Euro Multivision Limited

CIN : L32300MH2004PLC145995

November 14, 2022

To,
The Manager - CRD
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort.
Mumbai – 400 001
Scrip Code: **533109**

The Manager - Listing Department
National Stock Exchange of India Limited,
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Symbol: **EUROMULTI**

Dear Sir,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

This is to inform you that an application for initiation of Corporate Insolvency Resolution Process ('CIRP') under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') was filed by State Bank of India, in its capacity as a Financial Creditor before the National Company Law Tribunal, Mumbai Bench against the Company ('Corporate Debtor').

The Hon'ble National Company Law Tribunal, Mumbai ('NCLT') has admitted the said application vide its Order dated November 10, 2022 which has been uploaded on the website of NCLT on November 11, 2022. A copy of the Hon'ble NCLT Order dated November 10, 2022 is hereto annexed and marked as 'Annexure – 1'.

As per Section 17 of the IBC, the powers of the Board of Directors of the Corporate Debtor stand suspended and such powers shall be vested with Mr. Naren Sheth, having Registration No. IBBI/IPA-001/IP-P00133/2017-2018/10275, having Registered address at 1014, Prasad Chamber, Tata Road No. 1, Opera House, Charni Road (East), Mumbai- 400004, having Email ID- nvsheth@mkindia.com appointed as an Interim Resolution Professional ('IRP') by the NCLT vide its aforesaid order. It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared vide the Order dated November 10, 2022 passed by the Hon'ble NCLT, inter alia, prohibiting the following:

a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or other 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.

The above is for your information and record.

Thanking you,

Yours faithfully,

For Euro Multivision Limited

EURO MULTIVISION LTD. MUMBAI

Hitesh Shah
Chairman & Whole Time Director
DIN: 00043059

NATIONAL COMPANY LAW TRIBUNAL,

COURT-V, MUMBAI BENCH

C.P. No. 1379/IBC/MB/2020

Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudication Authority) Rules), 2016

In the matter of

State Bank of India
Having Corporate office at:
Madam Cama road, Mumbai 400 031.
Also having its branch office known as:
Stressed Assets Management Branch, Ahmedabad, 2nd Floor, Paramsiddhi Complex, Ellisbridge, Ahmedabad

……Financial Creditor/Petitioner

Vs

Euro Multivision Limited
(CIN: L32300MH2004PLC145995)
Registered office at: F/12, ground floor, Sangam Arcade, Vallabhai Road, Vile Parle (West) Mumbai – 400 056

…….Corporate Debtor

Order Reserved on: 07.10.2022
Order Pronounced on: 10.11.2022

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

For the Petitioner: Advocate Inayat Ali Qureshi i/b K K Associates

For the Corporate Debtor/ Respondent: Advocate Simran Kasat

Per: Shri H.V. Subba Rao, Member (Judicial)

Order

1. The above Company Petition is filed by State Bank of India, hereinafter called as "**Petitioner**" seeking to initiate of Corporate Insolvency Resolution Process (**CIRP**) against Euro Multivision Limited hereinafter called as "**Corporate Debtor**" by invoking the provisions of Section 7 Insolvency and Bankruptcy code (hereinafter called "Code" read with rule 4 of Insolvency & Bankruptcy (Application to Adjudication Authority) Rules, 2016 for a Resolution of an unresolved Financial Debt. The amount of Financial Debt is as follows:

Amount of claim as on 31.05.2020 (in Rs.)	
Amount of Decree	1,39,71,99,105.09
Interest @ 14.75% p.a. from 05.03.2012 to 31.05.2020	2,95,01,07,796.04
Penal @ 2% SIMPLE from 05.03.2012 to 31.05.2020	22,97,78,222.70
Total Interest	3,17,98,86,018.74
Unpaid Charges	32,45,500
Total Dues	4,58,03,30,623.83

2. The Petitioner enclosed the following details of documents, records and evidence of default in respect of sanctioning the term loan facilities to the Corporate Debtor:
    a. A copy of Sanction Letter dated 05.08.2010
    b. A copy of Order of Hon'ble Debts Recovery Tribunal-II dated 27.11.2019
    c. A copy of Registration of Mortgage/Hypothecation on assets of the Corporate Debtor issued by Ministry of Corporate Affairs.

Facts of the case

3. The Petitioner submits that, it is an Indian multinational public sector banking and financial services statutory body constituted under the State Bank of India Act,1955

4. The Petitioner Submits that, since the year 2006, the Petitioner had lent and advanced various credit facilities to the Corporate Debtor, for a sum of Rs. 49.00 Crores by way of Term Loan and Working Capital Facilities under a Sanction Letter dated 01.09.2006. The Petitioner further submits that, the Corporate Debtor for securing the due repayment of the facilities, executed several security documents and guarantees in favor of the Petitioner. The abovementioned facilities stood renewed at several occasions vide various Sanction Letters.

