



**IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI**  
**COURT-VI**

**Item No. 603**  
**IB-777/ND/2022**

**IN THE MATTER OF:**

**M/s. Chants Events and Promotions Pvt. Ltd.**

**...PETITIONER**

**Vs.**

**M/s. Color Palette Pvt. Ltd.**

**...RESPONDENT**

**Section**

**U/s 9 of IB Code, 2016**

**Order delivered on 12.04.2023**  
**(Virtual Hearing)**

**Coram:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**  
**SHRI RAHUL BHATNAGAR, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

**For the Applicant**

**:Mr. P K Sachdeva Adv**

**For the Respondent/Corporate Debtor**

**:Adv Swati Saluja**

**ORDER**

1. This application has been filed under Section 9 of IBC 2016 by M/s. Chants Events and Promotions Pvt. Ltd. (Operational Creditor) against M/s. Color Palette Pvt. Ltd. (Corporate Debtor) seeking initiation of CIRP against the Corporate Debtor i.e. M/s. Color Palette Pvt. Ltd. for the alleged default on the part of the Respondent for an amount of **Rs. 2,00,49,966/- (Rupees Two Crores Forty-Nine Thousand Nine Hundred Sixty-Six Only)** (inclusive of interest @ 18% pa as on date) the date of default as mentioned in part IV is 20.01.2022.
2. We have heard Mr. P.K. Sachdeva, Ld. Advocate appearing for the Petitioner as well as Ms. Swati Saluja, Ld. Advocate appearing for the Corporate Debtor.
3. On instructions from her client Ms. Swati Saluja, Ld. Counsel for the Corporate Debtor submitted that the Corporate Debtor has admitted



the debt and default. She further submitted that the Corporate Debtor is not in a position to pay the debt due to financial constraints. The same has also been stated in the reply affidavit filed by the Corporate Debtor.

4. We have heard the submissions made by Ld. Counsel for the Petitioner as well as Ld. Counsel for the Corporate Debtor. Since the Corporate Debtor has admitted its liability, there is no impediment in allowing the present petition. Accordingly, this Tribunal admits this petition and initiates CIRP on the Corporate Debtor with immediate effect.
5. Sub-section (3) (b) of Section 7 mandates the Financial Creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mr. Khushvinder Singhal for appointment as Interim Resolution Professional having registration number IBBI/IPA-002/IP-N-00888/2019-2020/12833. Section 16(1) and Section 16 (2) of the Code mandate that the Resolution Professional proposed by the Financial Creditor shall be appointed as the Interim Resolution Professional (IRP) by the Adjudicating Authority (Tribunal) if no disciplinary proceedings are pending against him. Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, require the proposed Interim Resolution Professional to make a declaration in Form 2 confirming his eligibility to be appointed as a Resolution Professional as well as a declaration confirming that no disciplinary proceedings are pending against him in the Insolvency and Bankruptcy Board or elsewhere. The proposed Interim Resolution Professional Mr.



Khushvinder Singhal has submitted the declaration in Form 2 in terms of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 dated 12.10.2022. Accordingly, it is seen that the requirement of Section 7 (3) (b) of the Code has been satisfied.

- 6.** Mr. Khushvinder Singhal having registration number IBBI/IPA-002/IP-N-00888/2019-2020/12833 is appointed as an Interim Resolution Professional.
- 7.** In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (3 days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.
- 8.** We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:
  - “(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.”

- 9.** It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.
- 10.** The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day-to-day affairs of the ‘Corporate Debtor’. In case there is any



violation committed by the ex-management or any preferential/ undervalued/ tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional shall make an application to this Adjudicating Authority (Tribunal) with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

11. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, NCT of Delhi & Haryana at the earliest possible but not later than seven days from today. The Registrar of Companies shall update its website by updating the status of 'Corporate Debtor' and specific mention regarding admission of this petition must be notified to the public at large.

**Sd/-**  
**(Rahul Bhatnagar)**  
**Member (T)**

**Sd/-**  
**(Bachu Venkat Balaram Das)**  
**Member (J)**