

## **Explanatory Notes**

### **Eleventh Meeting of Committee of Creditors (CoC) of SRS Limited to be held on Friday, 05<sup>th</sup> April, 2019 at 11:30 A.M. 4th Floor, Avanta Business Centre Pvt Ltd, Statesmen House, Barakhamba Road, Connaught Place, New Delhi-110001**

The meeting has been called to discuss and deliberate upon resolution plans received from shortlisted Resolution Applicants and other issues regarding Corporate Insolvency Resolution Process (CIRP). Various items of Agenda will be taken up for noting /discussion/approval as detailed below:

- **Agenda Item No 1:**

**To ascertain quorum for the meeting in accordance with the provisions of Regulation 22 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016**

As per the Regulation 22 (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, a meeting of the Committee of Creditors (“CoC”) shall be quorate if the members representing at least 33% of the voting rights shall be present either in person or by video conferencing or other audio and visual means. All the members of CoC including Authorised Representative of Deposit Holders are requested to attend the meeting.

The claim of Assistant Commissioner of Income Tax, Central Circle II, Faridabad is more than 10% of debt and therefore, they are also given notice for attending this eleventh meeting of CoC as per Section 24(3)(C) of the Insolvency and Bankruptcy Code, 2016 (“IBC, 2016”). Also, as per Section 24(4) of IBC, 2016, the operational creditor shall not have any right to vote in the meeting.

- **Agenda Item No 2:**

**To take note of the minutes of Tenth Meeting of Committee of Creditors (“CoC”) held on 28<sup>th</sup> March, 2019**

The minutes of the Tenth Meeting of Committee of Creditors held on 28<sup>th</sup> March, 2019 was circulated to all the members on 30<sup>th</sup> March, 2019. The minutes of tenth CoC Meeting shall be placed before members of CoC for taking them on record.

● **Agenda Item No. 3:**

**To discuss and deliberate upon resolution plans with representatives of Resolution Applicants who submitted the plans**

Resolution Professional in the last meeting held on 28.03.2019 had invited all the three resolution applicants who have submitted the plans, to further deliberate and discuss on the plan.

- a. Mr Anil Kapoor (MD), Mr Abhishek Kapoor (CEO) and Mr Tarun Mehta (Legal Counsel) of Movie Times Cineplex Pvt Ltd (Resolution Applicant) were present during the meeting held on 28.03.2019 to present their plan. Members of CoC and Resolution Professional discussed the plan with them in detail. Members of CoC requested the Resolution Applicants to rework on the offer amount upwards. Various modifications were suggested to be made in the plan to make it compliant with IBC, 2016 and other relevant statutes.

In accordance with the discussion held during the CoC meeting on 28.03.2019, Movie Times Cineplex Pvt Ltd has submitted a revised plan in sealed cover on 02.04.2019 and has also requested to open the plan in CoC meeting in the present of all its members. Accordingly, the revised plan received from Movie Times Cineplex Pvt Ltd shall be opened in this CoC meeting.

- b. Mr Sahil Virmani (Individual Resolution Applicant) was present to represent his plan. The plan submitted by him was for only real estate assets and not for the company as a whole. He was asked during meeting held on 28.03.2019 to submit a revised proposal that comply with all the provisions of IBC, 2016 along with documentary proof of sources to make payments under the plan. Resolution Professional again contacted Mr Sahil Virmani and asked him to submit a revised plan before the CoC meeting to be held on 05.04.2019. However, he has not submitted any revised plan.

- c. Mr Davinder Kumar (Individual Resolution Applicant) was not present and had authorised Mr Sahil Virmani to represent him in the meeting. This was not accepted by the members of CoC considering that one resolution applicant should not represent other resolution applicant. Resolution Professional had a meeting with Mr Davinder Kumar on 02.04.2019 to discuss whether any revised plan shall be put before CoC. Mr Davinder Kumar informed that he has been examining various issues and has again sought further information from RP Team and may submit the revised plan.