5. The Petitioner submits that, in Consortium with the Cosmos Bank several facilities were also sanctioned by the Petitioner. The Cosmos Bank was the lead banker of the Consortium. The Petitioner further submits that, in order to secure the repayment of the Consortium lending has executed Composite Security documents in favor of the Consortium (comprising of the Petitioner and the Cosmos Bank), whereunder the Respondent created *first pari passu charge* on its securities being immovable properties along

with entire current assets, book debts, movable, plant and machineries, both existing and future on pro rata basis. The facilities advanced by the Petitioner also renewed vide its letter dated 05.08.2010.

6. The Petitioner submits that, an Original Application No. 56 of 2012 before the Debts Recovery Tribunal- II, Ahmedabad (hereinafter referred as "**DRT**"), against the Corporate Debtor and its Guarantors, inter alia seeking Recovery Certificate against Corporate Debtor.

7. The Petitioner Submits that, by an Judgement of the DRT dated 27.11.2019, the Original Application for issuing recovery certificate against the Corporate Debtor and/or its Guarantors for repayment of the sum of Rs.1,39,71,99,105.09/- together with the interest thereon @14.75% per annum with monthly rests plus @ 2% simple interest from the date of filing of the Original Application till full recovery is made from the Corporate Debtor and/or it Guarantors.

8. The Petitioner submits that, the Corporate Debtor has neglected to comply with the Judgement of the DRT.

9. The Petitioner submits that, by virtue of Order dated 27.11.2019 of the Learned DRT-II there is a valid, subsisting and binding claim against the Corporate Debtor which the Petitioner is entitled to invoke against the Corporate Debtor

Reply by the Respondent

10. The Respondent in its reply has denied all the averments, allegations and contentions made by the Petitioner.

11. The Respondents submits that, the Petitioner has surpassed the period of limitation for filing the present Petition due to the fact that, the debt

became due on 30.09.2011 and the account of the Respondent was declared as a Non-Performing Asset (NPA). The Respondent in its reply submitted that the Limitation Act, 1963 is applicable to upon the Applications under Section 7 and 9 of the Insolvency and Bankruptcy Code, 2016. Accordingly, if the default has been occurred three years prior to the date of filling of the application, the application would be barred under Article 137 of Limitation Act, 1963. The Respondent further submits that, since the Petitioner has mentioned the date of Default as 27.01.2020, but it is the Respondent's case that, because the account of the Respondent declared as a NPA, hence the debt became due on 30.09.2011. Relying upon the abovesaid the Respondent submitted that the period of three years has been elapsed from the date of default i.e. since 2011.

12. The Respondent submits that, the present Petition is filed for the purpose of recovery and not for Resolution. For which the Respondent narrates the following events:

    a. the Original Application No. 56 of 2012 was filed before the DRT-II on 05.03.2012.
    b. Thereafter, the Petitioner issued a Notice dated 26.07.2012, under Section 13(2) of SARFAESI Act to the Respondent.
    c. The Respondent replied to the said notice on 21.09.2012.
    d. The Petitioner issued notice dated 05.02.2013, under Section 13(4) of the SARFAESI Act to the Respondent.
    e. The Petitioner then took the symbolic possession of the assets of the Corporate Debtor on 26.02.2013.
    f. The Hon'ble DRT-II passed an Order dated 27.11.2019, through which the Petitioner would be entitled to sell the Hypothecated assets and other personal and immovable properties of the Respondent, for this purpose a Recovery Certificate was to be issued by the Hon'ble DRT-II.

g. The Hon'ble DRT-II has issued a demand notice calling for the repayment of Debt dated 20.02.2020, to the Respondent.

Relying on the above mentioned the Respondent states that, since the Hon'ble DRT issued a Demand Notice to the Respondent it is evident that the proceeding is on going before the Hon'ble DRT. The Respondent submits that the Recovery Certificate upon which the Petitioner is relying upon is not annexed to the Company Petition.

13. The Respondent submits that, the Petitioner failed to comply with relevant provisions of Recovery of Debt Due to Bank and Financial Institutions Act,1993 (RDDBFI Act) viz. Section 28(5) of the RDDBFI, Act, which narrates as:

> *The Recovery Officer may recover any amount of debt due from the defendant by distraint and sale of his movable property in the manner laid down in the Third Schedule to the Income-Tax Act 1961 (43 of 1961).*

Relying upon the abovementioned, the Respondent submits that, the Petitioner instead of filing the present Petition, should have made efforts to sell the securitized asset of the Respondent in order to recover the debts.

Findings

14. Heard Mr. Inayat Ali Qureshi, Learned Counsel appearing for the Financial Creditor and Ms. Simran Kasat, appearing for the Corporate Debtor and perused the record.

