

**NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
BENGALURU BENCH, BENGALURU, HELD ON 17.08.2020

THROUGH VIDEO CONFERENCING
CAUSE LIST

PRESENT: 1. Hon'ble Member (J), Shri Rajeswara Rao Vittanala
2. Hon'ble Member (T), Shri Ashutosh Chandra

CP/CA No.	Purpose	Sec	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB) No. 153/BB/2020	For admission	Sec 9 of I&B code 2016	Siti Networks Ltd	Dhanajay Joshi	Kerala Communicator s cable Ltd	

ADVOCATE FOR PETITIONER/s:

MR. DHANANJAY JOSHI - Advocate

ADVOCATE FOR RESPONDENT/s:

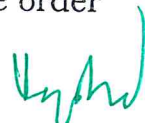
MR. SUSHEEL SHANKAR - Advocate

ORDER

Heard Mr. Dhananjay Joshi, learned Counsel for the Petitioner, and Mr. Susheel Shankar, learned Counsel for the Respondent, through Video Conference.

C.P (IB) No. 153/BB/2020 is disposed of by separate order


MEMBER (T)


MEMBER (J)

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

C.P. (IB)No.153/BB/2020
U/s. 9 of the IBC, 2016
R/w Rules 6 of I&B (AAA) Rules, 2016

Between

M/s. Siti Networks Limited

UG Floor, FC-19 and 20,
Sector-16A, Film City,
Noida – 201301, Uttar Pradesh ... Petitioner/Operational Creditor

And

M/s. Kerala Communicators Cable Limited

No.463, 10th Main,
13th Cross, Wilson Garden,
Bangalore- 560 027 ... Respondent/Corporate Debtor

Date of Order: 17th August, 2020

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Parties/Counsels Present (through Video Conference):

For the Petitioner : Mr. Dhananjay Joshi

For the Respondent : Mr. Susheel Shankar

ORDER

Per: Rajeswara Rao Vittanala, Member (J)



1. C.P. (IB) No.153/BB/2020 is filed by M/s. Siti Networks Limited ('Petitioner/Operational Creditor'), U/s. 9 of the IBC, 2016 R/w Rule 6 of the I&B (Application to Adjudicating Authority) Rules, 2016, by inter alia seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Kerala Communicators Cable Limited, on the ground that it has committed default for total amount of Rs.10,09,493/- (Rupees Ten Lakhs Nine Thousand Four Hundred and Ninety Three Only) as on 31.12.2019 including interest at the rate of 18% per annum.
2. Brief facts of the case, as mentioned in the Company Petition, which are relevant to the issue in question, are as follows:
 1. M/s. Siti Networks Limited (Petitioner/Operational Creditor) having CIN: L64200MH2006PLC160733, having its Registered Office at UG Floor, FC-19 & 20, Sector-16A, Film City, Noida-201301, Uttar Pradesh. The Company is an established national level Multi System Operator duly licensed by the Ministry of Information and Broadcasting, Government of India, for providing digital cable services to end-consumers (subscribers) through Local Cable Operators (LCOs) on pan-India basis including in the city of Bangalore.
 2. M/s. Kerala Communicators Cable Limited (Respondent/Corporate Debtor) was incorporated on 03.01.2007, having CIN: U72900KA2007PLC041377, having its Registered Office at No.463, 10th Main, 13th Cross, Wilson Garden, Bangalore- 560 027. The Nominal and Paid Up Share Capital of the Company is Rs.1,00,00,00,000/- (Rupees One Hundred Crores Only).
 3. Both the Parties are in a business arrangement since the year 2018, wherein the Corporate Debtor had approached the

Operational Creditor to place the satellite TV Channels owned by the Corporate Debtor on the networks of the Operational Creditor. In pursuance of this business arrangement, the Parties herein have executed a Channel Placement Agreement, for the period of 19th October, 2018 to 18th October, 2019 whereby the Operational Creditor had agreed to provide access of its network to Corporate Debtor for placement of its channel "Kerala Vision" in areas more specifically identified in above mentioned agreement. In consideration of providing access to the network of channel of the Corporate Debtor, the Corporate Debtor was liable to pay a negotiated placement fee of Rs.7,00,000/- per annum plus applicable taxes payable in equal instalments.

