IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – IV

CP (IB) 387/MB/2024

Under section 7 of the Insolvency and Bankruptcy Code, 2016

In the matter of

Janaseva Sahakari Bank Limited
[PAN No.: AAAAJ0620Q]
Plot No. 14, S. No. 112 A, Hadapsar Industrial Estate, Hadapsar, Pune- 411013.

… Financial Creditor/Applicant

Versus

M/s. Video Works Studio Private Limited
[CIN: U74940MH2011PTC218690]
216, 2nd Floor Vasupujya Estate, Laxmi Nagar, Village Pahadi, Off Link Road Goregaon (West), Mumbai- 400104.

… Corporate Debtor/Respondent

Order Delivered on: 13.08.2024

Coram:

Ms. Anu Jagmohan Singh	Mr. Kishore Vemulapalli
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

Appearances:

For the Financial Creditor	:	Mr. Avinash R. Khalnolkar a/w Ms. Khushbu Bhanushali and Ms. Surekha Yadav.

For the Corporate Debtor : Mr. Rishikesh Soni.

ORDER

1. This Company Petition is filed under section 7 ("**the Petition"**) of the Insolvency and Bankruptcy Code, 2016 **(IBC)** by **Janaseva Sahakari Bank Limited** ("Financial Creditor"), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **M/s. Video Works Studio Private Limited** ("Corporate Debtor").

2. The Corporate Debtor is a private company limited by shares incorporated on 15.06.2011 under the Companies Act, 1956, with the Registrar of Companies, Maharashtra, Mumbai. Its registered office is at 216, 2nd Floor Vasupujya Estate, Laxmi Nagar, Village Pahadi, Off Link Road Goregaon (West), Mumbai- 400104. Therefore, this Bench has jurisdiction to deal with this petition.

3. The present Petition was filed on 18.02.2024 before this Tribunal for claiming a Principal sum of Rs.5,00,00,000/- (Rupees Five Crores only) and an Interest amount of Rs.05,32,130.60/- (Rupees Five Lakh Thirty-Two Thousand One Hundred Thirty Rupees and Sixty Paisa only) for a secured loan vide a Simple Mortgage Agreement dated 07.02.2019, for the Aggregate default of Rs.05,05,32,130.60/- (Rupees Five Crores Five Lakh Thirty-Two Thousand One Hundred Thirty Rupees and Sixty Paisa only). The Date of Default was on 23.05.2023.

Submissions made by the Financial Creditor:

4. It was submitted that Janaseva Sahakari Bank Limited (hereinafter referred to as 'Petitioner') sanctioned the term loan to the borrower (hereinafter referred to as 'Corporate Debtor') for an amount of Rs. 5,00,00,000/- to purchase for the equipment. The loan was disbursed on 22.12.2021.
5. It was further submitted that a simple mortgage Deed was executed dated 07.02.2019, in terms of the deed following collateral security was created, the details for which are given below:
   a. Flat No. 42-B, 4th Floor, Sai Chhaya Co. Op. Housing Society Limited, Plot No. 36/37 4th Road, CTS No. E/820, Khar West village Bandra Mumbai-400 052.

b. Pursuant to above Personal Guarantee form dated 30.01.2019 was executed.

6. On account of failure of the Corporate Debtor to pay such outstanding amount, the Petitioner herein issued a notice under SARFAESI in respect of unpaid amount dated 27.09.2023.

Findings:

7. Heard the Ld. Counsel for the Financial Creditors and perused the records.

8. Upon going through the record files, it is observed that Counsel for Corporate Debtor appeared on 04.06.2024 and sought time to file reply to which the Respondent was given two weeks' time to file reply. On account of non-filing of the reply, this bench forfeited the right to file reply of the Corporate Debtor. When the case was finally heard on 30.07.2024, the counsel for the Corporate Debtor appeared however, he has not made any submission. Hence the matter was heard on merits based on material available on record.

