

Insolvency and Bankruptcy Law in India

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Week 05

Lecture 22

Welcome to all.

In previous classes and sessions, we have discussed what a committee of creditors is and who can be its members. We have discussed that the related party cannot be a member of the committee of creditors. While discussing the concept of related parties, we examined in detail who is considered a related party.

Today, we will discuss further concepts related to the committee of creditors. In the case of *Esspee Sarees Pvt. Ltd. versus Skipper Textiles Limited*, the NCLT Kolkata Bench held that if a creditor is both a financial creditor and an operational creditor, then how should they be treated? Previously, we discussed a scenario in the previous classes where someone is a financial creditor and whether they can be a member of the COC or not?

Now, in this class, we will discuss other scenarios and subsequent concepts, such as how to conduct meetings and how to conduct voting, among others. Now, suppose we take the example of a person who is both a financial creditor and an operational creditor. Then he can be a member of the COC; yes, he shall be a member of the COC only to the extent of the financial debt, so he will not represent himself as an operational creditor. Anyway, an operational creditor will not have a seat on the committee of creditors, but to the extent of the financial debt, they will have representation. Then, in the same case law, it was held that this is one of the important judgments. In the same case law, it was also held that the transfer of operational debt to a financial creditor does not change the nature of the debt. Suppose we consider the example of an operational creditor who transfers their rights to a financial creditor.

Then, whether this financial creditor will be entitled to represent or have more voting rights due to this debt is also unclear. So, as a financial creditor, how much debt is there? To that proportion, only he will have the voting rights. As an operational debtor, he will not have any voting rights. So the transfer of operational debt to the financial creditor will not change the nature of the debt. It is still an operational debt only. The creditor in a consortium or syndicate may appoint a trustee or agent to act on behalf of everyone. If you have a consortium or syndicate, the creditors can collectively appoint one trustee or agent to act on behalf of all. In such cases, he will vote separately. As we have already

discussed in the previous classes, suppose I am representing a consortium of 100 votes, which has 100 votes. One of the members, Mr. A, has 20 votes. Therefore, I have to cast these votes separately; 20 votes may be against the resolution, and the remaining 80 may be in favor. I am just giving an example. Therefore, I must vote separately. Each person will have their own representation.

Then, creditors in class should be represented by an agent, trustee, or authorized representative only. Suppose you have creditors in class; especially is this relevant in the case of real estate projects. Creditors will be in class; they are considered class creditors, so they should be represented by an agent because of the large number of people involved, and they may not be in a position to protect their interests properly. That's why it should be represented by an agent, trustee, or authorized representative only. So, Section 21, subsection 6. Then, in the case of SESA Group Employees Provident Fund versus Devan Housing Finance Corporation Limited, the NCLAT held that non-convertible debenture holders, as a class of creditors, shall be represented by an authorized representative. In another case, Nikhil Mehta and Sons versus AMR Infrastructure Limited, the NCLT Principal Bench held that the author is a representative to represent the interests of a class of creators, whether commercial or residential, in the case of a registered project. We have commercial and residential properties because there are two classes of property classification in the registration process. So who is purchasing the flat for commercial purposes? I mean, I am purchasing the commercial bit, maybe one commercial block, and I'm purchasing for residential, so both are different. The terms and conditions differ; although both are homebuyers, they are distinct in the real estate context. Therefore, an authorized representative can be appointed to represent this class of real estate, which may be either commercial or residential, separately.

Then, in another case like Vinay Kumar Mittal versus Devan Housing Finance Corporation Limited, the NCLAT held that the deposit holders, suppose if you have deposit holders, previously we discussed that non-convertible debenture holders may be commercial real estate owners, residential real estate owners, and the deposit holders; these are all considered to be creditors in the class. Therefore, they should be represented by an authorized representative only. Then, how to appoint an authorized representative for the creditors in class? Then, in the case of Ashray Social Welfare Society versus Saha Infrastructure Private Limited, the NCLAT observed that the authorised representative had been emphasized; it was noted that the authorised representative is chosen to represent the creditors in class in the COC. They are appointed to represent the creditors in class. The authorized representative must attend the meeting of the COC and vote on behalf of the financial creditors to the extent of their voting share. These words are very important; to the extent of the voting share means that when he is representing, he may be representing many people. When he represents so many people, he must vote accordingly.