15. The only contention raised by the Corporate Debtor during the course of final arguments as well as in the reply is with regard to the limitation. It

is the contention of the Corporate Debtor that the Loan Facilities to the Corporate Debtor in the present case were granted by the Financial Creditor way back in the year 2010 and the initial default alleged to have been committed by the Corporate Debtor is on 30.09.2011 and the above Company Petition being filed on 30.08.2022 is barred by the limitation. It is their further contention that the Financial Creditor merely filed the judgment copy dated 27.11.2019 of the DRT-II, Ahmedabad in OA 56 of 2012 without enclosing the copy of Recovery Certificate and therefore, the present company petition cannot be considered as a case filed on the basis of recovery certificate. The Corporate Debtor further contends that the above Company Petition is filed only for recovery and not for resolution.

16. Opposing the above argument, the Learned Counsel appearing for the Financial Creditor submits that there is no legal substance in the above argument advanced by the Corporate Debtor contending that a Recovery Certificate issued by the DRT would give rise to a fresh cause of action for the Financial Creditor to initiate proceeding under Section 7 of IBC within 3 years from the date of judgment/ decree as per law laid down by Hon'ble Supreme Court in the matter of *Dena Bank (now Bank of Baroda) v/s. C. Shivakumar Reddy & Anr. 2021 SCC OnLine SC 543*.

17. After hearing the submissions and upon perusing the above case law, this Bench is in complete agreement with the submissions of the Learned Counsel appearing for the Financial Creditor. It is appropriate to observe here that the Financial Creditor is not praying for initiation of recovery proceeding basing on the judgment passed by the DRT and therefore, the argument of the Corporate Debtor that the above Company petition is not maintainable without filing the copy of Recovery Certificate is not legally tenable since Recovery Certificate is required only at the time of Execution. Law permits a Financial Creditor to file IBC proceedings on the basis of a Decree or a Recovery Certificate and it is not open to the

Corporate Debtor to dictate the Financial Creditor as to what legal steps they have to take. The judgment passed by the Learned DRT is *prima facie* evidence of existence of '**debt**' and '**default**' which are the only basic requirements the Financial Creditor has to prove in a proceeding under Section 7 of the IBC. The above Company Petition being filed on 30.08.2022 is less than 3 years from the date of issuing the Recovery Certificate by DRT on 27.11.2019 is well within 3 years and is within limitation, as per the law laid down in the above judgement relied by the Financial Creditor.

18. Therefore, there is no legal substance in the above argument advanced by the Corporate Debtor and, the same is liable to be summarily rejected as the Financial Creditor has successfully proved the existence of debt and default in the form of an adjudication by the Learned DRT. Further that, we have also perused the Form – 2 i.e., written consent of the proposed Interim Resolution Professional submitted along with this application/Petition by the Petitioner and there is nothing on record which proves that any disciplinary action is pending against the said proposed Interim Resolution Professional. The Petitioner has proposed the name of Insolvency Professional. The IRP proposed by the Petitioner, Mr. Naren Sheth, having address at -1014, Prasad Chamber, Tata Road No. 1, Opera House, Charni Road (East), Mumbai- 400 004, Email ID-nvsheth@mkindia.com and having registration No: IBBI/IPA-001/IP-P00133/2017-2018/10275, is hereby appointed as Interim Resolution Professional to conduct the Insolvency Resolution Process.

19. Thus, the above Company Petition satisfies all the necessary legal requirements for its 'Admission'.

Accordingly, the above company petition is "**allowed**" by passing the following order:

ORDER

The above Company Petition No. **1379/IBC/MB/2020** is hereby **"allowed"** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **Euro Multivision Limited.**

a. This Bench hereby appoints Mr. Naren Sheth, Insolvency Professional, Registration No: IBBI/IPA-001/IP-P00133/2017-2018/10275 having Registered address at 1014, Prasad Chamber, Tata Road No. 1, Opera House, Charni Road (East), Mumbai- 400 004, having Email ID- nvsheth@mkindia.com as the interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

b. The Petitioner shall deposit an amount of Rs.5 Lakhs towards the initial CIRP costs by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order. The IRP shall spend the above amount towards expenses and not towards fee till his fee is decided by CoC.

c. That this Bench hereby prohibits 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; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; 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; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

d. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

e. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

f. That the order of moratorium shall have effect from the date of pronouncement 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 or passes an order for liquidation of corporate debtor under section 33, as the case may be.

g. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

h. During the CIRP period, the management of the corporate debtor will vest in the IRP. The suspended directors and employees of the corporate debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP.

i. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Debtor.

j. Accordingly, C.P. No. 1379/IBC/MB/2020 is **admitted**.

k. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

SD/- SD/-

ANURADHA SANJAY BHATIA **H.V. SUBBA RAO**

MEMBER (TECHNICAL) **MEMBER (JUDICIAL)**