

Through Videoconference

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT No. – I

C.P. (IB) 4360/MB/2018

(A Petition under Section 10 of the Insolvency and Bankruptcy Code, 2016)

BLUE FROG MEDIA PRIVATE LIMITED

98, Jolly Maker Chambers No. 2,
225 Nariman Point, Mumbai – 400 021
CIN: U22300MH2006PTC163173

... *CORPORATE DEBTOR / APPLICANT*

Order dated: 19th May, 2021

CORAM:

Janab Mohammed Ajmal, Hon'ble Member (Judicial)
Shri V. Nallasenapathy, Hon'ble Member (Technical)

Appearance:

For the Applicant : Mr Avinash Khanolkar, Advocate.

Per: V. Nallasenapathy, Member (Technical)

ORDER

1. The Company Petition is filed by Blue Frog Media Pvt. Ltd. (the Corporate Debtor) through its Managing Director Mr Sumer Ramesh Vaswani under Section 10 of the Insolvency and Bankruptcy Code, 2016 (the Code) read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (the Rules) for initiation of Corporate Insolvency Resolution Process (CIRP).
2. The Corporate Debtor was incorporated on 20th July, 2006 *vide* CIN U22300MH2006PTC163173 on the file of Registrar of Companies, Mumbai Maharashtra, having share capital of ₹. 18,50,00,000/- and paid up capital of

₹. 18,23,00,350/-. The registered office of the Corporate Debtor is situated at 98, Jolly Maker Chambers No. 2, 225, Nariman Point, Mumbai – 400 021.

3. The Corporate Debtor was engaged in the business of Live Music Performance venues with full F & B facilities available. To carry out the objects of the Company, the Corporate Debtor had borrowed funds by way of unsecured loans from various parties including its directors and members. However, in the recent past, the Company's business suffered due to growing competition and high increase in overheads including rentals, programming cost etc. Also, the cash flows of the Corporate Debtor were adversely affected as substantial amounts remained unpaid to the Company by the franchisees which could not be recovered despite making best possible efforts. As a result of all these circumstances, the Corporate Debtor has not been in a position to honor its commitment for repayment of the unsecured loans and interest thereon. Therefore, the Corporate Debtor thought it prudent that an Application for initiation of CIRP be made under the provisions of the Code.
4. The shareholders of the Corporate Debtor in the Extraordinary General Meeting held on 7th August 2018 passed a Special Resolution for filing an Application under section 10 of the Code for initiation of CIRP of the Corporate Debtor and further authorised the Board of Directors (BoD) to appoint an Interim Resolution Professional (IRP) and to do all acts and take all steps to give effect to the Special Resolution. Accordingly, the BoD in their meeting held on 24th October 2018 passed a resolution authorising Mr Sumer Ramesh Vaswani, Managing Director or failing him Mr Raghavendra Avadhani, Alternate Director to finalise the Application under Section 10 of the Code and file the same in the Adjudicating Authority for necessary orders.
5. The BoD also proposed, Mr. Vishram Narayan Panchpor, having Registration No.: IBBI/IPA-002/IP-N00269/2017-18/10782 to act as the IRP. Mr.Panchpor

has given his consent in Form – 2 with a declaration that no disciplinary proceeding is pending against him.

6. The amended Form – 6 reveals that the debt owed by the Corporate Debtor towards the unsecured financial creditors is ₹. 5,09,72,605/- and towards various operational creditors is ₹. 1,84,82,176/-. The said debt was incurred on 31.03.2018. The total debt of the Corporate Debtor is summarised below:

Sr No.	Particulars	Amount in ₹
1	Financial Debt	5,09,72,605
2	Operational Debt	1,84,82,176
3	Total Debt	6,94,54,781

7. The details of the creditors, along with their names and addresses, to whom such Financial Debt / Operational Debt is owed are given in Annexure - 2 filed with the Additional Affidavit. The record of default supported by relevant documents is also provided with the Petition.
8. The Corporate Debtor submits that there are no secured loans that are outstanding. Further it is submitted that there were no guarantees given by other persons.
9. The Corporate Debtor has enclosed the following documents with the Petition:
- (a) Letters of correspondence and reminder letters, received from various creditors demanding repayment of credit facilities availed by the Corporate Debtor.
 - (b) Relevant ledger extracts from the Company's books of accounts evidencing the default to creditors.
 - (c) Audited financial statements for the last two financial years viz. 2016-17 & 2017-18 and provisional financial statement for the current

financial year for the period from 01.04.2018 to 24.10.2018 (being a date not earlier than fourteen days from the date of the Application).

- (d) List of assets and liabilities of the Corporate Debtor divided into such categories as are appropriate for easy identification along with the estimated values assigned to each category.
- (e) List of Financial and Operational Creditors along with the names, addresses and the amount due to them.
- (f) The list of names and addresses of the members of the Company along with their respective shareholding.
- (g) Copy of the Special Resolution dated 07.08.2018 passed by the shareholders approving the filing of the present Application.
- (h) Memorandum of Association and Articles of Association.
- (i) Written communication from the IRP in Form 2.

10. We have heard the counsel for the Corporate Debtor and have perused the records. It is amply clear from the Petition and the documents on record that the Corporate Debtor had borrowed unsecured loans and is liable to make payment to various creditors and despite demand letters from the creditors the Corporate Debtor was unable to repay the availed amounts to the respective creditors. Thus, the Corporate Debtor has committed default in making payments. The Petition contains the particulars as required u/s 10 of the Code. Therefore, in the facts and circumstances of the present case the petition deserves to be admitted. Hence ordered.

ORDER

- i. The Petition be and the same is admitted.
- ii. The Corporate Insolvency Resolution Process of the Corporate Debtor shall commence from this date and shall be completed within 180 days hence.
- iii. Mr Vishram Narayan Panchpor, having his address at B - 506, 5th floor, Building No.83, Chembur Sindhoo Co-operative Housing

Society, Tilak Nagar, Chembur, Mumbai – 400 089, Registration No. IBBI/IPA-002/IP-N00269/2017-18/10782; Contact: 9819047836 and email: vishramp@gmail.com is appointed as the Interim Resolution Professional. No disciplinary proceeding is pending/proposed against him as per the IBBI website.

- iv. He is directed to take charge of the Corporate Debtor's management forthwith and take necessary steps in furtherance of the CIRP in terms of Sections 13(2), 15, 17, 18 and 20 of Code and Rules made there under.
- v. Moratorium under Section 14 of the Code in respect of the Corporate Debtor is hereby declared.
- vi. The Directors, Promoters or any other person(s) associated with the management of Corporate Debtor shall extend all assistance and cooperation to the IRP as stipulated under section 19 for effectively discharging his functions under the Code.
- vii. The Registry is directed to communicate the order to the Applicant forthwith.
- viii. The Applicant and the Registry are further directed to send the certified copy of this order to the IRP for necessary compliance.

Sd/-

V. Nallasenapathy
Member (Technical)

Sd/-

Janab Mohammed Ajmal
Member (Judicial)