9. The following facts are not in dispute:

9.1 At the request of the Corporate Debtor, the Petitioner disbursed an amount aggregating to Rs.5,00,00,000/- (Rupees Five Crores only) in favor of the Corporate Debtor. Total amount as claimed includes Principal sum of Rs.5,00,00,000/- (Rupees Five Crores only) and an Interest amount of Rs.05,32,130.60/- (Rupees Five Lakh Thirty-Two Thousand One Hundred Thirty Rupees and Sixty Paisa only).

9.2 A Simple Mortgage Deed was also executed between the Financial Creditor and the Corporate Debtor on 07.02.2019. Furthermore, a Personal Guarantee were also Executed. Additionally, Demand Promissory Note was executed dated 08.02.2019 in favour of the Petitioner.

9.3 The said amount was extended to the Corporate Debtor for a consideration in time value of money and hence is a Financial Debt within the meaning of Section 5(8) of the IBC.

9.4 There is no dispute over the fact that the Corporate Debtor defaulted in paying the financial debts of more than Rs.1 Crore (as per Section 4 of the IBC). From evidence and material on record, we also hold that the application is filed by properly authorized person.

10. We also consider the facts of the case in the lights of the Order passed by Hon'ble Supreme Court in ***Swiss Ribbons Pvt. Ltd. & Ors. Vs. Union of India & Ors.*** *[Writ Petition (Civil) No. 99 of 2018*] upholding the Constitutional validity of IBC, the position is very clear that unlike Section 9, there is no scope of raising a 'dispute' as far as Section 7 petition is concerned. As soon as a 'debt' and 'default' is proved, the adjudicating authority is bound to admit the petition.

11. Upon perusal of records, this Bench is of the considered opinion that there is no dispute regarding the fact that the Corporate Debtor owes debt to the Financial Creditor. Hence, the debt due and default is established. Hence, this CP is liable to be admitted.

12. The Financial Creditor has proposed the name of **CS Anagha Anasingaraju,** Registration No: IBBI/IPA-002/IP-N00247/2017-18/10732, as the Interim Resolution Professional of the Corporate Debtor. He has filed his written communication in Form 2 as required under rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 along with a copy of his Certificate of Registration.

13. The application made by the Financial Creditor is complete in all respects as required by law. It clearly shows that the Corporate Debtor is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC. Therefore, the debt and default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor.

14. It is, accordingly, hereby ordered as follows: -

(a) The petition bearing **CP (IB) 387/MB/2024** filed by **Janaseva Sahakari Bank Limited [PAN No.: AAAAJ0620Q],** the Financial Creditor, under section 7 of the IBC read with rule 4(1) of the Insolvency and Bankruptcy (Application to Adjudicating

Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **M/s. Video Works Studio Private Limited [CIN: U74940MH2011PTC218690],** the Corporate Debtor, is **Admitted**. We are hereby directing the Suspended Board of Director to Co-operate with the RP/IRP for smooth functioning of CIRP proceeding with providing necessary documents/information as required by the RP/IRP.

(b) We are hereby directing the suspended Board of Directors to cooperate with the RP/IRP for smooth functioning of CIRP Procedure, by providing necessary documents/ information as required by the RP/ IRP/

(c) There shall be a moratorium under section 14 of the IBC, in regard to the following:

(i) 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;

(ii) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(iii) 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

(iv) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

(d) Notwithstanding the above, during the period of moratorium:

(i) The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;

(ii) That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

(e) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

(f) Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(g) **Ms. Anagha Anasingaraju,** Registration No: IBBI/IPA-002/IP-N00247/2017-18/10732, having address at Kanjmag & Co, 1-2 Aishwarya Sankul, G.A. kulkarni Path, Pune, Maharashtra ,411038 and email id- rp.anagha@kanjcs.com, is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the IBC. The fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions issued/as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC.

(h) During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

(i) The Financial Creditor shall deposit a sum of Rs.5,00,000/- (Rupees five-lakhs 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 (CoC).

(j) The Registry is directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

(k) IRP is directed to send a copy of this Order to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court **within seven days** from the date of receipt of a copy of this order.

Sd/-	**Sd/-**
ANU JAGMOHAN SINGH	**KISHORE VEMULAPALLI**
Member (Technical)	**Member (Judicial)**