

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH**

**C.P. (IB) No. 2731/NCLT/MB/2019**

Under Section 7 of the I&B Code, 2016

In the matter of:

**Punjab National Bank**

...Financial Creditor / Applicant

V/s

**SAB Global Entertainment Media Private Limited**

...Corporate Debtor / Respondent

**Order Dated: 5<sup>th</sup> November 2019**

**Coram:** Hon'ble Member (Judicial): Mr Bhaskara Pantula Mohan

Hon'ble Member (Technical): Mr Rajesh Sharma

**For the Applicant:** Advocate Falguni Shete

**For the Respondent:** Advocate Parul Sharma

*Per: Rajesh Sharma, Member (Technical)*

**ORDER**

1. This is an Application being C.P. (IB) No. 2731/NCLT/MB/2019 filed by **Punjab National Bank**, the Financial Creditor / Applicant, under section 7 of Insolvency & Bankruptcy Code, 2016 (**I&B Code**) against **SAB Global Entertainment Media Private Limited**, Corporate Debtor, for initiating Corporate Insolvency Resolution Process (**CIRP**).

2. The Application is filed claiming a total default of ₹65,26,57,307/- (Rupees Sixty Five Crore Twenty Six Lakhs Fifty Seven Thousand Three Hundred And Seven Only) including interest as on 10.07.2019. The Application is filed by Mr Dinesh Solanki, Chief Manager, of the Financial Creditor duly authorised to file this Application vide Authorization Letter dated 10.07.2019.
3. The Applicant submitted that it had sanctioned credit facilities in the form of Term Loan of ₹50,00,00,000/- (Rupees Fifty Crore Only) to the Corporate Debtor vide Sanction Letter No. MCB/L/SGEMPL/2015 dated 03.03.2015. The Applicant and Corporate Debtor entered into Loan Agreement dated 30.03.2015 in respect of the said credit facility, and Deed of Hypothecation secured the credit facility. The Applicant has filed Deed of Negative Lien and Indenture of Mortgage dated 30.03.2015 in support of its claim. The said credit facility was repayable in 72 monthly instalments as per the Repayment Schedule (Schedule 2) annexed to the Loan Agreement and the last monthly instalment was due in September 2022. Copies of the Documents mentioned supra are annexed to the Application.
4. The Applicant submitted that the Corporate Debtor has confirmed and acknowledged the said financial debt vide "Balance & Security Confirmation Letter" dated 05.12.2016. Copy of the said letter is annexed to the Application.
5. The Applicant submitted that Corporate Debtor defaulted in repayment of Term Loan and therefore the Account of Corporate Debtor was classified as Non-Performing Asset (NPA) on 29.09.2017. The Applicant issued Notice dated 17.10.2017 under Section 13(2) of Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 calling upon the Corporate Debtor, its Directors, Guarantors and Mortgagors to pay the entire outstanding amount of ₹49,80,45,465/- (Rupees Forty Nine Crore Eighty Lakh Forty Five Thousand Four Hundred and Sixty Five Only). The copy of Applicant's Notice dated 17.10.2017 is annexed to the Application.
6. The Applicant has annexed Statement of Account of Corporate Debtor prepared by the Applicant for period 30.03.2015 to 09.07.2019, reflecting ₹47,88,75,560/- (Rupees Forty Seven Crore Eighty Eight Lakh Seventy Five Thousand Five Hundred and Sixty Only) as outstanding balance due from Corporate Debtor. The last

payment was made by the Corporate Debtor to the Applicant on 29.09.2018. Bank Certificate dated 10.07.2019 under Bankers Books Evidence Act, 1891 is also annexed. The Applicant has further annexed Certificate of Registration for Modification of Charge for Corporate Debtor reflecting the name of Applicant as Charge Holder and Commercial Credit Information Report (CIBIL) dated 19.09.2018 reflecting the classification of Corporate Debtor's account as Sub-standard and an outstanding balance of ₹47,91,57,375/- (Rupees Forty Seven Crore Ninety One Lakh Fifty Seven Thousand Three Hundred and Seventy Five Only).

7. The Applicant filed present Application on 16.07.2019. The Applicant was directed to serve Court Notice to the Corporate Debtor vide our Order dated 29.08.2019. The Applicant filed its affidavit of service proving the service of court notice upon Corporate Debtor on 21.09.2019. Thus, it is on record that the court notice was duly served upon the Corporate Debtor however, the Corporate Debtor chose not to file any objections in its defence. Also, the Counsel representing Corporate Debtor on the date of hearing, admitted the outstanding liability of the Corporate Debtor.
8. We have heard the parties and perused the records.
9. On perusal of the documents submitted by the Applicant, it is clear that financial debt amounting to more than ₹1,00,000/- (Rupees One Lakh Only) is due and payable by the Corporate Debtor to the Applicant as on the date of filing of this Application. The Corporate Debtor has also admitted the financial debt in Balance & Security Confirmation Letter dated 05.12.2016. Therefore, an amount of more than ₹1,00,000/- is due and payable and there is default by the Corporate Debtor in repayment of the loan amount. The Corporate Debtor has not raised any objections in defence and has admitted the liability therefore, we have not received any objection on record against the Application filed for initiation of CIRP against the corporate debtor.
10. The Application is complete and has been filed under the proper form. The debt amount of more than Rupees One Lakh and default of the Corporate Debtor has been established and the Application deserves to be admitted.
11. The Applicant has proposed the name of Mr Mukesh Verma, a registered Insolvency Resolution Professional having Registration Number [IBBI/IPA-001/IP-P01665/2019-20/12522] as **Interim**

**Resolution Professional**, to carry out the functions of IRP along with his declaration in Form 2 that no disciplinary proceedings are pending against him, is annexed with the Application.

12. The Application under sub-section (2) of Section 7 of I&B Code, 2016 is complete. The existing financial debt of more than rupees one lakh against the corporate debtor and its default is also proved. Accordingly, the Application filed under section 7 of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the corporate debtor deserves to be admitted.

### **ORDER**

This Application filed under Section 7 of I&B Code, 2016, filed by **Punjab National Bank**, Financial Creditor / Applicant, against **SAB Global Entertainment Media Private Limited**, Corporate Debtor for initiating corporate insolvency resolution process is admitted. We further declare moratorium u/s 14 of I&B Code with consequential directions as mentioned below:

- I. That this Bench as a result of this prohibits:
  - a) 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;
  - b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
  - c) 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;
  - d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the corporate debtor.
- II. That 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.

- III. That the provisions of sub-section (1) of Section 14 of I&B Code 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 Bench approves the resolution plan under sub-section (1) of section 31 of I&B Code or passes an order for the liquidation of the corporate debtor under section 33 of I&B Code, 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 I&B Code.
- VI. That this Bench appoints **Mr Mukesh Verma**, a registered insolvency resolution professional having Registration Number **[IBBI/IPA-001/IP-P01665/2019-20/12522]** as Interim Resolution Professional to carry out the functions as mentioned under I&B Code, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard.
13. The Registry is directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional even by way of email or WhatsApp. **Compliance report of the order by Designated Registrar is to be submitted today.**

**Sd/-**

**RAJESH SHARMA**

Member (Technical)

**Sd/-**

**B. P. MOHAN**

Member (Judicial)

5<sup>th</sup> November 2019