



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH (COURT – II)**

**Item No. 201**  
**(IB)-173/ND/2024**

**IN THE MATTER OF:**

**J.C. Flowers Asset Reconstruction Pvt. Ltd.**

(Through Mr. Ajit Godara, Authorised Representative)  
Registered Office At:- Unit No. 203-206, 2<sup>nd</sup> Floor, Wing A,  
Inspire BKC, Bandra Kurla Complex,  
Bandra (East), Mumbai-400051

**... Applicant/  
Financial Creditor**

**Versus**

**Stargaze Entertainment Pvt. Ltd.**

Property No. F-1/ 132-B, T/F KH No. 88/2/3,  
Gali No-1, Mahavir Enclave, New Delhi-110045

**... Respondent/  
Corporate Debtor**

**Under Section: 7 of IBC, 2016**

**Order delivered on 13.05.2024**

**CORAM:**

**SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)**

**SH. SUBRATA KUMAR DASH, HON'BLE MEMBER (T)**

**PRESENT:**

**For the Applicant** : None

**For the Respondent** : None

**Hearing Through: VC and Physical (Hybrid) Mode**

**ORAL ORDER**

On 06.05.2024 we passed the following order:-

*“Affidavit of service filed. There is no appearance on behalf of the  
Corporate Debtor, in the wake the proceedings qua it are set ex parte.  
List on 13.05.2024.”*

2. The particulars of transaction entered into between the parties are outlined in the synopsis filed along with the provisions, which reads thus:-



*“At the request of the Corporate Debtor, YES Bank Limited (**“Bank”**) granted Credit Facilities to the Corporate Debtor in accordance with the terms and conditions as stipulated in facility letters, Term Loan Agreement and the transaction documents, in various tranches. The said credit facilities were inter alia secured by way of pledge of shares, hypothecation of movable assets, personal guarantee furnished by Mr. Shrikant Bhasi and Corporate Guarantee furnished by Asian Business Connections Private Limited and Carnival Films Private Limited.*

*That on 24.03.2022, the Government of India declared a nation-wide lockdown in view of the COVID — 19 pandemic. Pursuant thereto, the Reserve Bank of India announced COVID — 19 Regulatory package for a period of 3 months i.e. till 31.05.2020 wherein, inter alia regulatory measures were announced to mitigate the burden of debt servicing brought about by disruptions on account of COVID — 19 pandemic and to ensure the continuity of viable businesses vide Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27.03.2020. The Corporate Debtor opted for moratorium in respect of credit facilities granted by the Financial Creditor to Stargaze Entertainment Pvt Ltd (**“Borrower/Corporate Debtor”**).*

*That since the situation of COVID — 19 pandemic did not improve after 3 months, the Reserve Bank of India extended the COVID — 19 Regulatory package for a period of 3 months i.e. with effect from 01.06.2020 till 31.08.2020 vide Circular DOR. NO. BP.BC.71/21.04.048/2019-20.*

*During moratorium period i.e. for a period of 6 months, the accrued interest as on 02.09.2020 on the facilities granted by the Bank were provided as FITL i.e. Funded Interest Term Loan amounting to Rs. 2,61,06,819.47/- (Rupees Two Crore Sixty One Lakhs Six Thousand Eight Hundred Nineteen and Forty Seven Paise Only) which also formed part of the Credit Facilities as granted initially by the Bank.*



That as per the terms and conditions of the Facility Agreements, the Corporate Debtor was required to make repayments towards the facilities on the due dates, without any delay, demur or objections. However, the Corporate Debtor failed to make timely payments which was also in gross violation of the Facility Agreements.

That it is pertinent to mention herein that Corporate Debtor committed serious breaches and defaults in repayment of Principal amount and interest and other charges in respect of facilities availed by Corporate Debtor. Therefore, as on 29.12.23, an amount of Rs.70,33,51,777.91/- (Rupees Seventy Crore Thirty Three Lakh Fifty One Thousand Seven Hundred Seventy and Ninety One Paise only) is outstanding with respect to the facilities availed by the Corporate Debtor. The details of the outstanding are as under:

FACILITY NAME	AMOUNT SANCTIONED	PRINCIPAL AMOUNT AS ON 29.12.23	INTEREST AS ON 29.12.23	TOTAL AMOUNT
RUPEE TERM LOAN	50,00,00,000	46,59,37,500.00	20,22,19,799.98	6,68,157,299.98
FITL	2,61,06,819.47	2,52,67,389.02	99,27,088.91	35,194,477.93
<b>TOTAL</b>	<b>52,61,06,819.5</b>	<b>49,12,04,889.02</b>	<b>21,21,46,888.89</b>	<b>70,33,51,777.91</b>

That the Bank vide a recall notice dated 12.07.2021 bearing reference number YBL/ARM/21-22/263 recalled the Credit Facilities granted to the Corporate Debtor. Thereafter, the Bank vide notices dated 26.07.2021 invoked the various Personal Guarantees and Corporate Guarantees which were given to secure the Credit Facilities of the Corporate Debtor.

