

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH- IV

CP No. 3858/MB-IV/2019

Under section 8 & 9 of the IBC, 2016

In the matter of

Cogencis Information Services
Limited,

Ashok Silk Mills Compound, 202
L.B.S. Marg, Ghatkopar West,
Mumbai-400086.

...Petitioner

V/s

M/s Business Broadcast News
Private Limited,

Windsor Unit 101, off CST Road,
Vidyanagri Marg, J P Morgan Lane,
Kalina, Santacruz (E)
Mumbai-400098.

...Corporate Debtor

Order Pronounced On: 04.01.2021

Coram:

Mrs. Suchitra Kanuparthi : Member (Judicial)
Mr. Rajesh Sharma : Member (Technical)

Appearances (Via Video Conference):

For the Petitioner : Mr. Amit Tungare Adv.
For the Respondent : None Present

Per: Suchitra Kanuparthi Member (Judicial)

ORDER

1. This company Petition is filed by Cogencis Information Services Limited (hereinafter called "Petitioner") seeking to set in motion the Corporate Insolvency Resolution Process (CIRP) against Business Broadcast News Private Limited (hereinafter called "Corporate Debtor") alleging that the Corporate Debtor committed default in making payment to the extent of Rs. 52,30,839/-, principal being Rs. 49,41,663/- and interest amounting to Rs. 2,89,176/-, by invoking the provisions of Section 8 and 9 of the Insolvency & Bankruptcy Code (hereinafter called "Code") read with Rule 5 and 6 of Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

2. The Petition reveals that the Petitioner is engaged in the business of providing real time Financial Data, News and Analytics and the Corporate Debtor is engaged in the business of publishing and broadcasting. In 2017, the Corporate Debtor approached the petitioner to subscribe for its News feed-Cogencis Equity Wire Package bid Subscription Form dated 25/01/2018.

3. The Corporate Debtor subscribed for news feed having start bill date 01.07.2017, the subscription form entailed that the payment shall be made in quarterly in advance, the Corporate Debtor agreed with terms mentioned in the subscription form that if any invoice remains unpaid for the period of 30 days from the invoice date the Corporate Debtor additionally be liable to pay interest @18% p.a. on the due date. The termination or discontinuation of service was to be intimated by issuing 90 days prior written notice to the petitioner.

4. The Petitioner has raised various invoices dated 3/12/2018 for the period from 1st January, 2019 to 31st March, 2019 for an amount of Rs 15,00,394/ of which the Corporate Debtor paid Rs 7,50,000/ on 11 July, 2019. The payment was raised in USD, but however, the monies

were to be paid in INR on various dates but the Corporate Debtor has failed to repay the amount to the Petitioner despite of the satisfactory services provide by the Petitioner.

5. The corporate debtor did not pay the balance amounts and the petitioner thus raised three more invoices dated 1st March, 3rd June and 3rd September for the period 1st April, 2019 to 30 June, 2019, 1st July 2019 to 30th September, 2019 and 1 October, 2019 to 31 December, 2019 for an amount of Rs 15,14, 412/, Rs 14,84,676/ and Rs11,92,181/ for every quarter. The Corporate Debtor failed to pay the amounts.

6. The Petitioner submits that one Mr. Vaibhav Parab in the capacity of the GM IT of the Corporate Debtor has assured the Petitioner to pay the pending amount of Rs49,41,663/ dues in tranches but he failed to repay the debt of the Petitioner.

7. On 13th September, invoice No.C/3677/19-20 dated 3rd September 2019 for billing period 1st October, 2019 to 31 December, 2019 was returned with a response from the transition team that BTVI channel has suspended its operations on 31 August, 2019 and that services of petitioner are no longer required.

8. The Petitioner on 23.09.2019 issued a demand notice to the Corporate Debtor, Under Section 8 of the Code, demanding a sum of Rs. 52,30,839/-. There was no reply from the Corporate Debtor for the Demand Notice and the Petitioner has filed affidavit as required under Section 9(3)(b) of the Code stating that there was no notice of dispute given by the Corporate Debtor.

9. The matter was listed on 14.12.2020 for hearing (hearing conducted via video conference), there is no reply from the side of the Corporate Debtor despite of intimation of the date of hearing by the Petitioner, the Corporate Debtor failed to appear, despite service of

notice, as such the bench decided to hear the matter ex-parte and posted the matter for final hearing. The Petitioner also produced the Ledger Account of the Corporate Debtor for the period 01.04.2019 to 24.10.2019 wherein it was shown that a sum of Rs. 49,41,663/- is due from the Corporate Debtor. The assurance of the Corporate Debtor to pay the said outstanding dues amounts to admission of its liability. The Corporate Debtor were in breach of terms and conditions of contract in not complying with the 90 days notice period as required under the Subscription form and also defaulted the payment terms and therefore there is a clear liability of payment of monies dues under the several invoices raised by the petitioner. The corporate Debtor having availed the services, failed to pay the monies due under the invoices.

10. This Bench having been satisfied with the Petition filed by the Petitioner which is in compliance of provisions of Section 8 & 9 of the Insolvency & Bankruptcy Code, admits this Petition, declaring Moratorium with the directions as mentioned below:

- (a) that this bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other in any court of law; transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
- (b) that the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

- (c) that the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- (d) that the order of moratorium shall have effect from 04.01.2021 till the completion of the CIRP or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under section 33, as the case may be.
- (e) that the public announcement of the CIRP shall be made immediately as specified under Section 13 of the Code.
- (f) that this Bench hereby appoints Mr. Prakash Nath Mishra, having Contact: 9004662406, Email: Prakash@pmishra.in, Registration No. IBBI/IPA-003/IP-N000115/2017-2018/11219; as Interim Resolution Professional to carry the functions as mentioned under the Code.

11. The Registry is hereby directed to communicate this order to both the parties and to the Interim Resolution Professional immediately.

Sd/-
Rajesh Sharma
Member (Technical)
04.01.2021

Sd/-
Suchitra Kanuparthi
Member (Judicial)