● **Agenda Item No. 4:**

**To discuss and take note of the present status of cases filed with Hon’ble NCLT and other courts**

After the commencement of CIRP, various cases, applications/petitions have been filed with Hon’ble NCLT and other courts. Current status of such cases are as follows:

**A. Ownerships of properties owned by Corporate Debtor**

SNO	Particulars of Case	Status
1	<p>Application filed by Resolution Professional with Hon’ble NCLT, Chandigarh under 60(5)(c) of IBC, 2016 for claiming access to properties which are owned by SRS Limited in SRS Tower, Sector 31, Faridabad comprising of Ground Floor, Lower Ground Floor and Eighth Floor.</p> <p>The application was filed as access to premises has been denied by Corporate Tower Association operating the tower as there are other parties claiming ownership over above properties.</p>	<p>Matter initially came up for hearing on 11.01.2019 where the application was withdrawn with a liberty to file application again amending the memo of parties.</p> <p>Application was again filed and matter came up for hearing on 07.02.2019. Matter again came up for hearing on 13.03.2019 where the matter was adjourned as judicial member was on tour and next date of hearing is 26.04.2019.</p>
2	<p>Application filed by Resolution Professional with Hon’ble NCLT, Chandigarh under Section 60(5)(c) and also under Section 19(2) of IBC, 2016, for getting access to record room in SRS Tower, Sector 31, Faridabad, where all documents of SRS Limited have been kept.</p> <p>The access to record room was earlier denied by Corporate Tower Association operating the tower stating that records of other companies are also kept at same place.</p> <p>However, subsequently the access to the records kept at lower ground floor at SRS Tower, Sector 31,</p>	<p>Matter initially came up for hearing on 11.01.2019 where the application under Section 60(5) of IBC, 2016 was withdrawn with a liberty to file application again with better particulars.</p> <p>Application was again filed under Section 19(2) of IBC, 2016 against Directors and ex-personnel of the Corporate Debtor to extend co-operation which came up for hearing on 07.02.2019 where court has issued notice of the application to the respondents for 01.04.2019 to show cause as to why they be not directed to appear in person. In the notice, they be also directed to file the reply</p>

	Faridabad was provided. Documents pertaining to relevant period were not traceable. Hence, an application was again filed with Hon'ble NCLT, Chandigarh requesting Directors for making available the relevant records	supported by affidavit of each of the respondent to the instant application at least a week before the date fixed.  Next Date of hearing was 01.04.2019. The bench members were not present and the matter is shifted to 04.04.2019.
3	Two separate Civil Suits (one for Unit 305 and other for 306, 307) have been filed by Resolution Professional (U/O 39 Rule 1 & 2 R/W Section 151 C.P.C) for permanent injunction and ownership of units 305, 306 and 307 owned by SRS Limited in SRS Tower, Sector 31, Faridabad	The matter for units 306 and 307 were listed on 13.02.2019 for hearing in the District Court, Faridabad where notice was issued. Next date of hearing is 07.04.2019.  Suit for possession for Unit No. 305 came up for hearing on 13.02.2019 in the district court, Faridabad where court said <i>"Office report received. Prima facie court fee is correct. It be checked and registered. Suit has been filed for permanent injunction. Along-with the suit, an application under Order 39 Rule 1 &amp; 2 read with Section 151 C.P.C. has been moved. Issue notice of the suit as well as application to the defendant for 11.4.2019 on filing of PF, copies of plaint, application and duly filled summons in duplicate. Dasti summon be given, if so desired."</i>  Next date of hearing is 11.04.2019
4	Application filed by owners of 19 shops in SRS Mall, Sector 12, Faridabad with Hon'ble NCLT, Chandigarh for claiming ownership over shops, wherein Resolution Professional was made respondent.  Above mentioned shops were transferred either through Buyer's Agreement or through Registered sale deed after shops were mortgaged to lenders. Resolution Professional issued legal notices to the shop owners to vacate the shops within 30 days against which above application has been filed.	Matter initially came up for hearing on 06.02.2019 whereby court ordered:  <i>"The Resolution Professional to file the reply at least a week before the date fixed which is 13.03.2019. In the meanwhile, the Resolution Professional is directed to update the Information Memorandum having been circulated about the pendency of this application and not to take steps to take possession of shops of applicants."</i>  The matter again came up for hearing on 13.03.2019 where the matter was adjourned.  Next date of hearing is 26.04.2019
5	Application filed by Mr S.S. Brar with Hon'ble NCLT, Chandigarh for claiming ownership over units 306 and 307 in SRS Tower, Sector 31, Faridabad, wherein Resolution Professional was made respondent. SRS Limited also claims ownership of the properties.	The matter had come up for the hearing on 7 <sup>th</sup> February, 2019 wherein Hon'ble NCLT has directed as under:  <i>"In the meanwhile, The Resolution Professional shall file complete response with regard to the decision of CoC about the claim made by the applicant in Form B"</i> .  Matter again came up for hearing on 13.03.2019

		where the matter was adjourned. Next date of hearing is 26.04.2019.
6	Suit for recovery of dues (under Order XXXVII of the Code of Civil Procedure) Rs 24.50 lakhs has been filed by Resolution Professional in Faridabad District Court against Orienta Cine Advertising Pvt Ltd	The suit was filed in the District Court, Faridabad on 02.02.2019 and next date of hearing is 28.03.2019 where the case was adjourned to 28.5.2019 for written statement as well as for vakalatnama on behalf of defendant.

