

Frequently Asked Questions (FAQ)

DISCLAIMER: The following questions and answers are intended to be provided for general information in relation to the Corporate Insolvency Resolution Process of **International Recreation and Amusement Limited** (the “**Company**”) only and may be updated from time to time. These may not be completely accurate in every circumstance, do not constitute or purport to constitute legal advice, and are not intended to be binding, in any manner, on any stakeholder, including the Interim Resolution Professional (“**IRP**”)/ Resolution Professional (“**RP**”).

The IRP is neither making any representation through answers to these FAQs, nor takes any responsibility with respect to their correctness or reliability. Any concern in relation to these FAQs, or otherwise relating to the provisions of Insolvency and Bankruptcy Code, 2016 along with rules & regulations framed there under (“**Code**”) and/ or your legal rights and obligations should be addressed to a lawyer and independent decision on the course of action, as may be appropriate, should be taken in consultation with your legal advisor.

Q1) What is the Corporate Insolvency Resolution Process and Insolvency Resolution Process Period?

Answer: This is a process during which a resolution professional is appointed to manage the affairs of the Company as a going concern and invites prospective lenders, investors and any other persons to put forward their resolution plans in order to explore the possibility of having a resolution by way of restructuring or other possible modes to revive the Company.

Insolvency resolution process period stretches for a period of 180 days commencing from the date of admission of application for initiating Corporate Insolvency Resolution Process by the National Company Law Tribunal (the “**NCLT**”) in case of corporate persons which may be extended for a further period of 90 days (180 + 90 = 270 days) in accordance with the Code.

Q2) What is the status of management of Company after the appointment of IRP?

Answer : From the date of appointment of IRP, the management of affairs of the Company shall vest with IRP, the power of the board of directors shall stand suspended and be exercised by IRP. All personnel of the Company, its promoters and persons associated with the management of the Company shall extend all assistance and cooperation to the IRP, as may be required by him; and officers and managers of the Company shall report to the IRP. The IRP will endeavor to manage the operations of the Company as a going concern.

Q3) What does suspension of powers of board of directors mean and what is the role of the officers and managers of the Company?

Answer : Suspension of powers of the board of directors does not mean that the board of directors is dissolved. The directors do not cease to be the directors. All directors, managers, Key Managerial Personnel, and all other personnel of the Company are required to extend all assistance and cooperation to the IRP as may be required by him in managing the affairs of the Company. Additionally, all officers and managers of the Company shall report to the IRP.

Q4) What are the major duties of IRP /Resolution Professional (“RP”) during the Insolvency Resolution Process Period?

Answer : The major role of IRP/RP is as under:

- a) to collect all information relating to the assets, finances and operations of the Company for determining the financial position of the Company and take control and custody of assets of the Company as per the Code.
- b) receive, collate & verify claims submitted by creditors, pursuant to public announcement published on August 14, 2018
- c) constitute Committee of Creditors (“CoC”) & prepare list of creditors,
- d) prepare an information memorandum
- e) invite prospective lenders, investors, and any other persons, through publication of Expressions of Interest / Notice of Invitation or otherwise, to submit resolution plans (if any).

Q5) What is a resolution plan?

Answer: A resolution plan is a plan which is submitted by a resolution applicant for possible revival of the company through restructuring or otherwise, after taking into consideration, among other things, the present financial situation of the company including but not limited to admitted claims of the creditors.

Q6) Who is the final sanctioning/ approving authority of a resolution plan?

Answer: The resolution professional shall present all resolutions plans received, that meet the mandatory requirements of the Code, to the CoC for its consideration. The CoC may approve any such resolution plan with such modifications as it deems fit. The resolution plan approved by CoC will be submitted for final approval to NCLT by RP as per the provisions of the Code and implemented once approved. The final approving authority is accordingly NCLT. Once approved, the resolution plan will be binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

Q7) : Whether commercial buyers/ investors of FEC, Oyster Beach, Retail Mall / allottee/ claimants are creditors, and if so, financial creditors, operational creditors or other creditors?

