

Explanatory Notes

Seventh Meeting of Committee of Creditors (CoC) of SRS Limited to be held on Friday, 15th February, 2019 at 03:30 P.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 present status of resolution plans to be received from shortlisted Resolution Applicants, to discuss on application filled before the Hon'ble NCLT on the basis of Transaction Audit report by Grant Thornton LLP, 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.

Further, as per Section 24(3)(C) of the Insolvency and Bankruptcy Code, 2016, the resolution professional shall give notice of each meeting of the committee of creditors to operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt. The total claim amount admitted till date i.e. comprising of financial creditors including deposit holders and operational creditors (including employees/workmen, statutory authorities and other operational creditors) is 1,323.64 Crs. The claim of Assistant Commissioner of Income Tax, Central Circle II, Faridabad is Rs 132.74 Crs which is more than

10% of debt and therefore, they are also given notice for attending the seventh meeting of CoC.

- **Agenda Item No 2:**

To take note of the minutes of Sixth Meeting of Committee of Creditors (“CoC”) held on 22th January, 2019

The minutes of the Sixth Meeting of Committee of Creditors held on 22th January, 2019 was circulated to all the members on 23rd January, 2019. The minutes of sixth CoC Meeting shall be placed before members of CoC for taking them on record.

- **Agenda Item No. 3:**

To discuss and take note of the updated claims of Financial Creditors i.e. Banks and Deposit Holders, Operational Creditors including Workmen/Employees and revised voting share of Committee of Creditors

In terms of Regulations 7, 8, 8A & 9 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, the Resolution Professional have received and admitted claims of Financial Creditors being banks and Deposit Holders, Operational Creditors including claims of workmen, employees and statutory authorities.

In terms of Regulation 12 (2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, the Resolution Professional can accept the claims received latest by 90th day from date of Commencement of Insolvency. Till 19.11.2018, i.e. the last day for receiving the claims, Resolution Professional had received claims from financial creditors and operational creditors which are explained below:

Claim from Financial Creditor including Creditors in a class (Deposit Holders)

Till 19.11.2018 i.e. the last date for submitting the claims in accordance with Regulation 12(2) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, claims from 2053 depositors have been received. The claims have been verified and admitted.

Further, as mentioned in the last CoC Meeting, the Resolution Professional has filed an application before Hon'ble NCLT, Chandigarh under Section 60(5) of Insolvency and Bankruptcy Code, 2016 requesting to allow the RP to admit claims received after 19.11.2018. Hon'ble NCLT, Chandigarh during the hearing held on 11.01.2019 allowed the RP to admit the claim received till the last date of receipt of resolution plans. Accordingly, till date Resolution Professional has received claims from 2175 depositors which have been verified and admitted. The list of deposit holders is uploaded at website of SRS i.e. srsparivar.com as well as on both stock exchanges.

Accordingly, the voting share of members of CoC have undergone change. The revised voting share is given below:

S. NO.	Name of the Financial Creditor	Amount Claimed (INR)	Amount of claim Admitted (INR)	Security Interest	Voting Share
1.	State Bank of India	6,28,31,58,213.31	6,28,31,58,213.31	Secured	54.98%
2.	Bank of India	2,23,79,59,143.69	2,23,79,59,143.69	Secured	19.58%
3.	Union Bank of India	1,25,59,70,113.38	1,25,24,58,703.64	Secured	10.96%
4.	Oriental Bank of Commerce	68,78,72,193.38	68,78,72,193.38	Secured	6.02%
5.	Deposit Holders (Class of creditors)	82,38,03,698.60	81,98,84,490.43	Unsecured	7.17%
6.	Syndicate Bank	14,13,19,684.04	14,13,19,684.04	Secured	1.24%
7.	Axis Bank Limited	56,64,645.00	54,90,631.00	Secured	0.05%
Total		11,43,57,47,691.40	11,42,81,43,059.49		100.00%

Claim from Operational Creditors including Workmen/Employees and Statutory Dues

Claim from Operation Creditors including Workmen/Employee and statutory authorities are being received and have been verified with the records of the Corporate Debtor.

Further, as per Section 24(3)(C) of the Insolvency and Bankruptcy Code, 2016, the resolution professional shall give notice of each meeting of the committee of creditors to operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt. The total claim amount admitted till date i.e. comprising of financial creditors including deposit holders and operational creditors (including employees/workmen, statutory authorities and other operational creditors) is 1,323.64 Crs. The claim of Assistant

Commissioner of Income Tax, Central Circle II, Faridabad is Rs 132.74 Crs which is more than 10% of debt and therefore, they are also given notice for attending the seventh meeting of CoC.