**B. Cases filed under Section 9 of IBC, 2016 with Hon'ble NCLT in the capacity of Operational Creditor**

SNO	Name of Debtor/Party	Status
1	Lucra Jewels Pvt. Ltd.(Delhi)  (Amount Outstanding – Rs 85,31,54,044/-)	As discussed during previous CoC meetings, application was filed through legal counsel on behalf of Corporate Debtor with Hon'ble NCLT, New Delhi Bench III, under Section 9 of IBC, 2016 for initiating CIRP against debtor. Matter came up for hearing on 22.02.2019 where the final order was reserved.  Hon'ble NCLT vide its order dated 13.03.2019 has commenced the CIRP of the Debtor and has appointed Mr Anurag Nirbhaya as IRP. The order also directs Operational Creditor i.e. SRS Limited to deposit Rs 2 lakh in the account of IRP. The amount has been credited.  The next date of hearing is 22.04.2019
2	Trustworthy Gems & Jewellery Pvt. Ltd.(Delhi)  (Amount Outstanding – Rs 83,66,31,636/-)	As discussed during previous CoC meetings, application was filed through legal counsel on behalf of Corporate Debtor with Hon'ble NCLT, New Delhi Bench III, under Section 9 of IBC, 2016 for initiating CIRP against debtor. Matter came up for hearing on 22.02.2019 where the final order was reserved.  Hon'ble NCLT vide its order dated 13.03.2019 has commenced the CIRP of the Debtor and has appointed Mr Anurag Goel as IRP. The order also directs Operational Creditor i.e. SRS Limited to deposit Rs 2 lakh in the account of IRP. The amount has been credited.  The next date of hearing is 22.04.2019
3	Saubhagya Ornaments Pvt. Ltd. (Delhi)  (Amount Outstanding – Rs 66,19,70,188/-)	As discussed during previous CoC meetings, application was filed through legal counsel on behalf of Corporate Debtor with Hon'ble NCLT, New Delhi Bench III, under Section 9 of IBC, 2016

		<p>for initiating CIRP against debtor. Matter came up for hearing on 22.02.2019 where the final order was reserved.</p> <p>Hon'ble NCLT vide its order dated 13.03.2019 has commenced the CIRP of the Debtor and has appointed Ms Shalu Khanna as IRP. The order also directs Operational Creditor i.e. SRS Limited to deposit Rs 2 lakh in the account of IRP. The amount has been credited.</p> <p>The next date of hearing is 22.04.2019</p>
4	<p>Logical Jewellers Pvt. Ltd. (Delhi)</p> <p>(Amount Outstanding – Rs 60,32,64,652/-)</p>	<p>As discussed during previous CoC meetings, application was filed through legal counsel on behalf of Corporate Debtor with Hon'ble NCLT, New Delhi Bench III, under Section 9 of IBC, 2016 for initiating CIRP against debtor. Matter came up for hearing on 22.02.2019 where the final order was reserved.</p> <p>Hon'ble NCLT vide its order dated 13.03.2019 has commenced the CIRP of the Debtor and has appointed Mr Kamal Agarwal as IRP. The order also directs Operational Creditor i.e. SRS Limited to deposit Rs 2 lakh in the account of IRP. The amount has been credited.</p> <p>The next date of hearing is 22.04.2019</p>
5	<p>Gehna Precious Metals Pvt. Ltd. (Delhi)</p> <p>(Amount Outstanding – Rs 73,20,20,887/-)</p>	<p>Application was filed under Section 9 of IBC on 10.01.2018 and was admitted for CIRP on 28.05.2018 and thereafter was withdrawal on 20.07.2018 upon the application of IRP i.e. Shri Sudhir Kumar Aggarwal as the Directors of Corporate Debtor was not traceable and company was not operational. Application has been filed through legal counsel to reinstate the case under section 9 of IBC.</p>
6	<p>Celebration Jewellers Pvt. Ltd. (Delhi)</p> <p>(Amount Outstanding – Rs 67,78,40,681/-)</p>	<p>Application was already filed by Corporate Debtor under section 9 of IBC, 2016 on 18.01.2018. Application has now been filed through legal counsel for restoration of matter along with condonation of delay. Hon'ble NCLT has issued Dasti/Notice to the party on 21.02.2019.</p>
7	<p>Vision Jewellers Pvt. Ltd.(Delhi)</p> <p>(Amount Outstanding – Rs 66,17,73,157/-)</p>	<p>Application was already filed by Corporate Debtor under section 9 of IBC, 2016 on 18.01.2018. Application has now been filed through legal counsel for restoration of matter along with condonation of delay. Hon'ble NCLT has issued Dasti/Notice to the party on 21.02.2019.</p>
8	<p>Achiever Bullions &amp; Jewellers Pvt. Ltd.</p>	<p>Application was already filed by Corporate Debtor</p>

