THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI COURT-I

CP (IB) No. 910/MB/2023

Under section 10 of IBC, 2016

In the matter of

DING ENTERTAINMENT PRIVATE LIMITED
(CIN- U74900MH2016PTC280279)

Registered Office at-

1001,10th floor, Gazdhar Enclave,

Dalla Industrial Estate,

Off. Andheri Link Road,

Andheri West, Mumbai-400053

.... Corporate Applicant

Order delivered on: 22.11.2023.

Coram:

Sh. Prabhat Kumar	(Justice) VirendraSingh G.Bisht
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

For the Applicant : Mr. Aman Kacheria, Advocate.

ORDER

Per: VirendraSingh G.Bisht(Judicial)

1. This Company Petition is filed by **Ding Entertainment Private Limited.**

2. **Ding Entertainment Private Limited** (hereinafter called Corporate Applicant), under Section 10 of Insolvency and Bankruptcy Code 2016 ("the Code") read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016, for initiation of Corporate Insolvency Resolution process.

3. The Corporate Applicant is a Company incorporated on April 27, 2016 an is in the production and distribution of movies, cinemas, web shows and television films.

4. The Corporate Applicant having Nominal Share Capital and the Paid-up Share Capital:
   - Authorised share capital: Rs. 5,00,000/- (Rupees five lakhs only)
   - Paid up capital: Rs.1,00,000/- (Rupees one lakh only)

5. Since about 2019 the Corporate Applicant has been facing issues in its business operations and is unable to generate adequate revenue and/or profits. The Corporate Applicant has also defaulted in paying its debt to financial and operational creditors,

6. In or about 2021, the Corporate Applicant through its related party had raised finance by way of loan to revive the business operations of the Corporate Applicant, however the Corporate Applicant was unable to generate positive cash flow.

7. Further, due to the advent of COVID-19 and the consequential impact caused to the business, the corporate Applicant is facing difficulties in raising funds and operating as a going concern. As mentioned above, the losses incurred in the financial year ending 2021 have been prohibitively high and have gravely affected the ability of the Corporate Debtor to continue as a going concern.

8. The Total Debt in default to Creditors of the Corporate Debtor is Rs. 15,78,19,220/ (Rupees Fifteen Crore Seventy-Eight Lakhs Nineteen Thousand Two Hundred and Twenty Only)

9. The Corporate Applicant had availed the unsecured long-term loan ('Facility-1') from one Standard Chartered Bank, Group Special Asset Management. amounting to Rs. 19,16,65,790/-(Nineteen Crores Sixteen Lakhs Sixty Five Thousand Seven Hundred Ninety only). The term loan is Rs.96,79,276.17 and the Cash Credit Facility is Rs 9,64,37,796.92. The amount outstanding as on 30th June, 2017(Including interest) with Standard Charted Bank basis the notice of default dated 7th July 2017 from Standard Charted Bank is Rs 15,43,15,144.57/- . Interest calculated from 1st July 2017 to 31st December 2018(14.69% on Overdraft Facility and 13% on Term Loan) is Rupees 37,350,645.49 /-.

10. The default in payment and the inability of the Company to pay any of its debt has led to the application by the Corporate Debtor for initiating the Corporate Insolvency Resolution Process in the matter of self and it sought approval of its members for filing section 10 petition under the Code vide Special Resolution in the Extra Ordinary General Meeting of the Company convened on 21.08.2023. (Copy of on Special Resolution attached as **Annexure C** in the Petition filed by the Corporate Debtor). The Accounts of the Company have been prepared and audited for the Financial year 3 years 2020-2022 recorded the existence of Debt **(Annexure H)**. The operational losses and accumulated losses kept on mounting over the years and the Corporate Applicant found itself unable to pay off its long-standing Operational Creditors, Financial Creditors, Employees etc.

11. The Board Resolution passed at the meeting of Board of Directors of Ding Entertainment private Limited held on 21.08. 2023.It was resolved that Mr. Atul Laxmichand Gala, Insolvency Resolution Professional Registered under the Insolvency and Bankruptcy Code, 2016. In the meeting, the Board of Directors have formed an opinion that in the best interest of the company, the company should file a petition under section of the Insolvency and Bankruptcy Code, 2016. before this Tribunal to initiate Corporate Insolvency Resolution Process of the Company.

12. Through a letter dated 7th July 2017, the Financial Creditor revoked the One Time Settlement offer and the outstanding amount as of that date is INR 15,43,15,144.57/-

13. Thereafter, the Corporate Debtor filed an application under section 10 of the Insolvency Bankruptcy Code, 2016 to initiate the corporate insolvency resolution process. The application was duly filed on 27th April, 2018.

14. We have heard the Counsel and perused the material available on record.

    14.1. During the course of hearing, the management of Corporate Applicant was asked to give undertaking to the Tribunal that they shall extend co-operation to the Insolvency Professional, in case this petition is admitted, to provide all necessary records, documents & information including Books of Accounts, and also make available requisite money to fund the Resolution Process. The same is placed on record.

    14.2. We find that the Corporate Applicant is in default; the Shareholders of the Corporate Applicant have passed a Special Resolution seeking resolution of the Corporate Debtor; and the present application is within the limitation. The Application is complete in all respects; accordingly, we are considered opinion that this Application deserves to be allowed.

ORDER

15. The petition bearing CP(IB) 910/2023 filed by Ding Entertainment Private Limited(CIN:U74900MH2016PTC280279),the Corporate Applicant is admitted under section 10 of the IBC read with rule 7

of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 The Corporate Applicant is not disqualified U/s 11 of the Code. Accordingly, the moratorium is declared with consequential directions as mentioned below.

(i) The Tribunal hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Applicant 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 Applicant 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 Applicant in respect of its property including any action under the Securitisation 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 Applicant.

(ii) That the supply of essential goods or services to the Corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

(iii) 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.

(iv) That the order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process or until this Tribunal approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Applicant under Section 33, as the case may be.

(v) That the public announcement of the Corporate Insolvency Resolution process shall be made immediately as specified under Section 13 of the Code.

(vi) This Tribunal hereby appoints the proposed Resolution Professional at the meeting of Board of Directors of Ding Entertainment Private Limited held on 21.08.2022 by the RP, **Mr Atul Laxmichand Gala**, having **IBBI Registration No: - IBBI/IPA-001/IP-P-01974/2020-2021/13130**, as Insolvency Resolution Professional to carry the functions as mentioned under the Code.

16. The Registry is hereby directed to communicate this order to the Applicant. The Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith within 10 days of the order being uploaded on the website.

Sd/-	**Sd/-**
SH. PRABHAT KUMAR	**JUSTICE VIRENDRASINGH G. BISHT**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**