



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

*(Exercising powers of Adjudicating Authority under  
The Insolvency & Bankruptcy Code, 2016)  
[Through Physical hearing/VC Mode (Hybrid)]*

**C.P (IB) No.127/BB/2024**  
**Under Section 7 of the Insolvency and**  
**Bankruptcy Code, 2016 Read with Rule 4 of**  
**Insolvency and Bankruptcy (AAA) Rules, 2016**

In the matter of:

**M/s. Kordash Handlers and Logistics Pvt. Ltd.,**

129/18,4<sup>th</sup> Floor, 1<sup>st</sup> Main,

Opp. Ayyappa Temple,

SF Road, Wilson Garden,

**Bengaluru-560027**

--- Financial Creditor /Petitioner

**Versus**

**M/s. Egita Network and Media Private Limited,**

23/1, 1<sup>st</sup> Floor, 1<sup>st</sup> Main,

Vasanth Nagar,

**Bengaluru -560001**

--- Corporate Debtor/ Respondent

**Order delivered on: 17<sup>th</sup> October, 2024**

**Coram:**

1. Hon'ble Shri K. Biswal Member (Judicial)

2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

**Parties/Counsels Present:**

For the Petitioner : Shri Shyam Sundar, Senior counsel

For the Respondent : Shri Siddarth Kumar

**ORDER**

**Per: Manoj Kumar Dubey, Member (Technical)**

1. The present Petition has been filed on 21.03.2024 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity '**IBC/ Code**'), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by **M/s.Kordash Handlers and Logistics Private Limited** (for brevity 'Financial Creditor/Petitioner') *interalia* seeking to initiate Corporate Insolvency Resolution Process




(CIRP) against **M/s.Egita Network and Media Private Limited** (hereinafter referred as 'Corporate Debtor/Respondent) on the ground that the Corporate Debtor has committed a default for a total outstanding amount of Rs.2,21,04,504/- (Rupees Two Crore Twenty One Lakh Four Thousand Five Hundred and four only). In Item No.2 of Part-IV of Form No.1 filed with the application, it is stated that "*The amount claimed in default is Rs.2,21,04,504/- (Rupees Two Crore Twenty One Lakh Four Thousand Five Hundred and four only) including interest at the rate of 12% per annum.* The date of default is mentioned as 12.04.2021 in Form No.1.

**2.** Brief facts of the case, which are relevant to the issue in question, and as narrated by the Petitioner as follows:

- a) The Financial Creditor is engaged in the business of civil construction and logistics. The Corporate Debtor is engaged in the business of outdoor advertising.
- b) In and around 2018, the Corporate Debtor approached and requested the Financial Creditor to advance loans to the Corporate Debtor. Based on the Corporate Debtor's warranties and representations that it has sufficient means and liquidity to repay the loan in a timely manner, the Financial Creditor agreed to advance a loan for INR 1,64,00,000. Accordingly, on 19.09.2018, the Financial Creditor executed a Money Loan Agreement with the Corporate Debtor vide which the Financial Creditor agreed to advance to the Corporate Debtor a loan, amounting to a sum of INR 1,64,00,000 which was disbursed to Corporate Debtor in two instalments. The loan amount of INR 1,64,00,000 was disbursed in the following manner:

Sl.No.	Amount	Date of Disbursement
1.	34,00,000	29.09.2018
2.	1,30,00,000	12.04.2019

- c) As per Clause 4.1 of the Loan Agreement, the loan falls due after a period of two years from when the last instalment of the loan is




received by the borrower Since the last disbursement of the loan amount was made on 12.04.2019, the loan amount fell due on 12.04.2021.

- d) However, the Corporate Debtor failed to comply with the aforesaid provision of the Loan Agreement and has not repaid any amount of the loan till date, despite repeated reminders and demands made by the Financial Creditor. On 07.02.2024, the Financial Creditor issued a letter to the corporate debtor demanding repayment of the loan amount of INR 2,21,04,504 along with interest at the rate of 12 percent per annum. The Financial creditor has not received any payment towards the debt due to it nor has it received any response to the notice issued by it. Accordingly, as on date, an amount of INR 2,21,04,504 along with interest at the rate of 12 % per annum is due and payable by the Corporate Debtor to the Financial Creditor. Hence the petition.

3. The Respondent/Corporate Debtor has filed reply vide Dy.No.4030 dated 09.07.2024 in which it was stated as under:

- a) The Financial Creditor and Corporate Debtor entered into a Money Loan Agreement dated 19.09.2018. Pursuant to the Money Loan Agreement, the Corporate Debtor availed a loan to the tune of INR1,64,00,000/- from the Financial Creditor, for infusing funds in its outdoor advertising operations. The loan was to be repaid within 2 years from the date of receipt of the final instalment of the loan. The final instalment of the loan was received on 12.04.2019. Accordingly, the loan became payable to the lender - Financial Creditor by 12.04.2021 along with interest at the rate of 12% per annum.
- b) Thereafter, the Financial Creditor claims to have issued a letter to the Corporate Debtor on 07.02.2024 demanding INR 2,21,04,504 as the payable loan amount along with interest. The Corporate Debtor



has, till date, not received the above mentioned letter demanding the repayment of the loan from the Financial Creditor.

