

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

**CP (IB) 4448/MB/C-I/2018**

Under Section 9 of the Insolvency and Bankruptcy  
Code, 2016

*In the matter of*

**Setu Advertising Private Limited**

**[CIN: U22190PN2006PTC022057]**

Office "A", Unit No. 403, 404, 404A, 4th Floor, Pride  
Portal, Shivaji Housing Society, Senapati Bapat Road,  
Pune-411016.

**... Operational Creditor/Petitioner**

Versus

**Lorange Design & Retail Pvt. Ltd.**

**[CIN: U52390PN2012PTC143020]**

371/A, North Main Road, Koregaon Park, Pune-  
411001.

**...Corporate Debtor/Respondent**

**Order Delivered on 06.06.2023**

***Coram:***

Hon'ble Member (Judicial) : Mr. H.V. Subba Rao

Hon'ble Member (Technical) : Ms. Anu Jagmohan Singh

***Appearances:***

For the Operational Creditor : Mr. Prasad Sapte, Advocate.

For the Corporate Debtor : None present.

**ORDER**

***Per Coram:***

1. This Company Petition is filed under section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) by **Setu Advertising Private Limited** ("the Operational Creditor hereafter referred to as Petitioner"), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Lorange Design and Retail Private Limited** ("the Corporate Debtor hereafter referred to as Respondent").
2. The Respondent was incorporated on under the Companies Act, 1956. Its Corporate Identity Number (CIN) is U52390PN2012PTC143020. Its registered office is at 371/A, North Main Road, Koregaon Park, Pune-411001. Therefore, this Bench has jurisdiction to entertain and decide the Petition.
3. The Total Outstanding amount alleged to be in default is Rs. 27,98,252/- (Rupees Twenty Seven Lakh Ninety Eight Thousand Two Hundred and Fifty Two Only) comprising of Rs.23,91,050/- of principal amount and Rs.4,07,202/- of interest payable as on 16.03.2018. The Date of Default stated in part-IV of the Petition is 18.08.2016.

**Submissions made by the Petitioner:**

4. The Petitioner submits that the Corporate Debtor approached the Petitioner for various services like design, audio visual and online marketing. Accordingly, the Corporate Debtor and Atelier (A Division of Lorange Design and Retail Pvt. Ltd.) executed statement of work and commercial document with the Petitioner. It is submitted that the Corporate Debtor accepted the proposal submitted by the Petitioner for a total amount of Rs.25,36,050/- (Rupees Twenty Three Lakh Thirty Thousand and Fifty only).
5. The Petitioner on completing the scope of work, raised invoices amounting to Rs.25,36,050/- (Rupees Twenty Three Lakh Thirty Thousand and Fifty only) which were duly acknowledged by the Corporate Debtor without any objection.
6. The Corporate Debtor has made part payment of Rs.1,45,000/- (Rupees One Lakh and Forty Five Thousand Only). The balance amount of Rs.23,91,050/- remains outstanding.
7. Subsequently, the Petitioner addressed several emails and reminder letters to the Respondent/Corporate Debtor to repay the outstanding amount, however, the amount remains unpaid till date.
8. Since, Operational Creditor failed to make the payment, the Petitioner issued a Demand Notice dated 16.03.2018 under Section 8 of the Code. The said notice was delivered to the Corporate Debtor on 19.03.2018. It is submitted that the Corporate Debtor has not replied to the Demand Notice.

**Submissions made by the Respondent by way of Affidavit in reply dated 15.06.2019.**

9. At the outset the respondent submits that the document adduced by the Petitioner more particularly placed at page 29 of the Petition, is forged and has been tampered with. It is submitted that vital payment terms have been deleted.
10. Further, it is submitted that the nature of services rendered by the Petitioner were to increase the visibility of the Corporate Debtor in the market and in turn increases the sales. The defence of the Corporate Debtor is that the services provided were not satisfactory and failed to generate revenue. The Corporate Debtor also disputes the invoices.