Accordingly, the details of total claims received and admitted are as under:

S. No.	Name of the Creditor	Total Amount claimed till 19.11.2018 (INR)	Amount of claim admitted (INR)
1	Financial Creditors	10,61,19,43,992.80	10,60,82,58,569.06
2	Deposit Holders (class of creditors)	82,38,03,698.60	81,98,84,490.43
3	Operational Creditors (other than workmen/employee and statutory authorities)	33,64,77,578.82	29,45,43,102.44
4	Statutory Authorities	1,57,81,70,897.00	1,49,83,56,393.00
5	Workmen/Employees	1,55,45,390.00	1,53,58,431.45
TOTAL		13,36,59,41,557.22	13,23,64,00,986.38

The list of creditors whose claims have been received and admitted is uploaded at website of SRS i.e. srsparivar.com as well as on both stock exchanges.

● **Agenda Item No. 4:**

To discuss about the present status of resolution plans to be submitted by shortlisted resolution applicants

As discussed and approved in the last CoC meeting held on 22.01.2019, the timeline for submitting the resolution plan by potential Resolution Applicants was extended to 15.02.2019 from 23.01.2019.

As mentioned during the last CoC Meeting, out of total of 15 resolution applicants who are shortlisted for submitting the resolution plans, four are showing keen interest in submitting the resolution plans. These are namely M2K Developers Pvt Ltd, Movie Times Cineplex Pvt Ltd, Carnival Capital Holdings Pvt Ltd and ARCIL. Since the last CoC Meeting, several data has been sought from these potential resolution applicants for carrying out due diligence. Further, it is being informed to the Resolution Professional that Carnival Capital Holdings Pvt Ltd and ARCIL shall be submitting joint resolution plan.

The Resolution Professional has further received an email from Movie Time Cineplex Pvt Ltd stating that there are many issues pertaining to Corporate Debtor and hence would need further time to submit resolution plan and requested for further extension of 2-3 weeks. Other potential resolution applicants have also sought extension for submission of resolution plan.

Accordingly, Agenda No 12 has been put for approval of CoC to extend the time to submit the resolution plan from 15.02.2019 to 06.03.2019.

- **Agenda Item No. 5:**

To discuss and take note of the audited financial statements for FY 2017-18 and conduct of Annual General Meeting

The financials for FY 2017-18 ending on 31.03.2018 have been audited. The financials have also been signed by both the statutory auditors of the Corporate Debtor. As per the relevant provisions of the Companies Act, 2013, the financials are to be signed by two directors. As discussed during previous CoC Meetings, there are only two directors active as on date namely Mr Raju Bansal and Dr Anil Jindal. The resolution professional tried to get the financials signed by Dr Anil Jindal in the presence of district judge, however, it could not happen. Therefore, the financials are signed by only one director i.e Mr Raju Bansal.

In view of the above, the Resolution Professional shall now arrange to conduct the Annual General Meeting (AGM) in accordance with the Companies Act, 2013 by the end of March, 2019.

The past performance of SRS Ltd based on the audited financials for the year ended 31st March 2016, 31st March 2017 and financial for the year ended 31st March 2018 are presented as under:

(Rs in Crs)

Particulars	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited- Continued Operation)	FY 2017-18 (Audited- Discontinued Operation)
Revenue from Operations	3,731.51	1,000.87	113.72	402.73
Other Income	1.36	1.79	0.98	0.70

Total Revenue	3,732.87	1,002.67	114.70	403.43
Total Expenditure (excluding interest, Taxes & Depreciation)	3,614.09	1,074.81	125.04	1656.72
EBITDA	118.77	(72.14)	(10.34)	(1253.29)
Finance Cost	80.91	117.12	11.06	131.49
D&A	18.90	17.72	11.52	2.12
PBT (Rs Cr)	18.95	(206.86)	(32.92)	(1386.90)
PAT	15.77	(160.48)	(74.15)	(1386.90)

Decline in Sales: -SRS limited was a diversified Company with a business portfolio comprising of Gold and Jewellery (retailing, wholesaling and manufacturing), Cinema Exhibition, Retail and Restaurants etc. The major source of revenue was generated from Jewellery and retail sector during the last 2 years. However, the sales declined by 89% in Jewellery & Retail in FY 2017-18 as compared with the FY 2015-16. However, the company closed the jewellery business completely in fiscal year 2017-18 and booked substantial losses. The Jewellery & Retail Business Stand fully closed from March 2018.

As informed by concerned officers due to rapid growth of the e-commerce industry in recent years and entry of new competitors in the market, the Company also faced tough competition in the retail sector.