	(Amount Outstanding – Rs 50,56,90,349/-)	under section 9 of IBC, 2016 on 18.01.2018. Application has now been filed through legal counsel for restoration of matter along with condonation of delay. Hon'ble NCLT has issued Dasti/Notice to the party on 21.02.2019.
9	Satmaya Trading Co. Ltd.  (Amount Outstanding -	Application was already filed by Corporate Debtor under section 9 of IBC, 2016 on 05.02.2018. The matter came up for hearing on 05.10.2018 and got dismissed for non-prosecution. Application has been filed through legal counsel for restoration of matter.

### C. Other Cases

SNO	Particulars of Case	Status
1	Application filed by Resolution Professional with Hon'ble NCLT, Chandigarh under section 45 (undervalued) and 66 (fraudulent trading) of IBC, 2016	Matter came up for hearing on 19.03.2019. Hon'ble NCLT directed as follows: <i>"Notice to the non-applicants returnable on 30.04.2019 'Dasti' in addition to the publication since whereabouts of many of the addresses are not known."</i>  In accordance with Hon'ble NCLT order dated 19.03.2019, Resolution Professional has released a public advertisement intimating about filing of application under Section 45 and 66 of IBC, 2016 and notice to respondents for appearing before Hon'ble NCLT on 30.04.2019. Advertisement was released on 03.04.2019 in financial express.
3	Notice under section 8 of IBC, 2016 has been served to Shree Ashtvinayak Gems & Jewels Private Limited, Debtor of SRS Limited	No reply/dispute has been received/raised from the party within ten days from the notice.

- **Agenda Item No. 5:**

**To discuss such other matters with the permission of majority of members of the Committee of Creditors as may be deemed necessary for the smooth functioning of the CIRP of the Corporate Debtor**

**a. Appointment of Company Secretary and Chief Financial Officer:**

Resolution Professional informed the CoC in last meeting held on 28.03.2019 that the Corporate Debtor doesn't have Company Secretary. An advertisement was released for appointment of Professionals in SRS Limited including CS, CFO and Directors. In response to the advertisement, an application was received from Ms Jyotsna Nanda for the vacancy

of Company Secretary. The Resolution Professional had interaction with Ms Jyotsna Nanda on 27.03.2019 where she had agreed to the appointment. Ms Jyotsna Nanda has now been appointed as the Company Secretary of SRS Limited w.e.f. 02.04.2019. Intimation of her appointment shall be intimated to the all regulatory authorities, as required.

As discussed earlier, Mr Vikas Sharma, Chartered Accountant has been appointed as CFO w.e.f. 01.03.2019.

As discussed in the last meeting, Corporate Debtor has only one director Mr Raju Bansal whose term is expiring on 31.05.2019 and he shall not be further eligible to be appointed as Director under Companies Act, 2013. Hence, members of CoC are also requested to propose any name for Directorship of Corporate Debtor.

**b. Holding of Annual General Meeting w.r.t. FY 2017-18**

It was mentioned in the previous CoC meetings that the Annual General Meeting (“AGM”) for FY 2017-18 was not conducted by the Corporate Debtor as the financials of FY 2017-18 were not audited earlier. After the commencement of CIRP, Resolution Professional contacted both the Statutory Auditors and completed the audit of the financials. Annual General Meeting of the shareholders of SRS Limited for adopting the financials of FY 2017-18 shall be held before first week of May, 2019.

**Sd/-**

**ASHOK KUMAR GULLA**

Insolvency Professional

Regn. No: IBBI/IPA-003/IP-N00024/2017-18/10174

RBSA Restructuring Advisors LLP

9C, Hansalaya Building, 15 Barakhamba Road,

Connaught Place, New Delhi-110001

E-mail: [ashok.gulla@rbsa.in](mailto:ashok.gulla@rbsa.in); ip.srs@rbsa.in