As I previously mentioned, suppose the authorized representative is representing A, B, C, and D. Imagine A, B, C, and D—four financial creditors—each having 25% voting rights, totaling 100%. In such cases, he has to vote separately, representing A separately and B separately, which is why I told you it can be a voting scenario; not all votes need to be in favor, and not all votes need to be against. So, 25%, 25%, 25%, and 25%. When he votes, he must vote separately; he can vote separately depending on the instructions he receives from the financial creditors, okay, that class of creditors. Let us discuss other concepts related to the notice to participants for the committee of creditors' meeting, including how to send the notice. In the case of Rakesh Wadhawan versus Housing Development and Infrastructure Limited, the NCLT Mumbai bench held that. So, to whom should the notice be given? So far, we have discussed who can be a member of the committee of creditors. Now that we want to conduct the meeting, how do we send the notice, and to whom should it be sent? We must send the notice to all members of the CoC, including the authorized representative. Therefore, the notice must be sent to all the members of the CoC, including the authorized representative.

Then, interestingly, we are supposed to send the notice to the suspended board of directors, not to the members of the suspended board of directors. Although they are suspended, they are still entitled to attend the meeting and are expected to cooperate with the resolution professional. We will discuss the responsibilities of the suspended board of directors separately in the next two chapters. So they are supposed to cooperate with the resolution professionals. Then, operational creditors are their representatives if the amount of their aggregate dues is not less than 10%; in such cases, even operational creditors are also entitled to receive the notice. Now, from this, we can understand who is eligible to receive the notice. All members of the COC, financial creditors, their representatives, members of the suspended board of directors, and operational creditors whose debt value exceeds 10%.

Then what should the quorum be? So, if you are conducting the meeting, the quorum must be present. Quorum refers to the minimum number of members required to be present. Okay, so the members of the committee representing at least 33% of the voting rights, if they are present, make the meeting valid. So we need to have at least the members who represent 33% of the voting rights. Now, let us discuss the voting rates further; Section 27 of the code deals with the voting system. So, Section 27 deals with the replacement of the resolution professional by the committee of creditors. If at any time during the corporate insolvency resolution process, the committee of creditors is of the opinion that the resolution professional appointed under Section 22 needs to be replaced, it may replace him with another resolution professional in the manner provided under this section. Section 27 states that you may not be satisfied with the resolution professional. Maybe you wanted some reasons. You wanted to replace them. In such cases, this section provides how to replace them. This section then states that the committee of the creators

may, at a meeting, by a vote of 66 percent of the voting shares, resolve to replace the resolution professional appointed under Section 22 with another resolution professional, subject to written consent from the proposed resolution professional in the specified format. So, whenever you want to replace one resolution professional with another, the possibility exists, but you are required to obtain the consent of the other resolution professional. You can replace him. What are the voting rights? You are supposed to exercise a voting percentage. You are supposed to have a minimum of 66%. Okay. So, unless you are obtaining 66% or unless the resolution is passed with a majority of 66%, you cannot replace the resolution professional. Another condition is that the new resolution professional you want to appoint must actually give their consent.

Then the committee of creditors shall forward the name of the insolvency resolution professional proposed by them to the adjudicating authority. If you propose a resolution by passing it with 66 percent approval, you are required to forward it to the adjudicating authority. The adjudicating authority shall forward the name of the proposed resolution professional to the board; here, "board" means IBBI, for its confirmation, and the resolution professional shall be appointed in the same manner as laid down in section 16. As we have already discussed in Section 16, the process for appointing the resolution professional is as follows. Similarly, this professional will also be appointed, as he is one of the resolution professionals. Then, where any disciplinary proceedings are pending against the proposed resolution professional.

Then, the resolution professional appointed is already in place; now you want to appoint another resolution professional, and some disciplinary proceedings are pending against this new resolution professional. Unless you appoint another resolution professional, the current resolution professional will remain in place. So, the old one will continue until the new resolution professional is appointed. Then, COC shall file an application with the adjudicating authority for the replacement of the IRP with the proposed resolution professional whenever it wishes to replace it. As we have already discussed, a 66% voting rate must be achieved, and then you must file it with the adjudicating authority, which is the NCLT. Then, section 28 of the code is another important section regarding the approval of the committee of the creditors for certain actions, so the resolution professional generally manages the company. However, in some cases, the committee's approval is mandatory. Section 28. So, notwithstanding anything contained in any other law, for the time being in force, the resolution professional during the CIRP process shall not take any of the following actions. So, it's an inclusive list. These things he is not supposed to use: raise any interim finance in excess of the amount that may be decided. Therefore, if you wish to, it is the responsibility of the resolution professional to ensure that the company remains a going concern. Okay. You have to ensure that the company is a going concern. So, if you want to ensure that the company is a going concern, you need some capital. Definitely, you need some capital. Generally, the COC will authorize the

resolution professional to borrow money to some extent, possibly up to 1 crore, 10 crores, or some other amount that they'll specify. If you want to raise more than that, you need to get the approval from the committee of creditors.