Increase in Expenses: - Due to Write off of Bad Debts of Rs. 1295.01 Cr. and Impairments of the Assets amounting to Rs.20.41Cr.

Decline in EBITDA: -Jewellery and retail segments were amongst the two high profit margin segment of the Company. Sudden decline in sales of these two segments, along with write off of Bad Debts impacted EBITDA.

Decline in Finance Cost: - After 2016, the Company was facing liquidity problem and accounts classified as NPA mainly due to non-servicing of interest and other related charges for the Cash Credit Facilities and Corporate Loans availed from consortium of Banks. Therefore, the Banks have not levied any interest/ charges on the Company after classifying as NPA. Hence, entire interest costs have not been capitalised in accounts of the Company for the year 2017-18.

Decline in PBT & PAT: -In line with EBITDA, PBT & PAT have shown deterioration and continued to remain negative through FY 2016-17 followed in FY 2017-18 (Audited) owing to increasing burden of finance cost due to its non-payment and unavailability of funds.

The financial position of SRS Ltd is presented as under:

(Rs in Crs)

Particulars	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited)
Paid up share capital	278.58	278.58	278.58
Tangible Net Worth (TNW)	643.25	483.46	(977.41)
Non-Current Liabilities	22.76	58.49	5.00
Current Assets	1,585.50	1,410.98	21.59
Current Liabilities	1,168.85	1,148.71	1178.55
Total Liabilities	1,186.62	1,207.20	1,182.55
Net Fixed Assets + CWIP	220.76	201.33	148.29

Tangible Net Worth: -There is massive erosion in quantum of Reserve & Surplus of the Company due to surge in losses which are also resulting in decline in Tangible Net Worth of Rs. 643.25 Cr for the year ended FY 2015-16 to Rs. 483.22 Cr for the year ended FY 2016-17. The said decline in Tangible Net Worth was mainly on the account of losses of Rs. 160.48 Cr during the FY 2016-17. Further, Tangible Net Worth has come down to Rs (-)977.41 Cr on for the year ended FY 2017-18 due to losses of Rs. (-) 14,60.87 cr. based on the audited financials of FY2017-18.

Non-Current Liabilities: - As on 31.03.2016 the Non-Current Liabilities outstanding (Pertaining to Public Deposit) in the Balance sheet was Rs 55.35 Cr and the same has been reclassified as Current Liabilities in FY 2017-18.

Current Asset: -According to audited figures as on 31.03.2018, Current Assets include Inventory amounting to Rs 0.48 Cr. mainly of the Food & Beverages of Cinema business, Trade Receivables of Rs 2.87 Cr mainly pertaining to jewellery business, Cash & Cash Equivalents of Rs 3.42 Cr and Other Current Asset of Rs 14.82 Cr.

Due to decline in Trading activities, trade Receivable that was Rs 1178.10 Cr in FY 2016-17 has reduced to Rs 2.87 Cr in FY 2017-18.

Balance with Revenue Authorities in FY 2015-16 of Rs 6.56 Cr have increased to Rs 8.05 Cr in FY 2016-17 and further increased to Rs 8.60 Cr in FY 2017-18.

The members of CoC are requested to take on record the audited financials of Corporate Debtor for the financial year ended 31.03.2018.

- **Agenda Item No. 6:**

To discuss the application filed with Hon'ble NCLT, Chandigarh for undervalued and fraudulent transactions under Section 45 and 66 of Insolvency and Bankruptcy Code, 2016

Shri Ashok Kumar Gulla, Resolution Professional, in the last CoC meetings held on 27.12.2018 and 22.01.2019 respectively, discussed about the draft transaction audit report prepared by Grant Thornton, LLP on preferential transactions under Section 43, undervalued transactions under Section 45, extortionate credit transactions under Section 50 and fraudulent transactions under Section 66 of Insolvency and Bankruptcy Code, 2016 ("IBC, 2016").

It was also discussed in the last CoC Meetings that in accordance with Regulation 35A(3) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Resolution Professional has to file the report on the above mentioned transactions with Hon'ble NCLT by 135th day from Insolvency Commencement Date which arrives at 04.01.2019. There has been a delay in submission of the final transaction audit report to Hon'ble NCLT by 135th day from Insolvency Commencement Date, due to non-availability of data and records.

Grant Thornton LLP shall be submitting its final report within next 2-3 days. Considering the same, the Resolution Professional shall file an application with Hon'ble NCLT, Chandigarh seeking appropriate directions and reliefs under relevant provisions of IBC, 2016.

Considering the fact that there has been a delay in filing the application with Hon'ble NCLT under Regulation 35A(3), the applications shall be filed with condonation of delay with Hon'ble NCLT, Chandigarh.

