

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH,

COURT III

I.A. 742/2022

And

C.P.(IB)-221/(MB)/2022

(Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudication Authority) Rule 2016)

Interlocutory Application Filed by,
ZEE ENTERTAINMENT ENTERPRISES LIMITED

.....Applicant/Orig. Corporate Debtor

In the matter of

INDUSIND BANK LTD.

Having registered office at: 2401 Gen Thimmayya
Road Contonment, Pune, Maharashtra, 411001

.....Petitioner/Financial Creditor

Vs

ZEE ENTERTAINMENT ENTERPRISES LIMITED
Having registered office at: 18th Floor, A wing,
Marathon Futurex, NM Joshi Marg, Lower Parel,
Mumbai, Maharashtra, 400013.

..... Corporate Debtor

Reserved for order on: **04.01.2023**

Order pronounced on: **22.02.2023**

Coram:

Hon'ble H.V. Subba Rao, Member (Judicial)

Hon'ble Madhu Sinha, Member (Technical)

For the Applicant: Mr. Ravi Kadam, Sr. Advocate

For the Respondent: Mr. Zal T Andhyarujina, Sr. Advocate

Per: Shri. H.V. Subba Rao, Member (Judicial)

Common Order

1. The above Company Petition is filed by **INDUSIND BANK LIMITED** hereinafter called as Financial Creditor seeking to initiate of Corporate Insolvency Resolution Process (CIRP) against **ZEE ENTERTAINMENT ENTERPRISES LIMITED** called as Corporate Debtor by invoking the provisions of Section 7 Insolvency and Bankruptcy code (hereinafter called "Code" read with rule 4 of Insolvency & Bankruptcy (Application to Adjudication Authority) Rules, 2016 for a Resolution of total Financial Debt of Rs. 92,74,25,742.00/-.

2. The Corporate Guarantor i.e. ZEEL vide order dated 01.03.2022 is directed to file reply by serving an advance copy on other side. Thereafter, the Corporate Guarantor did not choose to file any reply and filed separate application bearing I.A. 1378/2022 challenging the maintainability of the present Company Petition virtually raising all the available legal pleas in opposing the above Company Petition which is dismissed on merits by this Tribunal simultaneously today. Since the Respondent is not filing reply, a conditional order directing the Respondent to file reply within two weeks failing which their right to file reply stands forfeited was passed on 11.07.2022. Despite the above conditional order, the Corporate Guarantor did not choose to file any reply and on the other hand refused to file reply contending that they need not file reply till their maintainability application is decided. On the other hand, the Respondent filed another I.A. 742/2022 praying this Tribunal to delete the following order dated 01.03.2022.

“Mr. Navroz Seervai, Senior Advocate undertakes to file Vakalatnama and reply on behalf of the Corporate Debtor. Corporate Debtor is directed to file reply by serving an advance copy on the other side. ”

3. In view of the dismissal of I.A. 1378/2022 on merits, the above I.A. 742/2022 is also liable to be dismissed also on the ground that the remedy of the Respondent if at all aggrieved against the order dated 01.03.2022 is by way of an appeal and not through filing the above I.A. 742/2022. Hence, I.A. 742/2022 is also rejected.
4. In view of dismissal of the maintainability application bearing I.A. 1378/2022 and I.A. 742/2022 on merits, this Bench is left with no option except to admit the above Company Petition.
5. Accordingly, the Company Petition is admitted by passing the following order:

ORDER

- a. The above Company Petition No. (IB) 221(MB)/2022 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against ZEE ENTERTAINMENT ENTERPRISES LIMITED.
- b. This Bench hereby appoints Mr. Sanjeev Kumar Jalan (sanjeevjalan@yahoo.com) Insolvency Professional, Registration No: IBBI/IPA-001/IP-P01901/2020-2021/13053 as the interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.
- c. The Financial Creditor shall deposit an amount of Rs.5 Lakhs towards the initial CIRP costs by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order. The IRP

shall spend the above amount only towards expenses and not towards his fee till his fee is decided by COC.

- d. That this Bench hereby prohibits 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; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; 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; 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. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.
- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

- i. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. The suspended directors and employees of the corporate debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
- j. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Debtor.
- k. Accordingly, this Petition is admitted.
- l. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

Sd/-

MADHU SINHA
MEMBER (TECHNICAL)

//Shubham//

Sd/-

H.V. SUBBA RAO
MEMBER (JUDICIAL)