Then, create any security interest in the corporate debtor's assets. So, if you want to create any security interest, when will you do it? Suppose you want to take a loan from another person during the CIRP process; obviously, the lender, whoever they may be, may ask you to provide some security. Therefore, you are creating a security interest in the company's assets. In such cases, you also need to obtain approval from the COC, which is the resolution professional. Then, change the capital structure whenever you want to; this can be achieved by issuing shares, creating a new class, or perhaps through buyback redemption, whatever the method. So some changes may be positive or negative. The positive aspect can be that you are issuing shares, perhaps you are undertaking a buyback, which reduces capital, or maybe there is a redemption of share capital. So, whatever it is, whatever it may be, if there is a change in the capital structure, it has to be through a resolution, by the committee of the creditors, then record any change in the ownership interest of the corporate debtor. Therefore, if you wish to alter the capital structure of the promoter group or ownership, you must obtain approval from the COC.

Then, provide instructions to financial institutions that maintain accounts of the corporate debtor for the debit transaction. So, you are giving instructions to the banking institution stating, "Please debit the amount." Then, in such cases, you are generally supposed to, for day-to-day activities, the COC will impose some limitations, such as 1 lakh, 2 lakh, or some other specified amount, okay. So, if you are doing more than that, then you need to get approval from the COC, okay? Then, undertake any related party transactions; even if you wish to undertake such transactions, COC approval is required. Amend any constitutional documents, like the MOA and AOA, in the case of a corporate debtor. Then, delegate its authority to another person. Therefore, if COC wishes to delegate any authority to another person, a resolution must be passed. Then dispose of or permit the disposal of shares of any shareholder of the corporate data or their nominees to third parties. These are all the various things for which you need to obtain approval from the committee of creditors. Then make any changes to the management of the corporate debtor. You are changing the management of the corporate data or that of its subsidiary company. Then transfer rights or financial debts, as well as operational debts, under material contracts. Then, make changes to the appointment or terms of the contract of such personnel specified by the creditor's committee. The committee of the creator has appointed someone; if you wish to change the terms and conditions, you must obtain approval from the committee of creditors.

Then, make changes to the appointment and terms of the statutory auditor's contract. If you want to stay with the same terms and conditions, you don't want to change them

entirely; perhaps you want to change the auditor or the terms and conditions of the statutory auditor or internal auditor. In that case, you also need to get approval from the COC. These are all the various activities. Then, how do we do that? The resolution professional shall convene a meeting of the committee of creditors and seek the vote of the creditors prior to taking any action under the subsection. We have previously discussed various activities. These are all the various activities in the previous slides. If the resolution professional wants to make a decision, they should first convene the committee of creditors. Okay, then, no action under subsection 1 shall be approved by the committee unless it receives a vote of at least 66%. Therefore, all the discussions we have had so far must be approved by a 66% majority.

Then, where any action under subsection 1 is taken by a resolution professional without seeking approval, please remember that such action shall be void. You cannot do it; it is beyond the power that is ultra vires to the resolution professional. That's why you cannot do it. Then, the committee of creditors may report the action of the resolution professional. Suppose, for example, that he is doing it; then it is the responsibility of the professional, because he is a professional, please remember. So, he is guided by the principles. He has regulatory authorities. So, he is going to manage and regulate himself. So, suppose that without obtaining approval from the COC, he engages in any of the activities we have discussed. In such cases, the COC can inform the board. They will submit the report and the actions of the resolution professional to the board, which is IBBI, for necessary actions. They are going to take disciplinary actions against the resolution professional. This is about one section. Next, let us discuss another section. Section 30, Subsection 4. This section provides that the committee of creditors may approve a resolution plan by a vote of not less than 66% of the voting shares of the financial creditors after considering the feasibility and viability. Therefore, the proposed manner of distribution may take into account the order of priority among creditors.