- **Agenda Item No. 7:**

To discuss present status of legal cases filed with Hon'ble NCLT and Civil Courts

1. Application for access to possession in units owned by SRS Limited in SRS Tower, Sector 31, Faridabad:

Resolution Professional and his team after getting hold of various documents came to know that SRS Limited owns some units and space in SRS Tower, Near metro station Mewla Maharajpur which was developed by SRS Real Infrastructure Private Limited. As per registered land deeds acquired by office of Sub-Registrar Faridabad, SRS Limited has purchased below properties:

a. Lower ground floor:

11,248.02 Square Feet in Super Area situated at the said I.T unit, the said space was purchased for the store room, the consideration was paid @Rs. 6,000/- per square fee which totals to Rs. 6,74,88,120/- which has been paid in full. The said area has record room and record keeping is done in the said room where accounting records of SRS Limited and other sister concern are kept.

b. Ground Floor (Unit No. 46):

SRS Limited has purchased Unit No. 46 (1816.201 Square Feet) in Super Area situated at the said I.T unit, the consideration was paid @Rs. 3,500/- per square fee which totals to Rs. 63,56,703/- which has been paid in full. The said allotment deed is Registered in the office of Sub Registrar, Faridabad vide "Pralek Number 20828" dated 22/03/2012.

c. Eight Floor:

SRS Limited has purchased 12806.476 Square Feet Super Area situated at eight floor of the said I.T unit, the consideration was paid @Rs. 4,200/- per square fee which totals to Rs. 6,71,53,450/- which has been paid in full. As per Undertaking No. 6 (c) of the registered deed SRS Limited has developed a conference room and has installed equipment, fittings,

furniture and fixture in the said are and has spent considerable Capital Expenditure. The said Auditorium is under the possession of SRS Tower Association and is being sublet by them to third parties for rental on per day basis.

The possession of the above mentioned properties have not been handed over to Resolution Professional by Corporate Tower Association of SRS Tower, Section 31, Faridabad. Hence, application was filed with Hon'ble NCLT, Chandigarh for getting access to the properties which was withdrawn with a liberty to file again amending the memo of parties. The application was filed again which come up for hearing on 7th February 2019. The Corporate Tower Association of SRS Tower has been asked to file a reply. The matter is listed on 13.03.2019.

2. FIR on Vehicles and transfer of vehicles

Resolution Professional and his team was unable to locate few vehicles which were in the name of SRS Limited and has sent formal complaint to file an FIR (First Information Report) to Central Police Station, Sector 15, Faridabad. An online service request for missing four vehicles has been raised with Police Department, Haryana.

Further, Mercedes with no MH01BY2526, in the name of Corporate Debtor, was in Mumbai. The said vehicle got repaired and insurance was arranged before shifting it to Faridabad. The vehicle has been brought back in Faridabad.

3. Application filed under Section 19(2) of IBC, 2016 for getting access to record room

Resolution Professional filed an application in the Hon'ble NCLT, Chandigarh which was filed under section 60 (5) (c) of Insolvency and Bankruptcy Code, 2016 for access to record room at SRS Tower, Sector 31, Faridabad came up for hearing on 11th January 2019 was withdrawn with liberty to file fresh application with better particulars (including name of respondents).

However, subsequently the access was permitted by Association of SRS Tower but the relevant records for period 2016-17 and 2017-18 and for period upto August, 2018 could not be found

despite efforts made by staff of Corporate Debtor. Hence, application was filed u/s 19 (2) of Insolvency & Bankruptcy Code, 2016 against Directors and ex-personnel of the Corporate Debtor to locate these records and extend co-operation which was admitted on 07.02.2019.

4. Legal notices issued to shop owners & application filed by them in Hon'ble NCLT, Chandigarh

We would like to appraise CoC on the status of shops sold in the SRS Mall, Sector 12, Faridabad. RP, while performing the duties, it was learnt that the SRS Mall has been mortgaged to the Consortium of Banks against the Loans provided to SRS limited. The charge has been created and has been registered with the ROC on 25.08.2007. Further, it was identified that few shops (17 in No. including Outer Kiosk) in the mall has been sold after the mall was mortgaged to the Lenders and few shops have been sold via Buyers Agreement (09 in No.). As per the opinion of the Legal Counsel the sale of Shops after mortgaging and sale through Buyers Agreement does not constitute a valid transfer, Hence, a Legal Notice was sent to all the 26 shop Owners who had purchased the shops after 25.08.2007 and via Buyers Agreement to surrender the possession of the shops. In response to the Shop Owners all the shop owners in response to the Legal Notice has approached the Hon'ble NCLT – Chandigarh for the necessary relief, the matter was heard with Hon'ble NCLT on February 6th and 7th, 2019 and the matter is now listed for hearing on March 13, 2019.

