

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
KOLKATA BENCH,
KOLKATA**

C.P (IB) No.1158/KB/2018

In the matter of

An application under 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,2016.

And

In the matter of:

SITI NETWORKS LIMITED (CIN: L64200MH2006PLC160733), having its registered office at Mediasiti Building 14th Floor, X1-4, Block-EP and GP, SEC-IV,Salt Lake, Kolkata-700091 and also at its regional office at J-1/15, 4th Floor, Block EP, Sector-V, Electronics Complex, Salt Lake, Kolkata-700091.

... Operational Creditor

Versus

In the matter of:

Visionary Business Administration Private Limited, (CIN: U74900WB2014PTC204337) having its Registered office at 253/495,S.B.Ghorai Road, Near Sent Vincent School, Burdwan Asansol-713304, West Bengal.

...Corporate Debtor

Date of hearing :31/01/2022

Order Pronounced on : 16/02/2022

Coram:

Mr. Rohit Kapoor, Member (Judicial)
Mr. Harish Chander Suri, Member (Technical)

Counsels appeared through Video Conference

1. Ms. Pooja Jewrajka, Adv.] For Operational Creditor
2. Mr. Rahul Poddar, Adv

ORDER

Per: Harish Chander Suri, Member (Technical)

1. The Court is convened by video conference today.
2. This petition under section 9 of the IBC has been filed by **SITI NETWORKS LIMITED (CIN: L64200MH2006PLC160733)**, a corporate entity, having its registered office at Mediasiti Building 14th Floor, X1-4, Block-EP and GP, SEC-IV, Suit Lake, Kolkata-700091 and also at its regional office at J-1/15, 4th Floor, Block EP, Sector-V, Electronics Complex, Salt Lake, Kolkata-700091,(hereinafter referred as the Operational Creditor), through Mr. Rajeev Sharma, authorised representative of the Operational Creditor, authorised vide Board Resolution dated 20th July, 2018 (Annexure-A) seeking initiation of corporate insolvency resolution process in respect of **Visionary Business Administration Private Limited, (CIN: U74900WB2014PTC204337) having** its Registered office at 253/495,S.B.Ghorai Road, Near Sent Vincent School, Burdwan Asansol-713304, West Bengal (hereinafter referred as the Corporate Debtor).
3. It is submitted that the Operational Creditor is engaged in the business of distribution, re-distribution, transmission of television signals of various broadcasters through cable networks, whereas the Corporate Debtor owns various satellite television channels. It is submitted that in the year 2015, the Corporate Debtor approached the Operational Creditor as the Corporate Debtor had desired to ensure the high visibility of its channels to be carried by the platform of the Operational Creditor. The Operational Creditor agreed to place the T.V. channels belonging to

the Corporate Debtor to its network. A series of negotiations took place thereafter between the Corporate Debtor and the Operational Creditor regarding the price. It is submitted that it was agreed thereafter agreed that the Operational Creditor would carry/place the TV Channels on the network of the Operational Creditor and the Corporate Debtor would be required to pay the agreed carriage/placement fee to the Operational Creditor for such services rendered. It is submitted that on 23rd February, 2015 an agreement was executed between them regarding the rates. The said agreement was in force from 1st February, 2016 to 31st January, 2016. The Operational Creditor successfully performed all its obligations towards the Corporate Debtor's with complete satisfaction and duly rendered the agreed services. It is submitted that the Corporate Debtor would make payment for the services rendered by the Operational Creditor immediately upon completion of such services thereof by the Operational Creditor. The Operational Creditor raised invoices on 13th March, 2015 and 29th September, 2015, against such services rendered to the Corporate Debtor amounting to a sum of Rs.10,86,528/-. However, till the date of filing of the petition, the Operational Creditor had only received Rs.4,49,440/- from the Corporate Debtor. Therefore, a sum of Rs.6,47,088/- is due and payable from the Corporate Debtor and that the Corporate Debtor has not raised any dispute regarding the service rendered or the claim raised by the Operational Creditor and the outstanding payment due to the Operational Creditor has not been paid.

4. It is submitted that the Operational Creditor had served with a Demand Notice under section 8 of the I & B Code, 2016 dated 15th June, 2018 which was duly received by the Corporate Debtor. However, despite receipt of the same and despite being aware of the default committed by the Corporate Debtor, the Corporate Debtor chose not to issue any reply to the same. Copy of the Notice under section 8 of the IB Code has been enclosed with the petition as Annexure-F.
5. It is submitted that a total sum of Rs.6,37,088/- as on 31st March,2018

along with interest @ 18% p.a. till the date of realization of the amount is due and payable by the Corporate Debtor to the Operational Creditor. A chart indicating the invoice Nos. outstanding amount due and the calculation of interest thereon is annexed as Annexure-G.