When considering voting rights, please remember that they must be considered among creditors as well; additionally, Section 53 provides a mechanism for this. So whenever you are approving, okay, that is 66 percent by 66 percent. Accordingly, you must adjust the voting rights after considering the feasibility and viability, as well as the manner of the proposed distribution, which may take into account the order of priority among creditors as laid down in Section 53, including the priority and value of security interests and secured creditors. Provided that the committee of creditors shall not approve a resolution plan submitted before the commencement. How do I approve it? The committee of the creditors shall not approve a resolution plan submitted before the commencement of the ordinance where the resolution applicant is ineligible. So, how do we exercise our voting rights under Section 30, subsection 4, when approving any resolution plan? We are discussing the voting rights of the committee of the creditors. So, whenever you are approving the resolution plan, you are supposed to consider the

priority, because in subsequent lessons, we will discuss the waterfall mechanism and how it will impact it under Section 53.

After considering the waterfall mechanism, should you approve it? Please note that whenever a resolution plan is submitted by an ineligible person, we will discuss that person. If any resolution plan is submitted by an ineligible person, they may require the resolution professional to invite a fresh resolution plan. Since there is no other resolution plan available, that is how they will vote. So these are all the various powers of the committee of creditors relating to voting rights. There are still some additional points to discuss under this section; let us address them. Provided further that, where the resolution applicant referred to in the first proviso is ineligible under section 29A, the resolution applicant shall be allowed by the Committee of Creditors such period not exceeding 30 days to make the payment of overdue, if any person is ineligible. Then you can remove the ineligibility by paying the amount due, provided also that the eligibility criteria in section 29A, as amended by ordinance, shall apply to the resolution applicant who has not submitted the resolution plan as of the date of commencement. This is applicable to the person who has not submitted as well. This is about the voting rights.

Then let us discuss that the CoC may approve a resolution plan by a vote of not less than 66 percent of the voting shares of the financial creditors after considering its feasibility and viability in the manner of distribution proposed, which may take into effect the order of priorities. So please remember to exercise their voting rights whenever they are. Until now, we have discussed how to conduct the meeting. But now we are discussing the point when the committee of creditors is exercising its voting rights, especially when it is approving the resolution plan. They are supposed to consider how the settlement is happening. Okay, distribution is necessary because you have the assets in the company. These assets must be distributed according to the procedure laid down in section 53. The waterfall mechanism is there, so these factors must be considered before voting.

Then how to conduct the meeting? Let us discuss some other provisions relating to conducting the meeting of the committee of creditors. So, as per regulation 24 (1) of the CIRP regulations, the resolution professional shall act as chairperson. Whenever you are conducting the committee meeting, that is, the committee of creditors meeting (CoC meeting), the resolution professional shall act as chairperson. So in the case of Law Wittur Elevator Components India Pvt Ltd vs Axiomata Elevators Pvt Ltd, the NCLT Kochi Bench held that where the resolution professional is absent, as per the regulation, the resolution professional must be the chairman; if the resolution professional is absent, please remember the meeting is void. You cannot conduct any meeting without the resolution professional.

Then, in another case law, Rathi Graphic Technologies Limited versus Rajkumar Rathi, the NCLT Allahabad bench held that the COC meeting shall be as per CIRP regulations.

So, whenever you are conducting the COC meeting. We are having the regulations; there are CIRP regulations from 2016, so you are supposed to conduct the COC meeting as per the regulations only, okay? The RP shall circulate the minutes of the meeting within 48 hours, so when you are conducting the meeting, the resolution professional is expected to send the minutes copy within 48 hours to the committee of creditors; then how to conduct the voting? Regulation 25 of the CIRP regulations speaks about voting in the meeting of the COC. So, the actions listed in Section 28(1) shall be considered in the meetings of the committee. How? Any action other than those listed in Section 28(1) requiring the approval of the committee may be considered in the meeting. So, what should be considered? Any actions that are listed in Section 28 are.