Further, out of the above mentioned shops, SRS Limited had taken few Shops on rent. The Shop Owners were paid Rent in the past except for the few months. The shop owners had filed the claim as operational creditor for the Rent not paid by SRS Limited. Since a proper Rent agreement was executed between the Shop Owner and SRS Limited for the taking the shops on Rent, Hence the claims were admitted for the outstanding Rent.

In the order dated, February 7th, 2019, when the application filed by Shop Owners in response to the Legal notice was heard, Hon'ble NCLT has asked "Resolution Professional shall file the complete response with regard to the decision of the CoC about the claims made by the applicant in Form B".

Following are the claims received from such Show Owners.

S. No	Shop No & Address	Name of Claimant	Date of Receipt of Claim	Amount claimed	Amount Admitted
1	GF -1 and GF - 2, SRS Multiplex, sector-12	Manju Gupta	01-10-2018	14,60,499	13,85,234
2	GF - 9, SRS Multiplex, Sector-12	Ashok Kumar Dembla	12-12-2018	6,82,603	6,08,965
3	GF - 14 SRS Multiplex, Sector-12	Anita Gupta	16-11-2018	6,71,880	5,55,439
4	FF - 08, SRS Multiplex, Sector 12	Ashok Kataria	24.12.2018	4,11,133	2,85,548

The matter shall be discussed in CoC Meeting and shall be intimated in our reply to Hon'ble NCLT.

5. Legal notices issued to JP Gupta for SCO-94 and Plot No. B-19, Sector 2, Faridabad

The SCO 94 and Booth Plot No. B-19, Sector-2, HUDA Market, Urban Estate, Faridabad are in the possession of Shri Jai Prakash Gupta and being used commercially. We have written to these parties regarding the ownership of the land parcels in the name of SRS Limited. In response to our letter, Shri Jai Prakash Gupta had shown the Resolution Professional and his team two agreements dated 19.01.2016 executed between SRS Limited and Shri Jai Prakash Gupta for sale of the above mentioned shops along with the copies of receipts of Rs 4.25 Cr and Rs 1.35 Cr being paid for the shops. SRS Limited had handed over the physical possession of these shops to Shri Jai Prakash Gupta. However, there is no conveyance deed and the documents are also not complete.

Resolution Professional has arranged for issue of legal notices to all the shop owners to surrender the possession of these shops within a period of 30 days from the date of receipt of legal notice. In response to the legal notice, Shri Jai Prakash Gupta through his legal counsel has stated that they are interested in negotiating to buy the properties from potential resolution applicants.

6. Legal notice sent to Manoj Narwat

It was discussed in fifth CoC meeting on 27.12.2018 to lodge a complaint against Manoj Narawat who has purported to have transferred money in the account of other persons. Resolution Professional had got details of funds transferred to other accounts. However, subsequently it was noticed that prima facie case of fraud could not be establish as sufficient documentary evidence is not available. Hence, legal notice was issued to seek detailed clarification from the person. No reply as to Legal notice has been received by the Resolution Professional and his team.

The Resolution Professional has written to banks at which the funds have been credited for seeking details of the parties to whom money was transferred.

7. Civil suit for Unit 305, 306 & 307 at SRS Tower, Faridabad

SRS Limited owns some office space in SRS Tower at 3rd Floor, SRS Tower located at Sector 31 Faridabad. The office Space owned by SRS Limited is unit No. 305, 306 and 307. The said office space admeasuring 10,765 Sq. ft. against the above mentioned unit was purchased in 2012. Subsequently in 2017 a cancellation deed was signed among SRS Real infrastructure limited and SRS Limited. However, the cancellation deed is not a registered document moreover the consideration agreed has not been received. Subsequent to the cancellation unit No. 305 was sold to one person and 306 and 307 were sold to another person (Second Owner). Second owner has approached the Resolution Professional and has submitted all the proof of his ownership, Hence the Resolution professional has filed a civil suit against the second owner for clarification on the actual ownership of said properties.

The matter is listed on 13.02.2019 for hearing in the District Court, Faridabad.

Suit for possession for Unit No. 305 will be filed by 11.02.2019 in the district court, Faridabad. The suit was not filed as SRS Real infrastructure went into Corporate Insolvency Resolution Process and moratorium was declared on 21.01.2019 and currently there is a stay on the insolvency proceedings by order of Hon'ble NCLAT dated 29.01.2019.