6. It is submitted that the date of default is 1st August, 2015 and a sum of Rs. 6,37,088/- along with interest is due from the Corporate Debtor. The Operational Creditor has filed an affidavit under section 9(3)(b) wherein it has been mentioned that the Corporate Debtor has not replied to the Demand Notice under section 8 of the Code despite receipt of the same and that no notice of dispute with regard to the quality services rendered or the claims raised by the Operational Creditor. It is further submitted that no payment has been received either full or in part from the Corporate Debtor and that there is no existence of any dispute between the Corporate Debtor and the Operational Creditor for the operational debt in question.
7. The Operational Creditor has placed on record the agreement dated 23rd Feb., 2015 which was deemed effective from 1st Feb.2015 and copy of the resolution of the Operational Creditor passed in its Board meeting dated 20th July, 2018.
8. The Operational Creditor has filed various documents in support of its case, which are as under:-
 - i. *A copy of the Master Data of the Corporate Debtor as downloaded from the MCA21 website of the Ministry of Corporate Affairs.*
 - ii. *Board Resolution passed at the meeting of the Board constituted Corporate Management Committee dated 20th July, 2018;*
 - iii. *A copy of the said agreement dated 23rd February ,2015;*
 - iv. *Copies of the invoices raised by the Operational Creditor upon the Corporate Debtor;*

- v. *A Chart indicating the details of the payment made by the Corporate Debtor towards part payment of the dues;*
- vi. *A copy of the Demand Notice dated 15th June, 2018 under section 8 of the Insolvency and Bankruptcy Code, 2016 raised by the Operational Creditor upon the Corporate Debtor, along with the track report evidencing receipt of the same;*
- vii. *A detailed working for calculation indicating the debt, the interest calculation and the dates of default committed by the Corporate Debtor in a tabular form.*
- viii. *Copy of the relevant Bank Statements of the Operational Creditor;*
- ix. *An affidavit in terms of the section 9(3)(b);*

9. The application is otherwise complete in all respects.
10. It is submitted that the notice of this petition was issued to the Corporate Debtor and was duly served also but in spite of having received the notice of the Court, the Corporate Debtor chose not to appear or to file reply to the petition. The Corporate Debtor was therefore ordered to be proceeded *ex parte*. Before the hearing due to Covid-19 restrictions, the matter could not be heard long time and therefore, second time notice was also issued to the Corporate Debtor but this time also efforts made by the Operational Creditor and the Court ended into futility and the Corporate Debtor could not be served by in normal course and thereafter on the directions of the Bench, the Operational Creditor published the notice in two Newspapers namely “Telegraph” and “Bartman” for the service of the Directors of the Corporate Debtor on 19th February, 2021 annexed to the affidavit of service as Annexures- A & B filed on 12th April, 2021.
11. Since the Corporate Debtor has not put in appearance in spite of service of notice even by the substituted service, the matter was heard and reserved for orders on 31/01/2022.

12. The Operational Creditor has not proposed name of any Insolvency Resolution Professional. Therefore, as per the provisions of Section 16(3) (a) of the IBC, we appoint **Ms. Vinita Agarwal ,IRP** having Reg. No. **IBBI/IPA-001/IP-P00914/2017-2018/11520** to act as Interim Resolution Professional (IRP). He shall file Form-2, and that no disciplinary proceedings are pending against him with the Board.
13. We have gone through the petition and all the documents annexed therewith.
14. The Operational Creditor has been able to prove its case and there is no opposition or reply affidavit thereto the averments of the petition have to be believed.
15. We have perused the documents and we find that a valid case for admission of the petition exists necessitating the admission of this petition, we, therefore pass the following orders:-

O R D E R S

- i) The application filed by the Operational Creditor under Section 9 of the Insolvency & Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against the Corporate Debtor, is hereby **admitted**.
- ii) We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the I & B Code, 2016.
- iii) Moratorium is declared for the purposes referred to in Section 14 of the Insolvency & Bankruptcy Code, 2016. The I.R.P. shall cause a public announcement of the initiation of Corporate Insolvency Resolution Process and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of

sub-section (1) of Section 15 of Insolvency & Bankruptcy Code, 2016 shall be made immediately.

- iv) Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 prohibits the following:
- a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c) 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
 - d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
- v) The supply of essential goods or services rendered to the corporate debtor as may be specified shall not be terminated, suspended, or interrupted during the moratorium period.
- vi) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

- vii) The order of moratorium shall have effect from the date of admission till the completion of the corporate insolvency resolution process.
- viii) Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.
- ix) **Ms. Vinita Agarwal IRP**, registered with Insolvency and Bankruptcy Board of India, having Registration No. **IBBI/IPA-001/IP-P00914/2017-2018/11520,IRP** email sushil.vinita@gmail.com and holding AFA under Regulation 7-A of the IBBI (Insolvency Professionals) Regulations, 2016, is hereby appointed as Interim Resolution Professional for ascertaining the particulars of creditors and convening a Committee of Creditors for evolving a resolution plan subject to production of written consent within one week from the date of receipt of this order.
- x) The Interim Resolution Professional should convene a meeting of the Committee of Creditors and submit the resolution passed by the Committee of Creditors and shall identify the prospective Resolution Applicant within 105 days from the insolvency commencement date.
- xi) The Operational Creditor/Applicant is directed to deposit **Rs. 50,000/- (Rupees Fifty Thousand only)** with the IRP appointed hereinabove within three days from this order. IRP can claim the preliminary expenses and fees subject to the approval by the CoC and after constitution of CoC.

16. Registry is hereby directed to communicate the order to the Operational Creditor, the Corporate Debtor, the I.R.P. and the jurisdictional Registrar of Companies by Speed Post as well as through email.
17. List the matter on **28.04.2022** for filing of **Progress Report**.
18. Certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities.

(Harish Chander Suri)
Member (Technical)

(Rohit Kapoor)
Member (Judicial)

Order signed on the 16th day of February, 2022

PJ.