



SSMK Group Pty Ltd (In Liquidation)
ACN 613 456 483
(SSMK Group)

Statutory Report to Creditors

Robert Smith and I were appointed joint and several liquidators (**Liquidators**) of SSMK Group on 16 June 2021.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation of SSMK Group; and
- advise you of the likelihood of a dividend being paid in the liquidation.

This report should be read in conjunction with our initial information for creditors dated 1 July 2021 in which we advised you of our appointment as Liquidators and your rights as a creditor in the liquidation.

1. Update on the progress of the liquidation

1.1 *Background and events leading up to liquidation*

- SSMK Group was incorporated on 4 July 2016 and traded as an aluminium window manufacturing, supply and installation business. We are unaware when SSMK Group ceased to trade as we have been unable to contact SSMK Group's director/secretary, Mr Sarbjit Chatrath (**the Director**). Further detail is provided in relation to this below.
- On 3 February 2021, Australian Glass Group (Holdings) Pty Ltd (**AGG**) sent a notice to SSMK Group advising that if their overdue account of \$40,597.86 was not paid by 10 February 2021, they would issue a statutory demand under section 459E of the *Corporations Act 2001* (Cth) (**the Act**).
- On 22 February 2021, AGG issued a statutory demand to SSMK Group.
- On 16 April 2021, AGG filed an application in the Supreme Court of Victoria for SSMK Group to be wound up on the grounds of insolvency and this order was made on 16 June 2021.

1.2 *Liquidators' actions to date*

- Upon our appointment, we wrote to the Director requesting he deliver SSMK Group's books and records and prepare and submit to me a report on company activities and property (**ROCAP**) as at 16 June 2021.
- As at the date of writing this report and notwithstanding our repeated requests, the Director has failed to provide any SSMK Group books and records or a ROCAP and has not offered a reasonable excuse for such failure.
- On 9 July 2021, we submitted a request for assistance to the Australian Securities & Investments Commission (**ASIC**) to obtain SSMK Group's books and records and a ROCAP from the Director.
- On 29 July 2021, the ASIC wrote to the Director to remind him of his obligations, noting that his failure to comply by 13 August 2021 may result in the ASIC commencing criminal proceedings.
- On 19 August 2021, we provided a draft affidavit (from me) together with relevant exhibits to the ASIC in support of a potential prosecution of the Director.
- As at the time of writing this report, the ASIC has not determined whether it will commence proceedings against the Director.



1.3 *Estimated assets*

1.3.1 *Cash at Bank*

All major banks were notified of our appointment. ANZ and Commonwealth Bank confirmed that SSMK Group held bank accounts with them with debit balances. Accordingly, no realisations are expected in this regard.

1.3.2 *Motor Vehicle*

Upon our appointment, we conducted motor vehicle searches in the states of New South Wales and Victoria which identified the following four motor vehicles as being registered to SSMK Group:

Schedule of motor vehicles							
Plate number	Make	Model	Colour	VIN/Chassis	Compliance plate	Buyer declared value	Status
AB67VY	FOR	Transit	White	WF0LXTTFL4D05482	09/2004	13,000	***Cancelled
*EAC34B	TOY	Hilux 4x4	White	MR0HA3CD500715311	08/2018	57,300	Active
**XN44LU	VOLVO	FH16	Green	YV5RP80D1HD205764	10/2017	100,000	Active
BZB66W	TOY	Hilux 4x2	White	MR0CX12GX00073449	07/2011	4,900	***Cancelled

*Vehicle subject to finance with Toyota Finance Australia Ltd. The Liquidators disclaimed the vehicle on 22 June 2021 as the financier payout exceeded the market value of the vehicle.

**Vehicle subject to finance with Capital Finance Australia Limited. The Liquidator's assessment of the financier's security remains ongoing however it is likely the financier payout will exceed the market value of the vehicle and the vehicle will be disclaimed.

***A "cancelled" vehicle registration status indicates the vehicle has been, i) written off; ii) stolen; or iii) the registered operator no longer plans to live in NSW. The existence of the vehicles and whether they are available to be realised for the benefit of creditors is subject to further investigation.