Then, other than section 28, it can also be considered in the committee of the meeting. The resolution professional shall take a vote of the members of the committee present in the meeting on any item listed for voting after discussion on the same. So, please remember, whenever you are considering the meeting, you are supposed to send the agenda. The resolution professional is expected to send the agenda. In the agenda, you are supposed to give the details. Okay, so item number one, item number two, and item number three need to be considered, each and everything should be given item-wise. Okay, then these items must be discussed as per the agenda. Okay, then after the discussion, it is open for voting. Okay, at the conclusion of the vote at the meeting, the resolution professional shall announce the decision taken on the items along with the names of the members of the committee who voted for, against, or abstained from the voting. Okay, so here, unlike in the normal general meetings, please remember that whenever you are conducting the meeting, more or less the similar procedures that are applied under the Companies Act will also be applicable here. But here, the resolution professional, when conducting the voting, is supposed to announce the results after the voting is completed.

In the results, he is supposed to inform who voted, with the names of those who voted against the resolution and those who abstained from voting; there are three categories. So the creditors may vote or may not vote; I mean they may vote in favor of the resolution, may vote against the resolution, or they may come and abstain. That means even after coming to the meeting, they may not vote; they will just sit idly, or they may be absent. So in all these cases, various permutations and combinations are present. So the resolution professional shall circulate the minutes of the meeting by electronic means to the members of the committee and the authorized representative, if any, within 48 hours. Once the meeting is completed, the resolution is finalized, and the results are announced, you are required to inform the committee members within 48 hours. Then seek a vote of the members who did not vote at the meeting on the matters listed for voting by the electronic voting system, even though there is a possibility that you can conduct the voting by electronic medium as well. Provided that on the request for an extension made

by the creditor, the voting window shall be extended in increments of 24 hours. If any creditor requests the reservation professional, please extend the time limitation.

Then he can extend the time limitation by a maximum of 24 hours. provided further that the resolution professional shall not extend the voting window where the matters listed for voting have already received the requisite majority. Suppose 66 percent is required, and we have already received 66 percent; then you do not need to open the voting. So that is already done. Anyway, we will pass the resolution. Then the authorised representative shall circulate the minutes of the meeting received under sub-regulation 5 to the creditors. As we have already discussed, in the case of a class of creditors, they are supposed to be represented by the authorised representative. Because not everyone can attend, the authorized representative, once he receives a copy of the minutes from the resolution professional, is supposed to disseminate the information to the creditors at least 24 hours before the window opens for voting instructions. So, who will receive the notice for the meeting? The authorized representative, creditors, and the suspended board of directors, as previously discussed. Now that the authorized representative has received the notice, it must be circulated to the creditors who actually provided the loan.

Then, they will inform us on how to vote. The voting share of creditors in the class and the manner of voting for creditors in the class must be considered. Regulation 16(a), sub-regulation 7, provides that the voting share of each creditor in the class shall be to the extent of the financial debt owed to such creditor, along with 8% of the interest. So, how are we going to consider? Let us take one example: Mr. A is a financial creditor who gave 100 rupees, Mr. B 200 rupees, and Mr. C 200 rupees. Imagine I'm just giving the example. Okay. Whenever you consider the total debt, there is a total of 500 rupees in debt: 100, 200, and 200 rupees. When considering total debt, you should also take into account the interest amount. So, 8% interest is Rs. 108. Then, 216 rupees, 216 rupees; I am just giving an example: A, B, and C are the three creditors. A owes 100 rupees, B owes 200 rupees, and C owes 200 rupees. The total debt value will be 100 plus 200 plus 200, totaling 500. Additionally, there are 8, 16, and 16, totaling 40 rupees. Therefore, the total debt will be 540 rupees. Okay, then the voting rates of A will be determined based on the percentage of 540 rupees. So, out of 540 rupees, imagine 540 rupees is 100%, then his debt is 108 rupees. So, if 540 rupees is 100%, then 108 rupees is what percentage? Thus, 108 divided by 540 multiplied by 100. So this is how you are supposed to consider voting rights. You are also supposed to consider the interest when calculating and considering the voting rights.

Then there are rights, duties, and remuneration for the authorized representative. What are all the rights of an authorized representative? Let us discuss quickly. The authorized representative under sub-regulation 6 and sub-section 6C of section 21 or sub-section 5 of section 24 shall have the right to participate and vote in the meetings of the creditors on behalf of financial creditors. Whoever he is representing, he has the right to represent,

and he has the right to vote according to the instructions given by the creditor. Then it shall be the duty of the authorized representative to circulate the agenda and minutes of the meeting. Unless the creditors receive notice and the minutes, they cannot make a decision on whether to pass the resolution or cast a vote in favor of or against it. So, he is supposed to circulate them. Then, based on the decision taken by the financial creditor, he will be instructed. The authorized representative is supposed to vote accordingly. Then how do you vote? Section 25, subsection 3: The authorized representative shall not act against the interests of the financial creditor. Please remember, he represents and shall always act in accordance with the prior instructions. Has notice already been sent to the financial creditors or the class of creditors? According to the instructions provided by the creditors, the authorized representative is required to cast a vote.

