BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

MA 1534/2018 in
CP No.282IB/NCLT/MB/MAH/2018

Under Section 12A of the Insolvency and Bankruptcy Code, 2016 r/w. Regulation 30A of the IBBA (Insolvency Resolution Process for Corporate persons).

And

In the matter of Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

In the Application of
Snehal Kamdar.
......Applicant
(Interim Resolution Professional)

In the matter of
M/s. SITI Networks Limited
...Financial Creditor
v.
M/s. SCOD 18 Networking Pvt. Ltd.
....Corporate Debtor

Pronounced on: 24.12.2018

Coram :
Hon'ble M.K. Shrawat, Member (J)

For the Petitioner :
Advocate Ekta Tripathi i/b MDP & & Partners-Advocate for the Financial Creditor/Petitioner.

For the Respondent :
Ms. Kirtida Chandanana, Ms. Sonali Mehta i/b Mahernosh Humranwala Advocate for Corporate Debtor.
Mr. Shyam Kapadia, Mr. Snehal Kamdar, IRP, Mr. Vaibhav Bhure, Mr. Suresh Amesar i/b Cogito Legal for IRP.

Per: M. K. Shrawat, Member (J)

ORDER

An application dated 12.12.2018 is moved by the Interim Resolution Professional seeking an order under Section 12-A of the Insolvency and Bankruptcy Code.

2. A Petition under Section 7 was submitted by a Financial Creditor M/s. SITI Networks Ltd. against a Corporate Debtor M/s. SCOD 18 Networking Pvt. Ltd. for a debt amount of ₹ 11,00,00,000/, which was admitted under Section 7 vide an order dated 06.09.2018 by declaring the commencement of insolvency proceedings as well as imposition of Moratorium.

3. Through this application, it is informed that the Petitioner M/s. SITI Networks Ltd. has submitted the requisite form FA dated 27.11.2018 addressed to the IRP, wherein the authorized signatory of M/s. SITI Networks Ltd. had made a prayer to allow withdrawal of the main Petition filed under Section 7 of the Code.

4. Placed on record a Deed of Settlement dated 26.10.2018 executed between the Financial Creditor and the Corporate Debtor wherein it was decided to settle the debt in the following manner:

> *" Consequent to the settlement arrived between the Parties pursuant to the discussions held with free consent and without any force, pressure, coereion and/or undue influence, it is agreed that in settlement of Total Recoverable Amount the Shareholders shall undertake the following actions :*
>
> *a) Rs. 5,50,00,000/- (Rupees Five Crore Fifty Lacs Only) to be paid by way of three separate Cheques as follows:*
>
> 1) *Rs.3,00,00,000/- (Rupees Three Crore Only) by 31st October, 2018 and*
> 2) *Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lacs Only) by 30th November, 2018 and*
> 3) *Rs.1,25,00,000/- (Rupees One Crore Twenty Five Lacs Only) by December, 2018."*

5. A meeting of the Committee of Creditors was convened and since the Financial Creditor happened to be the only member of the Committee of Creditors therefore, by 100% voting the settlement as well as withdrawal of the Petition was approved. It is also clarified that the Committee of Creditors had almost nil liquidation value because the assets is only a license to work as local cable operator for digital distribution of TV signals through network to its subscribers.

6. In the light of the above declarations and resolutions, a prayer is hereby made through this application to pass an order under Section 12-A of the Code allowing withdrawal of the Petition filed under Section 7 of the Code. It has also been made clear that the conditions prescribed under Insolvency Resolution passes for Corporate person regulations No.30-A has been followed, that submission of form FA was before the issue of invitation of expression of interest under regulation 36-A of IBBI (IRP Regulations 2016).

7. However, on perusal it is noticed that in the requisite form FA it was mentioned for the arrangement of required bank guarantee, but the applicant Mr. Snehal Kamdar, Ld. IRP has voluntarily declared that as on date no bank guarantee was submitted to secure the CIRP costs. He had made a declaration, as also duly recorded in the order sheet, that in place of bank guarantee he has recorded his satisfaction of payment of CIRP costs as duly undertaken by the Petitioner. Since the insolvency professional himself has recorded his satisfaction that in this case a bank guarantee is not required and that he is satisfied with the assurance of payment of CIRP costs by the Petitioner, therefore, there is no option but to approve the withdrawal of the main Petition.

8. The withdrawal of the main Petition is hereby granted. The insolvency professional shall hand over the statements, bank accounts and other information to the management of the Corporate Debtor to continue the business operation of this Company. The moratorium henceforth shall cease to exist. Proceedings shall be consigned to records.

SD/-

Dated : 24.12.2018

M. K. SHRAWAT
MEMBER (JUDICIAL)

sss