

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH**

**IA 1563/2018 in  
C.P.(IB)-1646(MB)/2017**

Under section 33 of the IBC, 2016

Through Mrs. Dipti Mehta  
Resolution Professional .... Applicant

In the matter of  
Sony Music Entertainment India Pvt. Ltd.  
....Operational Creditor/Petitioner

v/s.

Baadl Technologies Pvt. Ltd.  
....Corporate Debtor/Respondent

Order delivered on 08.02.2019

Coram: Hon'ble Shri. M.K. Shrawat, Member (Judicial)

For the Petitioner : Adv. Vinit Mehta for RP.

*Per M.K. Shrawat, Member (Judicial)*

**ORDER**

The Resolution Professional (RP) filed this Interlocutory Application on 19.12.2018 bearing IA No. 1563/2018 in CP(IB)-1646/2017 u/s 33(1)(A) of the Insolvency and Bankruptcy Code, 2016, (Code) seeking initiation of **Liquidation of the Corporate Debtor** on account of the CoC has recommended for Liquidation of the Corporate Debtor with **majority vote share** vide 7<sup>th</sup> CoC meeting held on 06.12.2018 and accordingly authorised RP to approach this Tribunal to get the approval of this Bench for Liquidation order as envisaged under Section 33 of the Code, hence this application.

2. On perusal of this application, this Bench has noticed that a Petition u/s. 9 of the Insolvency and Bankruptcy Code, 2016 was filed by an Operational Creditor viz. Sony Music International India

Pvt. Ltd. for initiation of CIRP on the Corporate Debtor viz. Baadl Technologies Pvt. Ltd. for operational debt of ₹43,65,000/-, which was Admitted vide an order dated 10.04.2018 by this Bench wherein 'Mrs. Dipti Mehta (IBBI/IPA-002/IB-N00134/2017-18/10350)' was appointed as Interim Resolution Professional (IRP). In pursuance thereof, IRP issued public announcement in Form A under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016 on 08.06.2018 in two newspapers viz. 'Free Press Journal' and 'Navshakti' inviting claims from the creditors. There was only one claim received till 19.06.2018 which was from the Petitioner of the main Company Petition. Under the provisions of section 22(1) of the Code, IRP convened the First CoC meeting on 04.07.2018, wherein the CoC passed a resolution to appoint Ms. Dipti Mehta as Resolution Professional.

3. The Second meeting of CoC was held on 04.07.2018 wherein the CoC was apprised the appointment of two valuers and also informed the requirement to appoint Statutory Auditors and accordingly the CoC authorised the RP to appoint a firm or an individual who shall prepare the books of accounts as well as conduct Audit and could also provide further services (eg. Forensic Audit) as and when required in the process of Insolvency. RP also informed the RoC the requirement of calling Expression of Interest (EoI) through public announcement as well as the need to finalize the eligibility criteria for Resolution Applicants. The EoI was published on 18.08.2018 in 'Free Press Journal' and 'Navshakti'.

4. The Third meeting of CoC was conducted on 21.08.2018 wherein the RP informed the CoC the appointment of an Accountant and a Statutory Auditor. Also informed the appointment of two valuers viz. Crest Capital Group Pvt. Ltd. and Delta Valuers and Appraisers LLP. It was also informed the CoC about the requirement of filing an Application with the NCLT for exclusion of

the period from 10.04.2018 to 06.06.2018 from the computation of the period under CIRP.

5. The Fourth CoC meeting was held on 12.09.2018 wherein the RP informed the CoC about the claims accepted and reconstitution of the CoC viz.

- i. Sony Music Entertainment India Pvt. Ltd. (Operational Creditor)
- ii. Rational Heads Technologies Pvt. Ltd. (Operational Creditor)
- iii. Mr. Vitsal Shah (ex-employee)
- iv. Mr. Ankit Kante (ex-employee)

The RP also informed the CoC that no response was received to the invitation of Expression of Interest published on 18.08.2018.

6. The Fifth CoC meeting was held on 10.10.2018 wherein RP informed the Committee about the acceptance of fresh claim and further reconstitution of the CoC viz.