**Findings**

11. We have heard the submissions of the Petitioner and perused the records.
12. None appeared for the Respondent. The Respondent on 03.03.2023 was directed to appear and argue the matter, failing which the matter will be taken on merits. Thereafter, when the matter was listed on 11.03.2023, for final hearing none appeared for the Respondent. Hence, the matter is taken on merits.
13. From the record, it is observed that services were rendered by the Petitioner and invoices amounting to Rs.25,36,050/- (Rupees Twenty Three Lakh Thirty Thousand and Fifty only) were raised. Subsequently a part payment of Rs.1,45,000/- (Rupees One Lakh and Forty Five Thousand Only) was made by the Corporate Debtor. Hence, an amount of Rs. 27,98,252/- (Rupees Twenty Seven Lakh Ninety Eight Thousand

Two Hundred and Fifty Two Only) along with interest remains outstanding. Despite multiple reminders and letters addressed by the petitioner to the Corporate Debtor, the Corporate Debtor failed to make clear the outstanding dues.

14. Considering the above facts and circumstances, the debt and default stands established.
15. Coming to the defences raised by the Corporate Debtor that the statement of work and commercial documents executed between the Petitioner and the Corporate Debtor is fabricated cannot be considered, since the Corporate Debtor has not endeavoured to bring on the record, the alleged document containing the correct payment terms.
16. The second defence of the Corporate Debtor is that that the services provided by the Petitioner were unsatisfactory. We hold that said defence cannot be considered, as the Respondent in support of the same has not annexed any communication bringing on record the said dispute between the parties prior to issuing Demand Notice, in the absence of which it cannot be held that there are prior existing disputes between the parties as per settled law.
17. It is noted that Respondent has failed to reply to the Demand Notice under Section 8 of the Code. Therefore, these defences raised are merely after thoughts.
18. The Application made by the Operational Creditor is complete in all respects as required by law. It clearly shows that the Corporate Debtor is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC. Therefore, the default stands established and there is no reason to deny the

admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor.

19. The Operational Creditor has not proposed the name of a proposed IRP. Hence, this Tribunal is appointing **Mr. Anil Seetaram Vaidya**, having Registration No. IBBI/IPA-002/IP-N00067/2017-18/10145 as the IRP.
20. The Petition bearing **CP(IB) 4448/MB/C-1/2018** filed by **Setu Advertising Private Limited**, the Operational Creditor, under Section 9 of the IBC for initiating Corporate Insolvency Resolution Process (CIRP) against **Lorange Design and Retail Private Limited (CIN: U35113GA1997PTC002312)**, the Corporate Debtor, is **admitted**.
21. There shall be a moratorium under section 14 of the IBC, in regard to the following:
  - i. 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;
  - ii. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
  - iii. 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 Securitisation and Reconstruction of

Financial Assets and Enforcement of Security Interest  
(SARFAESI) Act, 2002;

- iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
22. Notwithstanding the above, during the period of moratorium: -
- i. 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;
  - ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
23. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.
24. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
25. The Tribunal hereby appoints **Mr. Anil Seetaram Vaidya**, having Registration No. **IBBI/IPA-002/IP-N00067/2017-18/10145**, Email: [anilvaidya38@gmail.com](mailto:anilvaidya38@gmail.com) Mob. No.: 9850772497 as Interim Resolution

Professional (IRP) of the Corporate Debtor to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

26. During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.
27. The Operational Creditor shall deposit a sum of Rs.3,00,000/- (Rupees Three Lakh Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.
28. The Registry is directed to communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.
29. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court **within seven days** from the date of receipt of a copy of this order.

30. Ordered accordingly.

**Sd/-**

**ANU JAGMOHAN SINGH**

**Member (Technical)**

06.06.2023

SAM

**Sd/-**

**H.V. SUBBA RAO**

**Member (Judicial)**