Then, provided that if the authorized representative represents several financial creditors, he shall cast a vote in respect of each financial creditor. As I have already mentioned, each financial creditor is different, so they are supposed to vote according to their interests or as instructed. Then, provided that if any financial creditor does not give prior instructions, they should not vote. I mean, he should not vote for those shares. So, if any financial creditor does not give prior instruction, then he shall abstain from voting on behalf of such creditor. This is how the authorized representative shall vote.

Then, notwithstanding anything contrary contained in section 6, the authorized representative under section 21 shall cast his vote on behalf of all the financial creditors he represents in accordance with the decision taken. By vote, more than 50% of the total voting shares of the financial creditors he represents; therefore, whenever he votes, he is supposed to follow the majority opinion. Provided that, for a vote to be cast in respect of an application under Section 12A, the authorised representative shall cast his vote in accordance with subsection 3. The authorized representative shall file with the committee of creditors any instructions received via physical or electronic means. Before voting, financial creditors must give some instructions. These instructions must be filed with the COC. So then, to ensure that the appropriate voting instructions of the financial creditor he represents are correctly recorded by the interim resolution professional. So what the financial creditors are saying is, is he voting accordingly or not? So you have to verify. These instructions must be provided to the resolution professional and submitted with it.

Then how do we decide? As we have already discussed, there are various circumstances. Suppose I'm the financial creditor; I'm attending the meeting and voting. When I vote, I may vote either in favor of or against. Suppose I am attending, but I am abstaining from voting. I am not voting. Or maybe I have voting rights, but I am not attending the meeting. So, how should we consider? So there are two circumstances. In the event that the creditor is absent from the meeting, there is a specific scenario. The second scenario can be where the creditor is present but refrains from voting. Then how do we deal with this? So there is no clarity; in fact, there is no clarity. However, in the case of Tata Steel

Limited versus Liberty House Group Private Limited, the NCLAT held that if any creditor abstains from voting, their shares should not be counted for the purpose of determining the voting shares of the COC. So, while calculating the total number of votes, their shares shall not be considered. Therefore, if out of 100 votes, 80 votes are considered and 80 votes are cast, then 80% is considered the result. This is the decision in the case of Tata Studies Limited. In another case, IDBI Bank Limited versus Mr. Anuj Jain, IRP Jaypee Infra Limited, the NCLAT held that if the FC remains totally absent from voting, then their voting percentage should not be counted for the purpose of counting. But some courts are of the opinion that you cannot ignore them; you have to consider them. So, that's why there is a requirement. If, in the near future, the Supreme Court issues a judgment on this issue, we may gain clarity; however, the law on this point remains unclear at present.

We can say that this is how you will cast your vote. Let us recap what we have discussed today. In today's session, we discussed the concept of creditor in class. Suppose there are creditors in the case of any corporate debtor, and if we have classes of creditors, then in such cases, how should we represent them? We have discussed that creditors in a class must be represented only by an agent, trustee, or other representative, as provided under section 21, subsection 6(a). Then we discussed the provisions relating to the appointment of an authorized representative for creditors in class. So, the creditors in the class can appoint an authorized representative to represent them.

Then, whenever you are conducting the meetings of the committee of creditors, we have discussed how to send the notice to the participants. Section 27 of the Code addresses the replacement of the resolution professional by the committee of creditors. So, if the committee of creditors wants to replace the resolution professional, what procedure should be followed? We have discussed Section 28 in detail. We then discussed the procedure for conducting the meeting by the committee of creditors and how to conduct the meeting itself. We then discussed how to conduct the voting at the committee of creditors' meeting, including the voting process and the voting share of creditors in each class. So, how should we consider the voting share in the case of creditors in the class we have discussed? Then, whenever you are conducting the voting, whether it is based on the creditors who are present and voting, or on the entire voting of the COC.

We have discussed this legal question in detail during today's session. With this, we have now thoroughly outlined the concept of the committee of creditors.

Thank you.