- i. Sony Music Entertainment India Pvt. Ltd. (Operational Creditor)
- ii. Rational Heads Technologies Pvt. Ltd. (Operational Creditor)
- iii. Mr. Vitsal Shah (ex-employee)
- iv. Mr. Ankit Kante (ex-employee)
- v. Mr. Amitabh Tiwari (ex-employee)

The RP further informed the CoC that the Books of accounts of the Debtor company was lying in the office of an ex-employee of the Debtor Company. After many discussions it was decided that all those documents be shifted to new place at Virar under the custody of the RP. Briefly, the whole process of preparation of final accounts, auditing and even getting valuation report will be delayed due to this exercise.

7. The Sixth CoC meeting was held on 30.10.2018 wherein the RP informed the progress of finalization of accounts and the valuation of assets will be after the finalization of accounts. The RP has filed an Application in this Tribunal for exclusion of 63 days

from the calculation of 180 days in CIRP as the Order was intimated to the Petitioner after 63 days of admission. The prayer was allowed by this Bench vide order dated 15.11.2018.

8. The **Seventh meeting of the CoC was held on 06.12.2018** wherein the RP informed the members that till date **no Resolution Plan** has been received and since the Debtor Company is not in operation and CIRP period is ending on 08.12.2018, the only option is to go for Liquidation before the expiry of the CIRP period. The RP also offered her services as Liquidator. Accordingly, the CoC passed a resolution to Liquidate the Debtor Company authorising the RP to approach NCLT to obtain the necessary approval of this Bench. Also the CoC resolved to appoint the RP as Liquidator. Also decided to continue the recovery process from the Landlord and trade receivables from Lava International Ltd.

9. The RP also stated the total claims received is **₹65,35,196/-** from Operational Creditors and there is no Financial Creditors. RP further given details of the CIRP expenses incurred so far and the projected liquidation costs, etc.

10. The two valuers appointed under Regulation 27 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 [IBBI(IRPCP)] for determination of Liquidation value of the assets of the Corporate Debtor in accordance with Regulation 35 of IBBI(IRPCP) viz. Crest Capital Group Pvt. Ltd. and Delta Valuers and Appraisers LLP submitted their reports and the Liquidation value of the assets given by them are as follows:

#	Name of the Valuers	Liquidation value of the Assets of CD (₹)	
1.	Crest Capital Group Pvt. Ltd.	5,53,739/-	
2.	Delta Valuers and Appraisers LLP	2,25,300/-	

11. On perusal of this application filed by the RP, this Bench having noticed that the CoC approved resolution for liquidation of this company under Section 33(1)&(2) of IB Code, 2016 and the Regulations thereof, this Bench hereby orders as follows:

- a. That the Corporate Debtor be liquidated in the manner as laid down in the Chapter III by issuing a Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to RoC under which this Company has been registered.
- b. The applicant herein is hereby directed to act as a Liquidator for the purpose of liquidation of Corporate Debtor company with all powers of the Board of Directors, key managerial persons and the partners of the Corporate Debtor shall cease to have effect and hereby vested in the Liquidator. The personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor. The Insolvency Resolution Professional appointed as Liquidator will charge fees for conduct of the liquidation proceedings in proportion to the value of the liquidation estate assets as specified under Regulation 4 of Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016 and the same shall be paid to the Liquidator from the proceeds of the liquidation estate under Section 53 of the Code.
- c. Since this liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor without prior approval of this Adjudicating Authority save and except as mentioned in sub-section 6 of Section 33 of the Code.
- d. The Liquidator shall co-ordinate with all the authorities and the respected govt. authorities shall provide complete information to facilitate the process of Liquidation.
- e. The Liquidator is at liberty to seek any directions, if need be, from this Bench during the Liquidation Process.

- f. The Liquidator shall take necessary Legal Action to recover the Trade Receivables and other Credits such as Loans and Advances from the parties which are reflected in the latest Balance Sheet of the Corporate Debtor, if any. This direction is hereby given in concurrence of the jurisdiction prescribed u/s. 33(5) of the Code.
- g. The Liquidator is hereby Authorized to represent the Corporate Debtor before the Government Authorities, if need be.
12. Moratorium declared vide Order dated 10.04.2018 on CP No.: CP(IB)-1646(MB)/2017, henceforth ceased to exist.
13. Accordingly, the IA 1563/2018 u/s. 33 (1) (a) in CP-(IB)-1646/(MB)/2017 is hereby **allowed**. The Liquidator shall submit the progress report of liquidation on the next date of hearing, now listed on **15.03.2019**.

Sd/-

**M.K. SHRAWAT  
MEMBER(JUDICIAL)**

Date: 08.02.2019  
pvs