Subsequently, vide Assignment Agreement dated 16.12.2022 executed by and between the Bank and J.C. Flowers Asset Reconstruction Private Limited (acting in its capacity as trustee of JCF YES Trust 2022-23/5) ("**Financial Creditor**"), the Bank assigned the Financial Assets/loans pertaining to the Corporate Debtor along with all rights, titles and interest in the financing documents and all underlying



security created therefor, in favour of the Financial Creditor, i.e. the Applicant herein. As per the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the covenants of the Assignment Agreement, the Applicant is deemed to be the financial creditor of the Corporate Debtor and has become entitled to all the rights, titles, interests, claims and to initiate, continue, enforce, and/or defend all legal proceedings of any nature against the Corporate Debtor. It is pertinent to mention herein that till date of filing this Application the Corporate Debtor and the Guarantors have failed to make payment of the outstanding dues.

In view of the aforesaid facts and circumstances, an amount of Rs.70,33,51,777.91 /- (Rupees Seventy Crore Thirty Three Lakh Fifty One Thousand Seven Hundred Seventy and Ninety One Paise only) constitutes a financial debt as on 29.12.23, and is liable to be paid by the Corporate Debtor, as on date of filing the present Application.

Hence, the present Application under Section 7 of the I&B Code, 2016 is being filed for seeking initiation of Corporate Insolvency Resolution Process in respect of Corporate Debtor i.e. M/s Stargaze Entertainment Private Limited.”

3. As can be seen from Part-IV of the petition, the amount of debt defaulted to be paid by corporate debtor to the Petitioner is much above the threshold limit of Rs. 1 crore the Part-IV of the petition reads thus:-

**PART - IV**

PARTICULAR OF FINANCIAL DEBT		
1.	TOTAL AMOUNT OF DEBT GRANTED AND DATE (S) OF DISBURSEME NT	The Corporate Debtor approached the Bank for granting of Credit Facilities and the Bank granted Credit Facilities to the Corporate Debtor in accordance with the terms and conditions as stipulated in facility letters and Term Loan Agreement. It is pertinent to mention herein that the Credit Facilities were granted in various tranches to the Corporate Debtor. Copy of Facility Letters (details of which are provided below) are annexed herewith and marked as <b>ANNEXURE A-5 (COLLY)</b> . Details of the facilities granted to the Corporate Debtor are provided below:



Date of Sanction Letter	Amount	Date of Disbursement
Term Loan Facility 30.09.2016 [YBL/DEL/FL/ 0891/2016-2017]	INR 50,00,00,000	The sanctioned amount was disbursed in 5 tranches. The first tranche of Rs. 8,75,00,000.00 was disbursed on April 03. 2017.
Funded Interest Term Loan *(FITL) 07.09.2020	2,61,06,819.47	

*\* In view of the prevailing COVID-19 situation and the reliefs granted by various RBI circulars, the accrued interest obligation of the Corporate Debtor was converted into Funded Interest Term Loan facility.*

Details of the sanctioned facilities are provided below :

1. The sanction letter for the Term Loan is dated 30.09.2016. The said sanction letter was amended from time to time on 30.09.2016 (bearing ref.no. YBL/DEL/FL/0892/2016-17), 2.12.2016 (bearing ref. no. YBL/DEL/FL/1238C/2016-17), 3.08.2017(bearing ref. no. YBL/DEL/FL/0801D/2017-2018), 25.05.2018 (bearing ref. no. YBL/DEL/CF/FL/0064D/2018-19) and 23.01.2019 (bearing ref. YBL/ DELHI/CF/FL/0846/2018-2019).
2. Loan Agreement executed between the Corporate Debtor and the Bank was executed on 17.10.2016.
3. The Borrower/ Corporate Debtor in order to create security over its assets, duly passed a board resolution to the effect in the meeting convened on 25.05.2018.
4. It is submitted that the Credit Facility was being disbursed to the Corporate Debtor in various tranches and Corporate



