSUMPTIONS AND BEST-CASE SCENARIOS

Following assumptions have been made for the estimated cash flow projections of inflows and outflows for the period proposed above, basis infusion of funds arranged by the ex-management:

- NOIDA Authority shall grant benefits in accordance with state government directions dt. 21.12.2023 of “Legacy Stalled Real Estate Policy” issued by the UP Government, post approval of this proposal by the Hon’ble NCLAT, as applicable.
- NOIDA Authority shall give in principal approval for map revalidation of the partial land parcel onto which project Ajnara Ambrosia is being developed and to crystalize 50% of liability of the

land-owning entity (IVR), i.e. w.r.t. Ajnara Ambrosia project.

- The housing finance companies would disburse home-loans to the Company as per the BBA/ or revised terms of BBA of the homebuyers making the project bankable at all times.
- It is assumed that the relevant construction approvals shall be obtained within three months from the disbursement of first tranche.
- The Ex-management has proposed to raise priority funds through a Strategic Partner/ DM Partner/ Interim Financier for completion of the project, which are subjected to in-principal approval of the lender and IRP. The priority funds so raised as above shall exercise priority over the dues of all the stakeholders & will be repaid as proposed in this proposal.
- That surplus from the cash flows shall be available to utilize towards any other obligations of the Company including but not limited to expedite this proposal.
- For any liability or any money claim submitted with the IRP, if not provisioned in the cash flows will be paid from surplus cash flow or will be undertaken by the CD on revival of the Company.
- That the Company will be able to sell units in the project during the course of construction. The funds generated from the project shall be utilized as per the RERA guidelines.
- That the Homebuyers/ Allottees will honor their payment commitments in accordance with their allotment letters and as per the revised delivery schedule proposed above.
- For homebuyers/ allottees that have opted for cancellation, the refunds of such unit holders shall be done post reselling of the said unit without disturbing the cash flows of the settlement/completion plan for all other stakeholders.
- During the period of this proposal, there shall be no Criminal proceedings, Section-138, FIR's, Recovery, Stays and any other coercive actions by any allottees, financial institution or stakeholders against the ex-managements, its agents, assignees, employees, authorized representatives, and any other person associated with ex-management/ Ajnara India Ltd.
- Further, the projections have been planned considering all the contingencies that may be incurred in future. The projected cash flows of projects are positive at the time of completion. However, the scenario of real estate industry is challenging and subject to force majeure. Considering the tenure of the proposal, construction timelines, escalations & other uncertainties, it is appropriate and desirable to keep a side 10% of surplus of cash flow as contingency reserve to meet our unforeseen causes and liabilities.
- Construction activities shall start within 45 days of receiving of first tranche of disbursement. Any postponement in the procurement of relevant construction approvals may impede the progression of subsequent construction endeavours.
- It is also pertinent to note that no additional fund shall be infused by the Ex-Management until the complete outstanding dues is received from the allottees except as provided in this proposal and BBA or revised BBA. After the utilization of receivables amount and the amount realised from unsold inventory, any shortfall of funds remains/ additional fund required in completing the project and payment to other financial creditors and all related expenses / investment of the project, the same would be arranged by the Ex-Management and Strategic/ DM Partner.
- "NCLAT Approval Date" means the date on which this Proposal is approved by the Hon'ble NCLAT in accordance with its order dated 29th February 2024.
- "Relevant construction Approvals" means Renewal/Extension of RERA registration, Environment Clearance, Map Revalidation from respective authorities, as applicable.
- Land authorities shall grant required approvals from time to time including Map Re-Validation, issuance of OC/CC and allow registration (sub-lease) in favor of homebuyers.



- The lender shall provide its explicit consent to create the priority charge for the interim funds raised in favour of Strategic Partner/ DM Partner/ Interim Financier, as the case may be, over the receivables of the project and shall provide its NOC for the sale of Unsold Inventory.
- The Priority funds raised under this proposal shall exercise priority over the dues of all the stakeholders and shall be repaid as proposed in this proposal.
- "Force Majeure" for the purpose of this proposal shall mean any of the following events or combination of such events or circumstances as are beyond the control of the Ex-Management and which cannot: (i) by the exercise of reasonable diligence, or (ii) despite the adoption of reasonable precautions and/ or alternative measures be prevented, or caused to be prevented, and which may adversely affect the ability of the Ex-Management to implement this Proposal, including acts of God, acts of public enemy, acts of civil or military authority, civil disturbance, war, flood, explosion or other catastrophes affecting the offices and NGT ban on construction, project sites of the Corporate Debtor or a government declared epidemic. The failure or delay of the Ex-Management to perform any obligation under this Proposal solely by the reason of a Force Majeure Event shall not be deemed to be a breach of this Proposal by the Ex-Management. On the occurrence of a Force Majeure Event, the Ex-Management shall notify the Interim Resolution Professional about the occurrence of the Force Majeure Event and the Ex-Management and the Interim Resolution Professional shall confer and consult with each other regarding the performance of this Proposal, and until any agreement regarding the performance of this Proposal is concluded, the Ex-Management shall be temporarily excused from the performance of its obligations hereunder in so far as those obligations are hindered by the Force Majeure Event.
- The Homebuyers/ Homebuyers associations shall support and extend all necessary assistance, if required, in getting the relevant construction approvals.
- Upon approval of this Proposal by Adjudicating Authority, all actions stated in this Proposal shall be deemed to be approved until and unless specifically denied by the Adjudicating Authority.

*-End of document –*