The Liquidators have attempted to contact the Director to determine the location of the motor vehicles to seek to enter into possession and realise these assets. A summary of the Liquidators attempts to contact the Director is outlined below:

Liquidators attempts to contact the Director	
Date	Approach
16-Jun-21	The Liquidator (Matthew Hutton) attempted to contact the Director by phone and email.
17-Jun-21	The Liquidator (Matthew Hutton) and the Liquidators' staff attempted to contact the Director by email.
18-Jun-21	The Liquidators' staff attempted to contact the Director by phone, email, and registered post.
21-Jun-21	The Liquidators' staff attempted to contact the Director by phone and email.
25-Jun-21	The Liquidators' staff attempted to contact the Director by email.

As at the date of writing this report, we have not received a response from the Director.

At this stage, and without any further information becoming available, we do not anticipate any asset recoveries to be made for the benefit of creditors in the liquidation of SSMK Group.



1.4 *Estimated liabilities*

Set out below is a summary of SSMK Group's estimated liabilities based on information provided by SSMK Group's creditors:

Estimated liabilities based on information provided by creditors		
Category	Value (\$)	No. claims
Secured Creditors	352,887.88	3
Unsecured Creditors	284,983.12	6
Total	637,871.00	9

Set out below is a summary of SSMK Group's secured creditors identified to date:

Secured creditors		
Secured creditor	Collateral	Advised amount (\$)
ANZ	All present and after-acquired property	115,401.83
Toyota Finance Australia Ltd	Motor Vehicle (<i>vehicle EAC34B outlined in Section 1.3.2</i>)	51,087.49
Capital Finance Australia Limited	Motor Vehicle (<i>vehicle XN44LU outlined in Section 1.3.2</i>)	186,398.56
Total		352,887.88

We have received proof of debts (**POD**) from one secured creditor totalling \$115,401.83 (ANZ) and three unsecured creditors totalling \$227,260.27 to date.

1.5 *Investigations*

We have commenced preliminary statutory investigations into SSMK Group's affairs using publicly available records and information made available to us by SSMK Group's creditors.

Our investigations have been limited on the basis that we do not have access to SSMK Group's books and records.

At this stage, given the lack of relevant information, we are unable to comment on whether there will be potential recoveries available for the benefit of creditors.

Should creditors have any information which may assist the Liquidators in realising or recovering the assets of the company please contact my office on the details provided below.

We anticipate our statutory investigations will be finalised within three to six months from the date of this report, following which we will report our findings to the ASIC.

2. **Receipts and payment to date**

There have been no receipts and payments in the liquidation to date.

3. **Likelihood of a dividend**

Based on information available to us at this time, we consider it is unlikely that a dividend will be payable to creditors with admitted claims in the liquidation.

If a dividend is going to be paid, you will be contacted and, if you have not already done so, you will be asked to lodge a POD. This formalises the record of your claim in the liquidation and is used to determine all claims against SSMK Group.

A POD form is enclosed, together with guidance notes to assist you when you complete it. Creditors who have already lodged a proof of debt do not need to complete a new proof.



4. Cost of the liquidation

As advised in our initial information to creditors, we estimate that total remuneration for the liquidation of SSMK Group to be approximately \$25,000 to \$50,000 (GST exclusive). However, we will only be remunerated to the extent there are proceeds and/or recoveries made in the liquidation.

Since we do not anticipate there to be any asset recoveries in the liquidation, it is unlikely the Liquidators' remuneration will be paid.

5. What happens next?

We will proceed with the liquidation, which will include:

- attending to all statutory and administrative obligations;
- providing assistance to the ASIC should they seek to prosecute the Director;
- obtaining and considering a ROCAP and the books and records of SSMK Group from the Director;
- determining the status of the motor vehicles registered in SSMK Group's name;
- completing our reporting to the corporate insolvency regulator, the ASIC; and
- if identified, pursuing any viable claims for statutory recovery actions.

We may write to you again with further information on the progress of the liquidation.

We expect to have completed this liquidation within three to six months of this report.

6. Where can you get more information?

You can access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors.
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

For further information about this engagement, please refer to the website www.mcgrathnicol.com/creditors.