	<p>Debtor was maintaining financial discipline and making repayments of the Credit Facilities availed by the Corporate Debtor.</p> <p>5. Due to the impact of the COVID-19 pandemic and the nation-wide lockdown, the Corporate Debtor/ borrower availed moratorium benefits under various circulars issued by Reserve Bank of India ("RBI"), pertaining to debt servicing on account of COVID – 19 pandemic and to ensure the continuity of viable businesses. The Corporate Debtor expressed his inability to make payment of its obligations stipulated under the loan documents and accordingly, requested the Bank to provide additional time for payment the said obligations. The relevant RBI circulars The relevant RBI circulars being Circular DOR. No. BP. BC. 47/21.04.048/2019-20 dated 27.03.2020, Circular DOR. No. BP.BC.71/21.04.048/2019-20 dated 23.05.2020 are annexed herewith and marked as <u>ANNEXURE A-6 (Colly)</u>.</p> <p>6. The Corporate Debtor opted for moratorium in respect of credit facilities granted by the Financial Creditor to the Borrower i.e. the Corporate Debtor herein.</p> <p>7. Accordingly, the accrued interest as on 02.09.2020 on the facilities granted by the Bank were converted as FITL i.e. Funded Interest Term Loan amounting to Rs. 2,61,06,819.47/- (Rupees Two Crore Sixty One Lakhs Six Thousand Eight Hundred Nineteen and Forty Seven Paise Only) which also forms part of the Credit Facilities as granted by the Bank. Copy of Funded Interest Term Loan (FITL) Agreement dated 07.09.2020 and the board resolution dated 07.09.2020 is annexed herewith and marked as <u>ANNEXURE A-7 (COLLY)</u>.</p> <p>8. That as per the terms and conditions of the Facility Agreements, the Corporate Debtor was required to make repayments towards the facilities on the due dates, without any delay, demur or objections. However, the Corporate Debtor failed to make timely payments which was also in gross violation of the Facility Agreements. Copy of Bank</p>
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	<p>Account Statements along with the bankers book certificate are annexed herewith and marked as <b><u>ANNEXURE A-8(COLLY)</u></b>.</p> <p>9. Subsequently, vide Assignment Agreement dated 16.12.2022 executed by and between the Bank and the Financial Creditor, the Bank assigned the Financial Assets/loans pertaining to the Corporate Debtor along with all rights, titles and interest in the financing documents and all underlying security created therefor, in favour of the Financial Creditor, i.e. the Applicant herein. As per the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the covenants of the Assignment Agreement, J.C. Flowers Asset Reconstruction Private Limited acting in its capacity as trustee of JCF YES Trust 2022-23/5 is deemed to be a financial creditor of the Corporate Debtor. Relevant Portion of the Assignment Agreement dated 16.12.2022 is annexed herewith and marked as <b><u>ANNEXURE A-9</u></b></p>																				
<p>AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)</p>	<p>The total amount payable is Rs.70,33,51,777.91 /- (Rupees Seventy Crore Thirty Three Lakh Fifty One Thousand Seven Hundred Seventy Seven and Ninety One Paise only) on 29.12.23, along with interest at the rate of 9.45 % p.a. to be calculated. The computation of amount in default is as under:-</p> <table border="1" data-bbox="609 997 1282 1333"> <thead> <tr> <th>FACILITY NAME</th> <th>AMOUNT SANCTIONED</th> <th>PRINCIPAL AMOUNT AS ON 29.12.2023</th> <th>INTEREST AS ON 29.12.2023</th> <th>TOTAL AMOUNT</th> </tr> </thead> <tbody> <tr> <td>RUPEE TERM LOAN</td> <td>50,00,00,000</td> <td>46,59,37,500.00</td> <td>20,22,19,799.98</td> <td>6,68,157,299.98</td> </tr> <tr> <td>FITL</td> <td>2,61,06,819.47</td> <td>2,52,67,389.02</td> <td>99,27,088.91</td> <td>35,194,477.93</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>52,61,06,819.5</b></td> <td><b>49,12,04,889.02</b></td> <td><b>21,21,46,888.89</b></td> <td><b>70,33,51,777.91</b></td> </tr> </tbody> </table> <p>- <b>DATE OF DEFAULT:-</b> That due to financial indiscipline, the Financial Creditor recalled the Credit Facilities granted to the Corporate Debtor on <b><u>12.07.2021</u></b> thereby, calling upon the Corporate Debtor to repay the amount within 7 days from the receipt of the Letter dated 12.07.2021.</p> <p>- Pursuant thereto, the Guarantees were also invoked in respect of the Guarantors of the Credit Facilities on <b><u>26.07.2021</u></b> thereby, calling upon the Guarantors to repay the amount within 7 days from the receipt of Letter dated 26.07.2021</p> <p>The date of the default i.e. <b><u>19.07.2021</u></b> (7 days post when the Credit Facility were recalled) is well within the period of the limitation of 3 years. Furthermore, the failure on the part of Corporate Debtor and its Guarantors even after the receipt of the Letters recalling the Credit Facility made the default as continuing in nature. Therefore, the present Application filed under Section 7 of the I&amp;B Code, 2016 is well within limitation.</p>	FACILITY NAME	AMOUNT SANCTIONED	PRINCIPAL AMOUNT AS ON 29.12.2023	INTEREST AS ON 29.12.2023	TOTAL AMOUNT	RUPEE TERM LOAN	50,00,00,000	46,59,37,500.00	20,22,19,799.98	6,68,157,299.98	FITL	2,61,06,819.47	2,52,67,389.02	99,27,088.91	35,194,477.93	<b>TOTAL</b>	<b>52,61,06,819.5</b>	<b>49,12,04,889.02</b>	<b>21,21,46,888.89</b>	<b>70,33,51,777.91</b>
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4. With the application filed by him, the Applicant has enclosed the report of NeSL (information utility). As can be seen from Form-D (the relevant excerpt of the record), the default committed by the corporate debtor was on 30.01.2021 Form-D (default report) from NeSL reads thus:-

