



**INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**

## **Casebook Issue**

**19:**

**Corporate Insolvency  
Resolution Process of  
TVC Sky Shop Limited**

**INSOLVENCY  
UNCOVERED**

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## **About TVC Sky Shop Limited1**

TVC Sky Shop Limited was incorporated on 08<sup>th</sup> May, 2000. It is listed in the class of Public limited company and classified as Non-Government Company. This company is registered at Registrar of Companies, Mumbai with an Authorized Share Capital of Rs. 11 crores and its paid up capital is Rs.9 crores.

TVC Sky Shop Ltd. provides online sale of home and leisure products. The Company offers books, magazines, mobile phones, cameras, electronics and computers, as well as sports and fitness products, toys, tools, automotive parts and groceries. TVC has succeeded in marketing some of the most innovative, premium quality and value for money products from both international as well as domestic markets to every Indian household. The company started with just 2 products, 3 employees, 4 telephone lines and 30 minutes air time on television. These limited resources in no way impacted its corporate vision of creating one of the most ambitious, progressive and respected business houses of India as TVC had something bountiful - unlimited dreams. Highly qualified research teams, experienced sourcing, finance and logistic professionals, state-of-the art editing setup and an extremely creative design team made TVC a completely back-integrated organization.

The company has 3 Directors Mr.Vinod Jagdish Agarwal, Ms. Anshika Vinod Agarwal, and Mr. Upari Budappa Narsingh. It's Company registration number is 126357 and its Corporate Identification Number (CIN) from MCA is U72200MH2000PLC126357. TVC Sky Shop Limited company's registered office address is Khandwala Centerdaftary Road, Malad (East), Mumbai, Bandra Suburban, MH- 400097.

### **Major Financial Creditors/Bankers**

The Financial creditor for Corporate Debtor (“CD”) M/s. TVC Sky Shop Limited were State Bank of India with an exposure of Rs. 7 Crore and Sicom Limited having an exposure of Rs. 5 crore. The Operational Creditor of the Company was Reliance Communications and Infrastructure Limited.

### **CIRP of TVC Sky Shop Limited**

#### **Reliance Communications and Infrastructure Limited (“RCIL”) files an application for initiating CIRP under section 9 of the Insolvency and Bankruptcy Code, 2016 <sup>2</sup>**

Company Petition was filed under Section 9 of the Insolvency & Bankruptcy Code, 2016 ("IBC") read with Regulation 7(2)(b)(i)-(iii) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016 ("CIRP Regulation"), by an Operational Creditor, namely, Reliance Communications and Infrastructure Limited (hereinafter referred as 'the Creditor') against a Corporate Debtor, namely, TVC Sky Shop Limited (hereinafter referred as 'the Debtor'), on the ground that the Creditor had obtained a decree against the Debtor for an amount of Rs. 25,83,078/-, defaulted paying Rs. 25,83,078/-. In view of the same, the Creditor herein filed this Petition for initiation of Corporate Insolvency Resolution Process against this Debtor.

The Petition clearly reveals that there is a debt as defined in Section 3(11) of IBC read with Regulation 7 of CIRP Regulation. Also there is default in this case within the meaning of Section 3(12) of IBC and the corporate debtor having named the Interim Resolution Professional with his consent, there being no disciplinary proceedings against the IRP, this Bench hereby admits this petition filed under

Section 9 of IBC, declaring moratorium with consequential directions. Mr. Sundararajan Devanathan, was appointed as an Interim Resolution Professional.

### **Order of Moratorium & Public Announcement<sup>3</sup>**

Moratorium shall have effect from 28<sup>th</sup> August 2018 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.

Public announcement of the Corporate Insolvency Resolution Process was made immediately as specified under section 13, IBC, 2016

### **Ratification of cost Incurred by IRP by CoC<sup>4</sup>**

IRP cost of Rs.1,54,459/- has been ratified by CoC in its meeting dated 20<sup>th</sup> October, 2018. RP filed an application to NCLT for issuing Direction for making payment of CIRP cost under Regulation 33(1) and 33(3) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The applicant was directed to make the payment within seven days from 03<sup>rd</sup> January, 2019.