4. It is stated that as per the terms of the aforesaid Agreement, the Operational Creditor was required to carry/place the abovementioned channel on the network of the Operational Creditor and the Corporate Debtor was required to pay the agreed placement fee to Operational Creditor for placing the channel of the Corporate Debtor on the network of the Operational Creditor. The Operational Creditor in adherence to the terms and conditions of the Agreement provided satisfactory services to Corporate Debtor thereby abiding, implementing and ensuring compliance to the Agreement.
5. It is stated that upon the expiry of the aforesaid Agreement and upon request of the Corporate Debtor, the Operational Creditor agreed to continue the Agreement in accordance with the terms and conditions stipulated in the erstwhile Agreement, dated 13th October, 2018 for a period of two additional months. Furthermore, invoices were duly raised upon the Corporate Debtor in regard to the services availed by Corporate Debtor from



the Operational Creditor, which were also accepted by the Corporate Debtor without any objection. However, despite availing the services, the Corporate Debtor failed to make payment of the invoiced placement fee. Despite repeated requests by the Operational Creditor to clear the outstanding dues, specifically vide notice and email communications, dated 10.12.2019 and 18.12.2019, neither any payment nor any response from the Corporate Debtor was received within the stipulated time frame. Therefore, the Operational Creditor was constrained to displace the channel 'Kerala Vision' of the Corporate Debtor w.e.f 18.12.2019 from the packs offered by it to the subscribers, in compliance with the provisions of the TRAI regulation, 2017. However, on request of the Corporate Debtor, the said channel was continued to be provided by the Operational Creditor to its subscribers on a-la-carte basis. Ultimately, the Operational Creditor issued a Demand Notice in Form 3 and Form 4 under the Insolvency and Bankruptcy Code, 2016 (Under Rule 5 of the I&B (AAA) Rules, 2016) dated 20th December, 2019 to the Corporate Debtor demanding payment in respect of unpaid dues of an amount of Rs.9,63,667/- as on 30th November, 2019 along with the interest at 18% per annum due and payable under the said Agreement. The Operational Creditor issued 14 invoices of Rs.68,833/- each aggregating to an amount Rs.9,63,667/- The Default first occurred on 05.10.2019 on the first invoice i.e., 15 days from the date of Invoice. Hence, this Petition.

3. Heard Mr. Dhananjay Joshi, learned Counsel for the Petitioner, and Mr. Susheel Shankar, learned Counsel for the Respondent, **through Video Conference**. We have carefully perused the pleadings of the



Parties and extant provisions of the Code and the rules made thereunder and the Law on the issue.

4. Mr. Dhananjay Joshi, learned Counsel for the Petitioner submits that since the Respondent has approached the Petitioner for settlement of the case, the case may be kept pending till issue is settled.
5. Mr. Susheel Shankar, learned Counsel for the Respondent, while accepting notice on behalf Respondent, has further submitted that it is true that the Respondent is willing to settle the issue as stated by the learned counsel for the Petitioner and thus the case may be disposed of instead of keeping it pending.
6. The case was initially filed before the Tribunal on 17th February, 2020, and it is being listed for admission right from 16.06.2020, and after several adjournments, both the Parties submit that the issue in question was likely to be settled amicably between the Parties and thus keep the matter pending for settlement to be concluded. Since the principal amount involved is only 9,63,667/ , it would be just and proper to leave the matter to the Parties to settle the claim between themselves, instead of taking extreme step of initiating CIRP during present epidemic days, so as to disturb the operations of Corporate Debtor. Therefore, we are inclined to dispose of the instant Company Petition by directing the parties to settle the issue between themselves, as expeditiously as possible by reserving liberty to the Petitioner to file a fresh Company Petition, as per law, in case, the Respondent failed to settle the issue, instead of keeping the matter pending.
7. In the result **C.P (IB) No. 153/BB/2020** is hereby disposed of with the following directions:



(1) The Parties are hereby directed to settle the issue in question, as expeditiously as possible, but not later than two months from the date of receipt of copy of this order, failing which, the Petitioner is at liberty to file a fresh Company Petition in accordance with law.

(2) No orders as to cost.



**ASHUTOSH CHANDRA
MEMBER, TECHNICAL**



**RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL**

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