**NeSL** NATIONAL E-GOVERNANCE SERVICES LIMITED  
India's First Information Utility

**FORM D  
RECORD OF DEFAULT (RoD)**

*(Issued By information utility under sub-regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)*

This Record of Default is issued to the Financial Creditor M/s YES BANK LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter: M/s YES BANK LIMITED  
 (b) Schedule-2 Bank (Y/N): Y  
 (c) Name of Corporate Debtor: M/s STARGAZE ENTERTAINMENT P L PAYMENTS AC  
 (d) Unique Debt Identifier Number: AAACY2068D\_125TL-CLE12329855  
 (e) Registered Address: YES Bank House, Prabhat Nagar, Off Western Express, Highway, Santacruz - East, MUMBAI - 400055  
 (f) Total Outstanding Amount: 465937500.00  
 (g) Default Amount: 465937500.00  
 (h) Date of Default: 30-01-2021  
 (i) Status of Authentication of Default: AUTHENTICATED

Filing of Default (Submission ID No.)	Submitted on	Status of Authentication (Authenticated / Disputed / Deemed to be authenticated)	Authentication completed on
(9)	25-11-2022 18:51:10	<b>AUTHENTICATED</b> Colour Code :GREEN	14-12-2022 14:37:26

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

5. The present application was preferred on 27.01.2024, within three years from the debt of default.

6. As can be seen from the provisions of Section 7 (3) of IBC, 2016, while considering admission of the application filed under Section 7, we need to satisfy ourselves as to whether the record of default recorded with the information utility is enclosed with the petition. The Section 7(3) reads thus:-



*“7. Initiation of corporate insolvency resolution process by financial creditor.—*

*.....*

*(3) The financial creditor shall, along with the application furnish--*

- (a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;*
- (b) the name of the resolution professional proposed to act as an interim resolution professional;*
- (c) any other information as may be specified by the Board.”*

7. As has been provided in sub-section (5) of Section 7 of IBC, 2016, where this Adjudicating Authority is satisfied that a default has occurred and the application filed under Section 7(2) is complete and there is no disciplinary proceedings pending against the proposed Resolution Professional, it may admit the application.

8. As can be seen from the NeSL report, the default in repayment of amount of debt has occurred. In **M/s Innoventive Industries Ltd. vs. ICICI Bank & Anr.** (Civil Appeal Nos. 8337-8338 of 2017) Hon’ble Supreme Court ruled that the NeSL report is conclusive proof of default. The relevant excerpt of the Judgment reads thus:-

*“28. ....The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important.”*

9. The undertaking/declaration given by the RP that no disciplinary proceedings are pending against him is available at Page 37 and 38 of the paper book. From perusal of the written communication given by Mr. Ashok



Kumar Gulla the IP, it is seen that there are no disciplinary proceedings pending against him with the Board of Institute of Cost Accountants of India.