If you have any queries, please contact Matthew Chessari of my staff on (03) 9038 3167.

Dated: 14 September 2021

Matthew Hutton
Liquidator

Enclosures:

- 1 Proof of Debt (Form 535)
- 2 Proof of Debt Guidance Notes

FORM 535

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

SSMK Group Pty Ltd
 (In Liquidation)
 ACN 613 456 483
 "the Company"

To the Liquidator/Administrator of the Company

1. This is to state that the Company was on 16 June 2021, and still is, justly and truly indebted to:

_____ (name of creditor)
 of _____ (address of creditor)
 for \$ _____ and _____ cents (GST inclusive) GST amount _____

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$c	Due Date

3. Select which of the below applies (choose one):

- | | |
|---|---|
| <p><input type="checkbox"/> The creditor is a company and I am signing as a director of the company</p> <p><input type="checkbox"/> The creditor is a company and I am signing as an authorised representative/duly constituted attorney of the company</p> <p><input type="checkbox"/> I am an individual and I am signing in my personal capacity (which includes employees)</p> <p><input type="checkbox"/> The creditor is a sole trader and I am signing as the proprietor</p> | <p><input type="checkbox"/> The creditor is a partnership and I am signing as a partner of the partnership</p> <p><input type="checkbox"/> I am signing in my personal capacity as a member or contributory of SSMK Group Pty Ltd (In Liquidation)</p> <p><input type="checkbox"/> Other: _____</p> |
|---|---|

4. If you are a related party, state your relationship _____

I nominate to receive electronic notifications of documents in accordance with Section 600G of the Corporations Act at the following email address

Email: _____

5. Is this debt claimed on the basis of an assignment? Yes No

If so, what consideration was paid for the debt? _____

The debt was incurred for the consideration stated and the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature Dated

Name: _____

Address: _____



Proof of Debt Guidance Notes

(Please read carefully before filling in Form 535 or Form 536)

It is a creditor's responsibility to prove their claim to our satisfaction.

When lodging claims, creditors must ensure:

- the proof of debt form is properly completed in every particular; and
- evidence, as set out under "Information to support your claim", is attached to the Form 535 or Form 536.

Directions for completion of a Proof of Debt

1. Insert the full name and address of the creditor.
2. Under "Consideration" state how the debt arose, for example "goods sold to the company on _____".
3. Under "Remarks" include details of any documents that substantiate the debt (refer to the section "Information to support your claim" below for further information).
4. Where the space provided for a particular purpose is insufficient to contain all the information required for a particular item, please attach additional information.

Information to support your claim

Please note that unless you provide evidence to support the existence of the debt, your debt is not likely to be accepted. Detailed below are some examples of debts creditors may claim and a suggested list of documents that should accompany a proof of debt to substantiate the debt.

Trade Creditors

- Invoice(s) and statement(s) showing the amount of the debt; and
- Advice(s) to pay outstanding invoice(s) (optional).

Guarantees/Indemnities

- Executed guarantee/indemnity;
- Notice of Demand served on the guarantor; and
- Calculation of the amount outstanding under the guarantee.

Judgment Debt

- Copy of the judgment; and
- Documents/details to support the underlying debt as per other categories.

Deficiencies on Secured Debt

- Security Documents (eg. mortgage);
- Independent valuation of the secured portion of the debt (if not yet realised) or the basis of the creditor's estimated value of the security;
- Calculation of the deficiency on the security; and
- Details of income earned and expenses incurred by the secured creditor in respect of the secured asset since the date of appointment.

Loans (Bank and Personal)

- Executed loan agreement; and



- Loan statements showing payments made, interest accruing and the amount outstanding as at the date of appointment.

Tax Debts

- Documentation that shows the assessment of debts, whether it is an actual debt or an estimate, and separate amounts for the primary debt and any penalties.

Employee Debts

- Basis of calculation of the debt;
- Type of Claim (eg. wages, holiday pay, etc);
- Correspondence relating to the debt being claimed; and
- Contract of Employment (if any).

Leases

- Copy of the lease; and
- Statement showing amounts outstanding under the lease, differentiating between amounts outstanding at the date of the appointment and any future monies.