Answer : As per amended section 5(8)(f) of the Insolvency and Bankruptcy Code, 2016 Allottees of the real estate project are considered as Financial Creditors. The IRP will evaluate and verify the claims of all creditors based on the proof of claims and other supporting documents received as per the Code and as per the applicable law.

Q8) : What will happen if commercial buyers/ investors of FEC, Oyster Beach, Retail Mall/ allottee/ claimants fails to submit proof of claim within stipulated time?

The last date for submission of proofs of claim was August 25, 2018, as is stated in the public announcement published on August, 14 2018. Any creditor who fails to submit the proof of claim within the time stipulated in the public announcement may submit such proof to the IRP till **90th day of commencement of CIRP**.

Q9) : Can a commercial buyers/ investors of FEC, Oyster Beach, Retail Mall / allottee/ claimants cancel the booking and ask for refund?

Answer : The IRP can act only in accordance with duties and responsibilities as laid down under the provisions of the Code and one among the duties is to endeavor managing the operations of the Company as a going concern. In view of the same, costs which are necessary for the purpose of running the business of the Company as a going concern may be incurred by the IRP/ RP. Cancellation of any booking shall be subject to the terms and conditions of allotment documents including the allotment Agreement/ Memorandum of Understanding and, all payments relating to claims / refunds received

shall be made in accordance with the terms thereof, the provisions of the Code and as per the resolution plan as may be finally approved by NCLT.

Q10: How should the Form be sent to IRP?

Answer: Claimants can file their proof of claims by way of the relevant forms as per the Code and the public announcement published on August 14, 2018 and they may be sent electronically at the email id claims.iral@gmail.com or sent by post or in person, depending on the nature of their claim.

Q11): For claimants who live abroad, can they file Form by electronic means?

Answer : Yes. They can file their claims by electronic means at the above mentioned email address.

Q12): Claimants who live abroad do they need notarization of affidavit in support of Form?

Answer: There is no requirement of notarization as new forms are in declaration format

Q13): Do foreign resident need to get the claim form attested by Indian embassy?

Answer : Refer to Question above.

Q17): Whether construction and allotment would continue?

Answer : As stated above, the IRP shall make every endeavor to manage the operations of the Company as a going concern and keep the operations of the Company running as smoothly as practically possible based on the availability of cash flow and/ or required funding, and within of course, the boundaries laid down by the Code. To this end, the IRP will endeavor to continue construction and allotment of the ongoing projects of the Company, to the extent reasonably possible, and in accordance with the applicable law.

Q18): What about court cases, if any, filed by flat buyers/ allottee ?

Answer : NCLT *vide* its order dated August 03, 2017 has declared moratorium prohibiting the institution of suits or continuation of pending suits or proceedings against the Company, including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority. In view of the same, all suits and proceedings pending against the Company shall be stayed. Please refer to Section 14 of the Insolvency and Bankruptcy Code, 2016.

Q19: Whether investors of FEC, Oyster Beach, Retails Mall / allottee/ claimants are financial creditors, operational creditors or other creditors?

Answer: This will depend on the nature of the agreement the buyer has with International Recreation and Amusement Limited ("IRAL"). The IRP will evaluate and verify the claim based on supporting document.

Q20: Which form should be used by the buyer to file claim- Form B or Form C or Form CA or Form F?

Answer: Regulations require financial creditors to file claim in Form C, person claiming to be a creditor in a class in Form CA, operational creditors in Form B, and other creditors in Form F. Insolvency and Bankruptcy Board of India has issued a Form F for creditors other than financial and operational creditors to file claim. If any Real estate buyer is unsure or confused about his/her status as financial, operational or other creditor, he/she may file claim in either of the three forms and IRP will not disqualify the claims for incorrect form filed.

Q21: If the investors of FEC, Oyster Beach, Retails Mall / allottee/ claimants files claim in incorrect form, will IRP reject the claim.

Answer: IRP will not disqualify the claim just because it has been filed in an incorrect form.

Q22: What will happen if investors of FEC, Oyster Beach, Retails Mall / allottee/ claimants fails to submit proof of claim within stipulated time?