8. Recovery suit for Orienta Advertising

M/s Orienta Cine Advertising Pvt. Ltd. was engaged to undertake Advertisement at various malls/locations. It was observed that amount of 1.48 Crore was outstanding and payable by Orienta Cine Advertising Pvt. Ltd and a cheque of Rs. 24.5 Lakh dated 08.08.2018 towards part payment was received which was presented in bank and returned back. It was decided that legal action/Civil Suit is to be initiated against the parties and local lawyers along with M/s Gaggar & Co. LLP is being appointed to represent us. The suit was filed in the District Court, Faridabad on 02.02.2019 and next date of hearing is 28.03.2019.

9. Application filed under section 9 of Insolvency & Bankruptcy Code, 2016**a. Lucra Jewels Pvt. Ltd.(Delhi)**

Application was filed under Section 9 of IBC, 2016 on 23.01.2018 with Hon'ble NCLT Delhi. We have now engaged Lex Advoco to represent the case on behalf of Corporate Debtor. Further, the matter came up for hearing and Hon'ble NCLT 05.12.2018 and on 09.01.2019 and matter was adjourned. On 09.01.2019, Hon'ble NCLT Bench pronounced the matter as Ex-party and matter was adjourned for 30.01.2019 and further on 08.02.2019. Now, the next date of hearing is fixed at 22.02.2019.

b. Trustworthy Gems & Jewellery Pvt. Ltd.(Delhi)

Application was filed under Section 9 of IBC, 2016 on 16.01.2018 with Hon'ble NCLT Delhi. Resolution Professional has now appointed En Pointe Advisors to represent the case on behalf of Corporate Debtor. Further, the matter came up for hearing on 05.12.2018 and on 09.01.2019. On 09.01.2019, Hon'ble NCLT Bench pronounced the matter as Ex-party and matter was adjourned for 30.01.2019 and further on 08.02.2019. Now, the next date of hearing is fixed at 22.02.2019.

c. Gehna Precious Metals Pvt. Ltd. (Delhi)

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. Now, Application is being file through En Pointe Advisors LLP, Legal Counsel to reinitiate the case under section 9 of IBC.

Resolution Professional is filing an application to reinitiate the proceedings as the case was admitted and consequently disposed off on the request of IRP appointed.

d. **Celebration Jewellers Pvt. Ltd. (Delhi)**

Application was filed under Section 9 of IBC, 2016 on 18.01.2018 with Hon'ble NCLT Chandigarh. Legal notice was served on 01.10.2018 and no reply has been received. The directors of the company couldn't be contacted. We have appointed M/s Gaggar & Co. LLP to reinitiate the case under Sec-9 of the code.

The application for restoration of matter was filed on along with condonation of delay.

e. **Saubhagya Ornaments Pvt. Ltd. (Delhi)**

Application was filed under Section 9 of IBC, 2016 on 23.01.2018 with Hon'ble NCLT Delhi. We have now engaged Lex Advoco to represent the case on behalf of Corporate Debtor. Further, the matter came up for hearing before Hon'ble NCLT, New Delhi on 05.12.2018 and on 09.01.2019. On 09.01.2019, Hon'ble NCLT Bench pronounced the matter as Ex-party and matter was adjourned for 30.01.2019 and further on 08.02.2019. Now, the next date of hearing is fixed at 22.02.2019.

f. **Vision Jewellers Pvt. Ltd.(Delhi)**

Application was filed under Section 9 of IBC, 2016 on 18.01.2018 with Hon'ble NCLT Chandigarh. Legal notice was served on 01.10.2018 and no reply has been received. The directors of the company couldn't be contacted.

Resolution Professional has appointed M/s Gaggar & Co. LLP to reinitiate the case under Sec-9 of the code. The application for restoration of matter was filed on along with condonation of delay.

g. Logical Jewellers Pvt. Ltd. (Delhi)

Application was filed under Section 9 of IBC, 2016 on 16.01.2018 with Hon'ble NCLT Delhi. Resolution Professional has now engaged Lex Advoco to represent the case on behalf of Corporate Debtor. Further, the matter came up for hearing before Hon'ble NCLT, New Delhi on 05.12.2018 on 09.01.2018. On 09.01.2019, Hon'ble NCLT Bench pronounced the matter as Ex-party and matter was adjourned for 30.01.2019 and further on 08.02.2019. Now, the next date of hearing is fixed at 22.02.2019.

h. Achiever Bullions & Jewellers Pvt. Ltd.