- c) Further, the Corporate Debtor business was severely impacted by the COVID-19 pandemic and the consequent lockdowns. The outdoor advertising sector, in particular, faced significant disruptions. Given these extraordinary circumstances the Corporate Debtor contend that the inability to repay the loan within the stipulated timeframe should be viewed with leniency. The pandemic created unforeseen financial challenges that were beyond the control of the Corporate Debtor.
- d) The Corporate Debtor is committed to settling its debts and has demonstrated a proactive approach in addressing its financial obligations. Further, between 12.04.2021 (the loan due date) and 07.02.2024 (the date of the alleged demand letter), the Corporate Debtor did not receive any communication from the Financial Creditor requesting repayment. This lack of communication suggests that the Financial Creditor was not actively seeking repayment during this period. Therefore, the Corporate Debtor seeks an opportunity to repay the amounts due the Financial Creditor and dismiss the petition filed by the Financial Creditor for the initiation of CIRP.
- 4.** Therefore, the contention of the Corporate Debtor is that from 12.04.2021 to 07.02.2024, the Corporate Debtor has not received any request from the Financial Creditor to repay the loan money. However, the Corporate Debtor has also admitted the default citing various reasons like business being impacted by Covid-19 and thus there was inability to pay the loan which was requested to be viewed with leniency. Further the Corporate Debtor has requested to be provided an opportunity to repay the dues to the Financial Creditor.
- 5.** Heard the Learned Senior Counsel for the Petitioner and the Counsel for Respondent, and perused the pleadings.



6. The present petition was filed under section 7 of the IBC to initiate Corporate Insolvency proceedings against the Corporate Debtor on the ground that the Corporate Debtor has committed a default of Rs.2,21,04,504/- (Rupees Two Crore Twenty One Lakh Four Thousand Five Hundred and four only). The above submissions on behalf of the Corporate Debtor make it amply clear that there is a debt for which it has admitted the default in the repayment of the debt. The only request is for leniency and being given an opportunity for repayment. Therefore, the threshold requirement under Section 7 of the IBC, 2016 of Rs.1 Crore at the time of filing the petition is fulfilled.
7. The date of default is mentioned as 12.04.2021 in Form-1 filed with the C.P. The Record of Default issued by the NeSL report mentioned the date of default as 12.04.2023 while the instant Company Petition has been filed on 21.03.2024. The date of default mentioned in Form No.1 of C.P and the date of default mentioned in Form-D issued by NeSL report show different dates, however the petition has been filed within the period of limitation considering either of the two.
8. In view of the above discussion, the existence of the debt and default is established. Therefore, the present petition bearing **C.P (IB) No.127/BB/2024** is **admitted** in respect of the Corporate Debtor **M/s. Egita Network and Media Private Limited** under section 7 of the I & B Code, 2016. Accordingly, moratorium is declared in terms of Section 14 of the Code. As necessary consequences of the moratorium in terms of Section 14, 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 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 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 Corporate Debtor.*
- (e) *It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period;*
- (f) *The provisions of Sub- Section 14 (3) shall however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor;*
- (g) *The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of Section 31 or passed an order for liquidation of Corporate Debtor under Section 33 as the case may be;*
- 9.** In Part-III of Form No.1, the Financial Creditor has proposed the name of Shri.Sushanta Kumar Choudhary, bearing Registration No. IBBI/IPA-003/IP-N00292/2020-2021/13238 as the Interim Resolution Professional (IRP) in respect of the Corporate Debtor. Form-2 dated 23.01.2024 Written Communication by the IRP has been filed along with the C.P is found at Page-45 of the Petition.
- 10.** In view of the above, we appoint **Shri.Sushanta Kumar Choudhury**, bearing **Registration No. IBBI/IPA-003/IP-N00292/2020-2021/13238** having address at 64, Hem Chandra Naskar Road, Belegkata, Kolkata-700010 Contact No.9007016008, e-mail:



[skchoudhury123@gmail.com](mailto:skchoudhury123@gmail.com) as the Interim Resolution Professional to carry the functions as mentioned under the IBC, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard. The IRP is directed to take the steps as mandated under Section 15, 17, 18, 20 and 21 of the IBC 2016.

- 11.** The Financial Creditor shall deposit a sum of **Rs.2,00,000/-** (Rupees Two Lakh only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.
- 12.** The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Tribunal every fortnight.
- 13.** A copy of the order shall be communicated to both the parties. The learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send the copy of this order to the Interim Resolution Professional at his e-mail address forthwith.

**Sd/-**  
**(MANOJ KUMAR DUBEY)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(K.BISWAL)**  
**MEMBER (JUDICIAL)**