### **Resolution Professional (“RP”) files application for extension of CIRP<sup>5</sup>**

Resolution Professional (RP), Mr. Sundararajan Devanathan, filed an application in NCLT for extension of CIRP under section 12 of Code. The initial 180 days ended on 24<sup>th</sup> February, 2019. Therefore, CoC in its meeting dated 04<sup>th</sup> January, 2019 unanimously resolved that Mr. Sundararajan Devanathan presently serving as the Resolution professional of Corporate Debtor was authorised to file an application before the Hon'ble NCLT, Mumbai Bench for extending the time limit for completion of Insolvency Resolution Process by another 90 days from 24<sup>th</sup> February, 2019. In the application filed by RP it was stated that CoC in its meeting dated 04<sup>th</sup> January, 2019 approved the eligibility criteria, schedule of expression of interest and the evaluation criteria for the prospective resolution applicants.

### **NCLT passes the Liquidation Order** <sup>6</sup>

RP under section 33 (2) of IBC, 2016, filed application for liquidation of the Corporate Debtor, under the resolution passed by the CoC in its 06th meeting scheduled on 17<sup>th</sup> May, 2019. Till the last date for completion of CIRP, the applicant has neither received any claims from the workman/employee/authorised representative of workmen and employees nor from other creditors.

During CIRP, no resolution plan was submitted; therefore, CoC in its 06th meeting on 17<sup>th</sup> May, 2019 resolved to liquidate the Corporate Debtor with 100% voting shares. They also approved the proposed name of Mr. Sundararajan Devanathan, as Liquidator with 100% voting shares. NCLT on 30<sup>th</sup> May, 2019 ordered for Liquidation of the CD, appointing Mr. Sundararajan Devanathan, RP as the Liquidator under section 33(1) of the Code.

### **Seeking Permission for sale of Goods/items**<sup>7</sup>

The Liquidator sought permission to allow the applicant to conduct the sale of goods/items more particularly as was mentioned in the list which was submitted as an exhibit numbered as "C" via private sale or treaty, as may be referred. As the quantity and approximate value was not mentioned, The applicant was directed to file an additional affidavit containing the requisite details .

### **Direction for transferring of Balance Amount**<sup>8</sup>


In all there were 8 Respondents referred as R1, R2, R3, R4, R5, R6 , R7 and R8. The Counsel for the applicant submitted R1, R2 and R3 on their own has already raised the attachment and consequently they had given directions to R4, R5, R6, R7 and R8 for transferring the balance amount lying in the account of the Corporate Debtor to the Liquidation account. The Counsel for the applicant submits that except R5

and R6, all other Respondents have carried out the directions of R1, R2 and R3. R5 and R6 are directed to transfer the balance amount lying in the account of the Corporate Debtor to the Liquidation account.


### **Concluding Notes**


Liquidator filed an application with the Bench, seeking their permission for selling movable items through private sale. The Bench heard Counsel for the Liquidator. After hearing the Counsel, this Bench suggested the Liquidator to go for public auction of these movable properties. This application was disposed off.


## Timeline


- 
- 28.08.2018
  - NCLT admitted application for CIRP.


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- 28.08.2018
  - Order of Moratorium & Public Announcement


- 
- 03.01.2019
  - Ratification of cost Incurred by IRP by CoC

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- 31.01.2019
  - NCLT allowed extension of CIRP by 90 days

- 
- 30.05.2019
  - Liquidation Order passed by NCLT

- 
- 01.08.2019
  - Seeking Permission for sale of Goods/items

- 
- 03.03.2020
  - Application for transferring of Balance amount to Liquidation Account.

- 
- 03.03.2020
  - Application for Public Auction of Movable Properties



## **Bibliography**

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<https://www.linkedin.com/company/tvc-sky-shop-limited>

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8 <https://nclt.gov.in/sites/default/files/feb-Interim-Order-pdf/Reliance%20Communications%20and%20Infrastructure%20Ltd%20CP%201801%20of%202017%20%20%20NCLT%20on%203.3.2020%20-%20Interim.pdf>