Application was filed under Section 9 of IBC, 2016 on 18.01.2018 with Hon'ble NCLT Chandigarh. Legal notice was served on 01.10.2018 and no reply has been received. The directors of the company couldn't be contacted. The application for restoration of matter was filed on along with condonation of delay.

i. Satmaya Trading Co. Ltd.

Application was filed under Section 9 of IBC, 2016 on 05.02.2018 with Hon'ble NCLT, Delhi. The matter came up for hearing on 05.10.2018 and got dismissed for non-prosecution. Resolution Professional has engaged Lex Advoco to re-open the case under Section 9 of the IBC, 2016.

Resolution Professional is filing a restoration application in this matter through Lex Advoco, legal counsel.

- **Agenda Item No. 8:**

To discuss cash flow of SRS Limited for the month of January, 2019

The cash flow statements of the Corporate Debtor for the month of January, 2019 is presented below:

Cash Flow Statement for the period from 01.01.2019 to 31.01.2019

Particulars	Amount (in Lacs)
Opening Balance (SBI TRA A/c)	226.50
Opening Balance (SBI Gorakhpur)	87.48
Opening Balance (SBI Tax A/c)	8.62

Total Opening Bank Balance	322.60
Box Office	670.14
Food and Beverages	191.85
BMS & PAYTM (Pristine and Bhiwadi)	17.16
Mall Payment Received	14.56
Advertisement Income	7.21
Security Recd. for resolution plan	20.00
Excess Amt. Recd. From Distributors	17.43
Insurance Claim Recd. From Bareilly Location	2.30
Other Income	0.39
Total Collection (including opening bank balance)	1,263.65
Expenditure	
Distributor Share & Commission Charges	263.40
Raw Material Consumed (Purchase)	25.65
Employee Benefit Expense	98.29
Legal & Professional	6.40
Professional fees to RP and IPE	16.78
Security Expenses	12.87
House Keeping Expenses	23.07
Printing & Stationery	0.20
Telephone expenses	0.47
Conveyance expenses	0.18
Diesel	0.20
Mall Payment	19.36
Advertisement & Publicity	0.77
CAM	35.63
Electricity	24.04
Lease Rent Paid	83.47
Fixed Deposit	20.00
Courier Exp.	1.02
Repair and Maintenance - Others	11.32
BMS Payment (Roopa Construction Pvt. Ltd.)	11.00
Rates & Taxes (Court Fee for Orienta Civil Suit Rs. 119550/-) & Show Tax Payment	2.03
Bank Charges	0.74
Taxi Hire Charge	1.36
TDS, GST and EPF Payment M/o December 2018	143.82
Total Outflow	802.05
Total Surplus/(Deficit)	461.60

CLOSING BANK BALANCE

SBI TRA A/C	366.59
SBI GORAKHPUR	87.48
SBI TAX A/C	7.53
TOTAL	461.60

- **Agenda Item No. 9:**

To discuss the cash flows of SRS Entertainment India Limited for the months September, 2018 to January, 2019

As discussed in the previous CoC Meetings, Resolution Professional had raised concern over management of SRS Entertainment India Limited, wholly owned subsidiary of SRS Limited. SRS Entertainment India Limited has pending severe liabilities of around Rs 2.80 crores towards GST and TDS which are yet to be paid. Notices for recovery have been issued by revenue authorities.

An application is filed against SRS Entertainment India Limited (“SREIL”) U/s 9 of Insolvency & Bankruptcy Code, 2016 in Hon’ble NCLT, Chandigarh by M/s Raj Pal Theatre through its partner Mr. Jagjit Singh. M/s Raj Pal Theatre owns a Raj Pal Theatre in the name of Raj Pal Theatre situated at Muktsar Sahib, Punjab. They have claimed amount of Rs. 3,28,01,724/-.

The cash flows of SRS Entertainment India Limited for the month of November, 2018 and December, 2018 were presented in the last CoC Meeting held on 22.01.2019 for the discussion of CoC. CoC in the last CoC Meeting had further asked for cash flows for the past months of the subsidiary to understand the inflows and outflows of the subsidiary. The cash flows of the subsidiary for September, 2018 to January, 2019 shall be placed in the Meeting for the review of CoC.

- **Agenda Item No. 10:**

To take note and ratify the Insolvency Resolution Process Costs (“CIRP Cost”)

Following expenses have been incurred by RP and his team for the month of January, 2019:

S. NO.	Details	Amount
1	Out of Pocket Expenses by RP & his team for the month of January, 2019	Rs 53,332/-
2	Expenses paid towards booking of venue and lunch for 6 CoC Meeting	Rs 17,700/-
3	Video Recording for 6 th CoC Meetings	Rs 6,000/-
4	Expenses incurred for shifting Mercedes car in the name of SRS Limited from Mumbai to Faridabad (including travelling fare of RP team member, insurance and courier of car)	Rs 57,357/-
	Total	Rs 1,34,389/-

These expenses are in addition to fees of Resolution Professional, Insolvency Professional Entity (RBSA Restructuring Advisors LLP), Valuers, Transaction Auditor and Legal counsel already approved by CoC.

