

**THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI COURT-I**

CP (IB) No. 1293/MB/2021

Under section 10 of IBC, 2016

In the matter of

ARMSPRIME MEDIA PRIVATE LIMITED
(CIN- U92490MH2019PTC320701)

Registered Office at-

74/II,91

SPRINGBOARD, TECHNO PARK C CROSS ROAD,
OPP. GATE NO.2, MIDC MUMBAI C I T Y
MAHARASHTRA- 400093

.... Corporate Applicant

Order delivered on: 22.11.2023.

Coram:

Sh. Prabhat Kumar

Hon'ble Member (Technical)

(Justice) VirendraSingh G.Bisht

Hon'ble Member (Judicial)

For the Applicant: Mr. Vaibhav Kamble, Advocate i/b A & G Legal
Associates.

ORDER

Per: Prabhat Kumar (Technical)

1. This Company Petition is filed by **Armsprime Media Private Limited**.
2. **Armsprime Media Private Limited** (hereinafter called Corporate Applicant), under Section 10 of Insolvency and Bankruptcy Code 2016 (“the Code”) read with Rule 7 and u/s 30-31 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016, for initiation of Corporate Insolvency Resolution process.
3. The Corporate Applicant is a Company incorporated on 05 February 2019 and the Applicant/ Corporate debtor (Armsprime Media) is an innovative media and entertainment technology company headquartered in Mumbai. With over 500 celebrities, creators and influencers on board, the firm is credited for creating alternatives to legacy social media platforms that help affiliates build engagement and interact with their followers through novel monetization channels.
4. The Corporate Applicant having Authorised Share Capital and Paid Up Share Capital:
 - The authorised Share Capital of Applicant/Corporate Debtor is **Rs. 10,00,000**, equity Shares of Rs. 10 each and
 - its paid-up capital is **Rs. 9,00,000** equity shares of Rs. 10
5. Since about 2019 the Corporate Applicant has been facing issues in its business operations and is unable to generate adequate revenue

and/or profits. The Corporate Applicant has also defaulted in paying its debt to financial and operational creditors,

6. The business of the Company has become commercially unviable since the Company is facing crucial financial problem and further the business has been adversely affected due to Covid - 19 from last 2 years. Further, the business is facing difficulties in business due to changes by GST Department with changes in rules & regulations as a result there was no business to the Company. Alternatively, the Company faced trouble with Artists due to ongoing covid. With the existing business condition, it is proposed to liquidate the Company and initiate pre-packaged insolvency. resolution process. The Board discussed the matter and approved in principle proceed with the initiating pre-packaged insolvency resolution process of the Company.
7. The Total Debt in default to Creditors of the Corporate Debtor is Rs. 1,72,51,431/ (One Crore Seventy-Two Lakhs Fifty-One Thousand Four Hundred and thirty-One) (Operational Creditors Unrelated. Dues Payable to employees is Rs. 65,79,155/- (Sixty-five Lakhs Seventy-Nine Thousand One Hundred and Fifty Five)
8. The Corporate Debtor has growing debt and liabilities, which the Corporate Debtor is not in a position to pay / clear. Hence, in order to put the matter to rest, the Corporate Applicant has preferred this Application before this Tribunal for initiating corporate insolvency resolution process.

9. The Board Resolution passed at the meeting of Board of Directors of Armsprime Media Private Limited held on 13.09.2021 for Initiating Pre-Packaged Insolvency Resolution Process of the Company .It was resolved that Mr. Jeetendra Rajpal Dariyani, Insolvency Resolution Professional Registered under the Insolvency and Bankruptcy Code, 2016.In the meeting the Board of Directors have formed an opinion that in the best interest of the company, the company should file a petition under section of the Insolvency and Bankruptcy Code, 2016. before this Tribunal to initiate Corporate Insolvency Resolution Process of the Company.
10. Through an email demand dated from May 2021 to September 2021, the Financial Creditors demanded the repayment of outstanding dues
11. Thereafter, the Corporate Debtor filed an application under section **10** of the Insolvency Bankruptcy Code, 2016 to initiate the corporate insolvency resolution process.
- 12.8.1 The Corporate Applicant had availed the loan from Creditors ('Facility-1') amounting to Rs. 1,72,51,431/ (One Crore Seventy-Two Lakhs Fifty-One Thousand Four Hundred and thirty-One) (Operational Creditors Unrelated, and Dues Payable to employees is Rs. 65,79,155/= (Sixty-five Lakhs Seventy Nine Thousand One Hundred and Fifty Five)
- 8.1 The default in payment and the inability of the Company to pay any of its debt has led to the application by the Corporate Debtor

for initiating the Corporate Insolvency Resolution Process and it sought approval of its members for filing section 10 petition under the Code vide Special Resolution in the Extra Ordinary General Meeting of the Company convened on 13.09.2021. (Copy of on Special Resolution attached as **EXHIBIT B** in the Petition filed by the Corporate Debtor). The Accounts of the Company have been prepared and audited for the Financial year 2019-20 & 2020-21, and the same records the existence of Debt.

13. We have heard the Counsel and perused the material available on record.

13.1. During the course of hearing, the management of Corporate Applicant was asked to give undertaking to the Tribunal that they shall extend co-operation to the Insolvency Professional, in case this petition is admitted, to provide all necessary records, documents & information including Books of Accounts, and also make available requisite money to fund the Resolution Process. The same has been placed on record.

13.2. We find that the Corporate Applicant is in default; the Shareholders of the Corporate Applicant have passed a Special Resolution seeking resolution of the Corporate Debtor; and the present application is within limitation. The Application is complete in all respects; accordingly, we are of the considered opinion that this Application deserves to be allowed.

ORDER

14. The petition bearing CP(IB) 1293/2021 filed by Armsprime Media Private Limited (CIN: U92490MH2019PTC320701),

the Corporate Applicant is admitted under section 10 of the IBC read with rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and for Voluntary Liquidation Under Section 59 of the Insolvency and Bankruptcy Code, 2016. The Corporate Applicant is not disqualified U/s 11 of the Code. Accordingly, the moratorium is declared with consequential directions as mentioned below.

- (i) The Tribunal hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority; transferring, encumbering, alienating or disposing of by the Corporate Applicant 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 Applicant in respect of its property including any action under the Securitisation 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 Applicant.
- (ii) That the supply of essential goods or services to the Corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- (iii) 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.

- (iv) That the order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process or until this Tribunal approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Applicant under Section 33, as the case may be.
- (v) That the public announcement of the Corporate Insolvency Resolution process shall be made immediately as specified under Section 13 of the Code.
- (vi) This Tribunal hereby appoints the proposed Resolution Professional at the meeting of Board of Directors of Armsprime Media Private Limited held on 13.09.2021 by the RP, **Mr. Jeetendra Rajpal Dariyani**, having **IBBI Registration No: - IBBI/IPA-001/IPA-001/IP-P00678/2017-2018/11146** as Insolvency Resolution Professional to carry the functions as mentioned under the Code.

15. The Registry is hereby directed to communicate this order to the Applicant. The Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith within 10 days of the order being uploaded on the website.

Sd/-

SH. PRABHAT KUMAR
MEMBER (TECHNICAL)

Sd/-

JUSTICE VIRENDRASINGH G. BISHT
MEMBER (JUDICIAL)