

NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
NEW DELHI

C. P. NO. 121(ND)2016
 CA. NO.

PRESENT: SMT. INA MALHOTRA
Hon'ble Member (J)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NEW DELHI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 20.10.2016

NAME OF THE COMPANY: M/s. SRS Ltd.

SECTION OF THE COMPANIES ACT: 74 (2)

<u>S.NO.</u>	<u>NAME</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	Mr. Saurabh Kalia	Advs	Petitioner	
2.	Mr. Anshuwaraj Mishra			
3.	Raj Kumar Wadhwa	Depositor		
4.	O.P. Chadha	Depositor		
5.	Satish Kumar Minocha	Depositor		
	Ashok Sachdev	A-R.	Respondents	
6.	SARESH AHUJA KIRAN AHUJA RUSHI AHUJA	Depositor		
7.	Sudhakar Kataria	Depositor		
8.	Baljit Kataria	Depositor		
9.	Prem Kataria	Depositor		
10.	BK Aggarwal	Depositor		
11.	Dharmendra Bhekhri	Depositor		
12.	Ankita Jain	Petitioner		

ORDER

Vide this petition filed by the Company u/s 74(2) of the Companies Act 2013, M/s. SRS Ltd seeks extension of time to remit the proceeds of the matured fixed deposits accepted by them from the general public. The main business of the Petitioner Company is stated to be jewellery business. It is submitted that the long strike observed in the bullion market all over India in early 2016 severely crippled their business and caused financial crises, on account of which the company has not been able to honour its liabilities towards the depositors. It therefore seeks time to repay the depositors in a phased manner. It is also submitted that prior to March 2016, the Company has never defaulted in adhering to the repayment schedules.

2. Keeping the overall picture in view, ie. the interest of the investors in being able to retrieve their money, albeit piecemeal, as well as the fact that the company is able to nurse back its financial health, this Bench has considered the prayer made in the present petition. The petitioner has filed its projected P&L statements to show that given some time, they would be able to refund all the monies due.

3. The petitioners have been asked to better their proposals from time to time. Keeping their submissions in mind, their proposal for extension of time for repayment is being considered by this Bench, and subject to its strict adherence which shall be reviewed every quarter, time shall be extended 3 months at a time in terms of the schedule approved as under:

1. All FDs which have matured upto 30th September, 2016 shall be repaid together with the interest in the following manner:
 - a. 30% in six months' time i.e, from October, 2016 to April, 2017
 - b. 30% within the next six months.
 - c. Balance 40% within three months thereafter.

4. In terms of the above it is undertaken that the entire liability of fixed deposits which have matured upto 30th. Sept. 2016 would be liquidated within a span of 15 months ie. by December 2017.

5. It is further undertaken that interest on the aforesaid amounts shall be given periodically at the rate of 11.75% simple interest by way of post dated cheques. These cheques shall be automatically dispatched to the depositors without awaiting return of the earlier cheques which the depositors may be holding. Subject to dispatch of the new cheques, the previous cheques may be cancelled unless they are the subject matter of any court proceedings. The repayment of the principal amount shall also be sent by way of post dated cheques to mitigate the harassment to the depositors. Affidavit of the Managing Director be filed in respect of dispatch of all overdue cheques within four weeks.

6. With respect to the FDs maturing from 1st October, 2016 onwards, time is granted as under:-

- a. 10% on maturity
- b. 10% after six months of maturity
- c. 15% after one year of maturity
- d. 15% after 1.5 years of maturity
- e. 25% after two years of maturity
- f. Balance 25% after 2.5 years of maturity

7. The payment of interest and remittance of the principal amount shall also be in accordance with the terms spelt out in paragraph 5 above. The petitioner company also undertakes to pay the overdue interest by 31.12.2016. Apart from the above, the company has proposed repayment of Rs.20lacs every quarter towards the Hardship cases

and a sum of Rs. 10 lacs every quarter towards the Senior Citizens over the age of 80 years.

8. The petitioner has also prayed for waiver of compliances in respect of insurances etc. This prayer is extraneous to the petitioner as the provisions of Sec. 74(2) of the Companies Act are applicable to deposits accepted prior to 01.04.2014.

9. Some of the depositors present in court submit that they have renewed their FDs after 01.04.2014. It would be open to these depositors to seek recourse in accordance with the provisions of the Act. It is being made abundantly clear that the depositors who have made / renewed their deposits after the notification of the Companies Act 2013 coming into effect i.e. w.e.f. 01.04.2014 may take recourse to other procedures for recovery of their amount if they so desire.

10. All applications in respect of hardship cases / senior citizens, received every quarter shall be submitted to the Petitioner Company, with a copy to the Bench Officer. A panel comprising of the Company Secretary, its V.P. Finance as well as the Counsel for the petitioner shall review the Hardship applications received every three months. The recommendations along with the list of such undischarged liabilities which fall within these categories shall be put up before the Bench by the panel constituted above, and the amount shall be disbursed only after due approval accorded by the Bench. In case the entire amount does not get exhausted, it shall be disbursed to other depositors falling in the category of Senior Citizens or to depositors whose FDs have matured on the basis of priority in the dates of maturity.

11. The compliance report in respect of the payment as per the schedule shall also be placed before this Bench for review and quarterly extension of time in terms of the proposal accepted by this Bench today. The same shall be annexed with a certified copy of this order. Affidavit of compliance shall be filed within two weeks of expiry of every