The communication from the RP reads thus:-

**FORM 2**  
(See sub-rule (1) of rule 9)

(Under rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

**WRITTEN COMMUNICATION BY PROPOSED INTERIM RESOLUTION  
PROFESSIONAL**

To,  
National Company Law Tribunal - Delhi  
CGO Complex, Lodhi Road,  
New Delhi-110003

**Date: 05.12.2023**

From  
Ashok Kumar Gulla  
RBSA Restructuring Advisors LLP  
4th Floor, Tower – 4B, DLF Corporate Park  
Gurgaon, Haryana - 122002

**In the matter of M/s Stargaze Entertainment Private Limited**

**Subject:** Written Communication in connection with an application to initiate corporate insolvency resolution process in respect of M/s Stargaze Entertainment Private Limited.

Madam/Sir,

I, Ashok Kumar Gulla, an insolvency professional registered with Institute of Cost Accountants of India having registration number IBBI/PA-003/IP-N00024/2017-2018/10174 have been proposed as the interim resolution professional by J.C. Flowers Asset Reconstruction Pvt. Ltd. in connection with the proposed corporate insolvency resolution process of M/s Stargaze Entertainment Private Limited.

In accordance with rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, I hereby:

1. Agree to accept appointment as the interim resolution professional if an order admitting the present application is passed;
2. State that the registration number allotted to me by the Board is IBBI/PA-003/IP-N00024/2017-2018/10174 and that I am currently qualified to practice as an insolvency professional;
3. Disclose that I am currently having following assignments in hand: -

Sl. No	Assignment as	Number of Assignment	No.	Name of the Corporate Debtor	Date of the Commencement of Process	Expected Date of Closure of Process
<b>Corporate Processes</b>						
1	Resolution Professional	1	1	Cinema Ventures Private Limited	14.07.2023	10.01.2024
2	Liquidator	1	1	SRS Limited	15.10.2019	31.03.2024

4. Certify that there are no disciplinary proceedings pending against me with the Board or Institute of Cost Accountants of India;
5. Affirm that I am eligible to be appointed as a resolution professional in respect of the corporate debtor in accordance with the provisions of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
6. Make the following disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

  
  
**ASHOK KUMAR GULLA**  
 RBSA Restructuring Advisors LLP  
 4th Floor, Tower – 4B, DLF Corporate Park  
 Gurgaon, Haryana - 122002



10. Despite notice served upon it, the CD chose not to appear before this Tribunal. Thus, in terms of the order dated 06.05.2024, the proceedings qua it were set ex-parte.

11. In the wake, we are left with no option but to admit the present petition. Ordered accordingly.

12. **In the backdrop, moratorium as provided under Section 14 of IBC, 2016 is declared qua the CD and** as a necessary consequence thereof the following prohibitions are imposed, which must be followed by all and sundry:

- (a) The institution of suits or continuation of pending suits or proceedings against the Respondent 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 Respondent 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 Respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Respondent.

13. As proposed by the Petitioner, Mr. Ashok Kumar Gulla, having Registration No. IBBI/IPA-003/IP-N00024/2017-2018/10174 and E-mail id: ashok.gulla@rbsa.in, is appointed as IRP, subject to the condition that no



disciplinary proceeding is pending against him and disclosures as required under IBBI Regulations, 2016 are made by him within a period of one week from this Order.

14. It is further ordered that Mr. Ashok Kumar Gulla, having Registration No. IBBI/IPA-003/IP-N00024/2017-2018/10174, shall take charge of the CIRP of the Corporate Debtor with immediate effect and would take steps as mandated under the IBC specifically under Section 15, 17, 18, 20 and 21 of IBC, 2016 read with extend provisions of IBBI (Insolvency Resolution of Corporate Persons) Regulations, 2016.”

15. The Petitioner is directed to deposit Rs. 2,00,000/- only with the IRP to meet the immediate expenses. The amount, however, will be subject to adjustment by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid back to the Financial Creditor.

16. A copy of this Order shall immediately be communicated by the Registry/Court Officer of this Tribunal to the Petitioner /Financial Creditor, the Respondent/Corporate Debtor and the IRP mentioned above.

17. In addition, a copy of this Order shall also be forwarded by the Registry/Court Officer of this Tribunal to the IBBI for their records.

**Sd/-**  
**(SUBRATA KUMAR DASH)**  
**MEMBER (T)**

**Sd/-**  
**(ASHOK KUMAR BHARDWAJ)**  
**MEMBER (J)**

*Ashima/Ruchita*