- **Agenda Item No. 11:**

To reduce the notice period from five days to period of two days in terms of Regulation 19 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

In accordance with Regulation 19 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, a meeting of Committee of Creditors (“CoC”) may be called by giving notice of not less than 5 days. However, the notice period can be reduced to such other period but not less than forty-eight hours in case of Authorised Representative.

In order to expedite the CIRP and approval of a viable resolution plan within the timelines prescribed under IBC, 2016, it is considered prudent to call for the meeting at a shorter notice wherever required. In view of the above stated, it is proposed to reduce the notice period to 2 days. Accordingly, following resolution is put for voting:

“RESOLVED THAT” reduction in period to serve the notice of meeting of Committee of Creditors to 2 days in terms of Regulation 19 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, is put for approval of CoC.

- **Agenda Item No. 12:**

To discuss and take approval for extension of timeline to submit resolution plan from 15.02.2019 to 06.03.2019 in accordance with Regulation 36B of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

As mentioned in Agenda No 4, Potential Resolution Applicants have sought further extension of time for submitting a viable resolution plan. Considering the same and to ensure that a viable plan is received for the Corporate Debtor, Resolution Professional has proposed to extend the time for submitting the plan from 15.02.2019 to 06.03.2019.

In terms of Regulation 36B (6) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the resolution professional may extend the time for submitting the resolution plan after taking approval of CoC. Accordingly, following resolution is put for voting:

“RESOLVED THAT the extension of timeline for submitting the resolution plan by potential Resolution Applicants from 15.02.2019 to 06.03.2019 is put for approval of CoC”

After the above resolution is approved, all the potential Resolution Applicants will be intimated for extension of time line.

- **Agenda Item No. 13:**

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. **To discuss and approve renewal of cinema lease agreements with Patiala Developers**

It was informed in the last CoC Meeting held on 22.01.2019 that SRS Limited is running a cinema on lease in Omaxe Mall located at Patiala. The lease entered between the parties is for 9 years which has expired on January 7, 2019 and they are now not at all willing to continue with SRS Limited. Further it was found that the developers have signed extension of lease agreement in 2017 for another 18 years upto 2037 for minimum guarantee of Rs. 26,72,163.56 per month calculated at Rs. 61 per sq. ft. Extension deed required a sum of Rs. 1.60 crore to be paid to the owners as security deposit which has already been paid to them.

There are multiple owners to this property and it has been brought to our notice that one of them has not signed the agreement. Due to this reason the owners are saying that this is not a valid document in the eyes of law. Further, the lease agreement is unregistered.

In this connection, Omaxe Mall Developers had meeting with Resolution Professional and his team and Mr. Tinku Singh, Group President & CSO and had pleaded to vacate the mall as the lease was expiring on 07.01.2019. After series of discussion, they had verbally agreed to

continue till the completion of Corporate Insolvency Resolution Process. However, as further negotiated, the lease agreement could not be agreed for a period of less than three years.

The matter was discussed in detail by members of CoC and it was observed that the party has already renewed lease agreement for next 18 years and has also taken security deposit from SRS Limited 2 years back. It cannot now seek for withdrawal from the said lease agreement. The members of Omaxe Mall have again contacted Resolution Professional and his team. The item is again put for discussion in the CoC Meeting.

b. Application for extension of time for Corporate Insolvency Resolution Process

SRS Limited was admitted in Corporate Insolvency Resolution Process vide order of Hon'ble NCLT, Chandigarh dated 21.08.2018 and thus, the estimated date after 180 days in terms of Section 12(1) of IBC, 2016 is 17.02.2019. It was also proposed to extend the period of CIRP for further 90 days in order to complete the CIRP. As per sub-section (2) of Section 12, the resolution professional shall file an application to Adjudicating Authority for extending the time of CIRP for a further maximum period of 90 days (only once), after getting approval of CoC having 66% voting share.

As per the meeting held on 22/01/2019 and subsequent e voting the resolution was approved and an application was filed with Hon'ble NCLT, Chandigarh on 01/02/2019. The same was heard on 05.02.2019 and the order for extension was granted by the Hon'ble NCLT, Chandigarh for another 90 days.

Sd/-

ASHOK KUMAR GULLA

Insolvency Professional

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

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