Answer: Investors were requested to at least submit the form by the deadline provided i.e. 25 August 2018. The supporting documents can be provided subsequently however before a resolution plan is filed.

Q23: Will deadline for filing the claims be extended? Will the deadline for filing forms be extended for persons staying outside India?

Answer: IRP cannot extend the timeline.

Q24: Can a investor cancel the booking and ask for refund?

Answer: The IRP is making an endeavor to ensure that development of project continues. The provisions of agreement / Allotment letter continue to be valid and all rights of parties (including cancellation by real estate buyer) can be exercised subject however to provisions of the Insolvency and Bankruptcy Code, 2016.

Q24: Whether buyers to whom occupancy rights has been given also need to file claims?

Answer: A flat buyer who has received possession and do not have outstanding claim may not file the claim form.

Q25: Will the Form/Claim be rejected if the proof of claim is not submitted? Can it be filed after 25 August 2018?

Answer: The claim will not be rejected but to verify the claim it will be useful to file proof. Proof can be filed any time before resolution plan is filed.

Q26: How should the Form be sent to IRP?

Answer: All claimants can file their claims electronically at the email id **claims.iral@gmail.com** or send by post to **Mr. Mr. Pramod Kumar Sharma, C/o H.No-16, Dasharath Kunj-B West Arjun Nagar, Agra, Uttar pradesh, 282001**. There is no requirement to come in person.

Q27: What are the supporting documents of proof needed to be attached with the claim form?

Answer: Documents that are needed to support your claim such as Agreement to License/ Memorandum of Understanding, allotment letter, receipts, Calculation Sheet, Bank Statements etc. other communication/material in support of claim.

Q28: What if the claim of FEC, Oyster Beach, Retails Mall / allottee/ claimants is for possession of flat and not refund?

Answer: The flat buyer may mention in claim form that he/she wants the flat only as per terms of the allotment letter. IRP is making an endeavor to ensure that development of project continues.

Q29: Whether construction and allotment would continue

Answer: The operations of the company is being continued as a going concern. There would not be any disruption in the day to day affairs / operations of the Company.

Q30: Whether investors of FEC, Oyster Beach, Retails Mall/ allottee/ claimants are financial creditors, operational creditors or other creditors?

Answer: This will depend on the nature of the agreement the buyer has with International Recreation and Amusement Limited (“**IRAL**”). The IRP will evaluate and verify the claim based on supporting document.

Q31: Whether buyer whose booked commercial space construction is complete but possession later is yet to be handed over needs to file claim?

Answer: A commercial buyer who has received possession/ registered Sub-lease holder and do not have outstanding claim may not file the claim form.

Q32: If the proof of claim is not submitted can it be filed after 25 August 2018?

Answer: To verify the claim it will be useful to file proof. Proof can be filed within 90 days of Commencement of CIRP i.e. August 3, 2018.

Q 33: Whether investors can claim interest on their booking amount and Assured Return?

Answer: Investor can claim interest only on Assured Return.

Q 34: What will be the rate of interest?

Answer: Interest shall be calculated @ **8% p.a.** on due and payable outstanding Assured Return/ Financial Debt if no rate is specifically agreed between the Parties.

Q 35: Whether the joint holders need to file separate forms? Whether the signature of both the holders are required?

Answer : No, they need to submit a single claim form and signed duly by both the holders or a holder can authorize other person to authorize on his/her behalf.

Q 36: Whether Claim Form is required to be notarize?

Answer: There is no requirement of notarization as Form is in the form of Declaration not in Affidavit format.

Q 37: Can Committee of Creditors (“COC”) meeting be attended in Person for Financial Creditors in a Class who had filed Form CA?

Answer: Only the Authorised Representative of the Financial Creditor in a Class (who had filed claims in Form CA) shall attend the meeting of COC on behalf of the Financial Creditor in a Class. Individual Financial Creditor in a Class shall not attend meeting in person. However, the Financial Creditor in a Class has a right to vote on all agenda items requiring voting by electronic voting system in accordance with IBBI (Corporate Insolvency Resolution Process for Corporate Persons) Regulations, 2016.