

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI

CP/566/IB/2018

Under Section 7 r/w rule 4 of the IBC, 2016

In the matter of M/s. Xedon Media Private Limited

M/s. Reliance Commercial Finance Limited

---Financial Creditor

V/s

M/s. Xedon Media Private Limited

---Corporate Debtor

Order delivered on: 11.03.2019

Coram:

B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)

For the Financial Creditor: *Shri. P. Vinod, Advocate*
Mrs. G. Anitha, Advocate
For India Law LLP

For the Corporate Debtor : **None-Present** on the date of hearing

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and Order pronounced on: 08.03.2019

It is a Company Petition filed by the Financial Creditor (the creditor) u/s 7 of the Insolvency and Bankruptcy Code, 2016 (the Code) on the ground that the Corporate Debtor (the debtor) defaulted in repaying ₹1,23,06,846 as on 17.01.2018, henceforth



sought for initiation of Corporate Insolvency Resolution Process against the Debtor.

2. Looking at the process file, it appears that this case was filed on 16.04.2018, ever since this matter has come before this Bench several times, at times the Debtor present and at times not present, over the passage of time, on 25.10.2018 the Debtor counsel stated that it would settle the claim if 10 days time was given, thereafter this Debtor kept on reporting that it would settle it with the Creditor, but till date nothing happened. Today from the Debtor side, none present. Since this matter has been pending before this Bench for more than eight months, it is high time to keep it pending any more; therefore it is hereby decided as mentioned below.

3. On perusal of this Company Petition, it appears that on the Debtor having approached the Creditor for a loan of ₹1.50crores, the Creditor issued Sanction Letter dated 31.01.2017 by entering into Facility-Cum-Hypothecation Agreement and Addendum to the Loan Agreement for purchasing the machineries and upon creating charge over the said machinery on 31.01.2017. Thereafter, as against the

dues, this Debtor paid ₹23,45,702.23 towards principal and ₹15,82,337.77 towards interest. Now the balance due and payable by the Debtor is ₹1,23,06,846 as on 17.01.2018. Since the Corporate Debtor defaulted in repaying the loan on 18.01.2018, the Creditor issued Demand Notice calling upon the Debtor to pay ₹1, 42,01,094 comprising of the principal outstanding along with interest as on 18.01.2018.

4. Besides the material documents such as Sanction Letter along with terms and conditions dated 31.01.2017; Loan-Cum-Hypothecation Agreement dated 31.01.2017; Statement of Accounts of the Debtor maintained by the Financial Creditor dated 31.03.2018 registered with RoC dated 04.07.2018 to support the machinery which was purchased by the Corporate Debtor with the money of the Financial Creditor, the Financial Creditor has filed a detailed (a)Retail Invoice of M/s. Fujifilm dated 16.02.2017 for ₹1.70crores, (b)Invoice of M/s. Print Info Solutions dated 16.02.2017 for ₹34lakhs (c) and Invoice of M/s. Samsan Enterprise dated 20.04.2017 for ₹13.14lakhs, Demand Promissory Note executed by the Corporate

Debtor on 31.01.2017 for ₹1.5crores, Letter of continuity for demand promissory note dated 31.01.2017 and Loan Re-call notice from RCFL to Corporate Debtor dated 18.01.2018, the Debtor has also admitted the debt and default in the affidavit filed by it.

5. Looking at the material placed by the Creditor and the admission made by the Corporate Debtor, we hereby hold that the Financial Creditor established the existence of debt and default. The Financial Creditor has also filed consent letter given by the Insolvency Resolution Professional, henceforth, we hereby declare moratorium with the following directions:

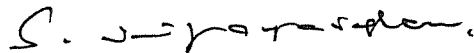
- I. That Moratorium is hereby declared prohibiting all of the following actions, namely,
 - a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or 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 the possession of the corporate debtor.
- II. That Supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
 - III. That the provisions of sub-section (1) of Section 14 of IBC 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 08.03.2019 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 IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, 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 IBC.

VI. That this Bench hereby appoints Mr. ArumugamArumugam, having Registration Number [IBBI/IPA-003/IP-N00094/2017-18/10936] No. 1/56, Market Road (Devi Stores Upstairs), Kelambakkam, Chennai – 603 103, Email: armuru2008@gmail.com, Mobile No: 80152040147 as Interim Resolution Professional to carry out the functions as mentioned under IBC. Fee payable to IRP/RP shall be in compliance with the IBBI Regulations/Circulars/Directions issued in this regard.

6. Accordingly, this Petition is admitted.

7. The Registry is hereby directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional by way of email or whatsapp.



(S. VIJAYARAGHAVAN)
MEMBER (Technical)



(B. S.V. PRAKASH KUMAR)
MEMBER (Judicial)

TJS/SR