



**IN NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT- V**

C.P. 1294/IB/MB/2020

Under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudication Authority) Rule 2016)

In the matter of

Spectrum LED Wall Private Limited

C/o MZD Legal Consultancy,
Advocates, 1202, 12th Floor, Regent
Chambers, Jamnalal Bajaj Marg,
Nariman Point, Mumbai - 400 021

**..... Operational Creditor/
Petitioner**

Vs

Percept Live Private Limited

P-2, Level 04, Percept House,
Raghuvanshi Estate, 1 1/12 SB Marg,
Lower Parel - West, Mumbai - 400 013

..... Corporate Debtor

Order Reserved On: 30.01.2023

Order Pronounced On: 17.03.2023

Coram:

Hon'ble Shri. Kuldip Kumar Kareer, Member (Judicial)

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

Appearances (via Videoconferencing)

For the Applicant: Adv. Rashmi Shah i/b MZD Legal Consultancy (Advocates)

For the Respondent: Adv. Kinjal Upadhyay i/b Adv. Jayesh R. Vyas



Per: Smt. Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The above Company Petition is filed by Spectrum LED Wall Private Limited, hereinafter called as the (“**Operational Creditor**”) seeking to initiate Corporate Insolvency Resolution Process (**CIRP**) against Percept Live Private Limited, herein after referred to as the (“**Corporate Debtor**”) by invoking the provisions of Section 9 Insolvency and Bankruptcy code (hereinafter called “**Code**”) read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudication Authority) Rules, 2016 for a Resolution of Operational Debt of Rs. 86,37,821/-.

FACTS OF THE CASE

2. The Petitioner submits that it had provided services to the Corporate Debtor in the nature of leasing and/or rental of sound equipment and related services for the live audio/visual performance events conducted by the Corporate Debtor. Upon providing the abovementioned services the Operational Creditor had raised eight invoices as mentioned herein below:

Sr. No	Invoice No.	Date	Invoice Amount (in Rs.)
1	SLWPL/16-17/142	10.11.2016	9,20,000
2	SLWPL/16-17/186	24.12.2016	44,85,000
3	SLWPL/16-17/187	29.12.2016	34,265
4	SLWPL/16-17/193	14.01.2017	9,77,500
5	SLWPL/17-18/067	24.10.2017	8,26,000
6	SLWPL/17-18/104	20.11.2017	12,98,000
7	SLWPL/17-18/128	21.12.2017	50,74,000
8	SLWPL/17-18/142	11.01.2018	14,16,000
TOTAL			1,50,30,765

3. The Petitioner submits that the invoices amounts to Rs. 1,50,30,765/- out of which the Respondent repaid an amount of Rs. 93,19,242/- . It is



further stated that as per the terms of the invoices the Petitioner was entitled to levy an interest at the rate of 24% per annum. Later on, the Petitioner, vide its email dated 08.04.2018, had sought to revise the rate of interest from 24% P.a. to 18% p.a. The said revision in the interest rate, was duly noted by the Corporate Debtor, vide email dated 05.08.2018.

4. The Petitioner submits that the Corporate Debtor vide letter dated 21.08.2019 duly acknowledged and admitted an outstanding amount of Rs. 58,35,677/-. The Corporate Debtor has failed to repay the Operational Debt of an aggregate amount of Rs. 86,37,821/- (including interest of Rs. 29,26,298/-). In view of the failure of the Corporate Debtor to pay the outstanding dues, the Petitioner had issued a Demand Notice dated 25.10.2019 as per Form 3 of the Code, which was delivered upon the corporate Debtor on 30.10.2019. The Corporate Debtor neither responded to the demand notice nor repaid the outstanding amount. Hence this Petition.
5. No written reply was filed by the Counsel of the Corporate Debtor.

Findings

6. We have heard the counsel for the Petitioner and perused the material record.
7. The instant Petition is filed under Section 9 of the Code by the operational creditor for resolution of operational debt of Rs. 86,37,821/-.
8. Upon perusal of the record, it can be seen, that the Petitioner has annexed several Invoices for a period from November 2016 to January 2018 (Exhibit D1 to D8 annexed to the Petition) for the services availed by the Corporate Debtor. The said Invoices provides that an interest at the rate of 24%p.a. shall be applicable on the outstanding amounts beyond the agreed credit period of 60 days. Thereafter, the Petitioner



proposed to revise the said interest from 24% p.a. to 18 % p.a., vide its email dated 08.04.2018, the Corporate Debtor vide email dated 05.08.2018 confirmed the abovesaid revision. The Ld. Counsel for the Petitioner has further relied upon a Demand notice dated 25.10.2019 which was duly served upon the Corporate Debtor. The Respondent has not responded to the Demand Notice. The Ld. Counsel for the Petitioner has drawn attention of this Bench, to a letter dated 21.08.2019 wherein the Corporate Debtor duly acknowledged the outstanding amount of Rs. 58,35,677/- as on 31.03.2019. In addition to that, the present Petition having being filed on 12.03.2020 and the fact that the Corporate Debtor has duly acknowledged the operational debt on 21.08.2019, the present Petition is well within limitation and thus, deserves admission.

9. After hearing the submissions and upon perusing the material available on record, the claim of the Operational Creditor remains unchallenged. Hence, this Bench feels that the Petitioner has successfully demonstrated the existence of “**debt**” and “**default**” committed by the Corporate Debtor in this case.

10. Accordingly, the Petition is **admitted** in the following terms:

ORDER

A. The above Company Petition No. (IB) 1294 of 2020 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **M/s. Percept Live Private Limited**

B. Since the Operational Creditor has not suggested the name of IRP to perform the duties of the Interim Resolution Professional (IRP) in the petition, this Bench is appointing the IRP from the list furnished by the Insolvency and Bankruptcy Board of India (IBBI). This Bench hereby appoints **Mr. Devesh Ranjan Mishra**, Insolvency Professional, Registration No: IBBI/IPA-001/IP-P02470/2021-2022/13804, having Email id ca.devesh@yahoo.com and contact number- 9930928267 as the interim resolution professional to carry



out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

- C. The Operational Creditor shall deposit an amount of Rs. (2) 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 only towards expenses and not towards his fee till his fee is decided by COC.

- D. 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.

- E. 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.

- F. 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.



- G. 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.
- H. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- I. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. 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/RP.
- J. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Debtor.
- K. Accordingly, the **C.P.(IB) 1294 of 2020** is admitted.
- L. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

Sd/-

ANURADHA SANJAY BHATIA
MEMBER (TECHNICAL)

Sd/-

KULDIP KUMAR KAREER
MEMBER (JUDICIAL)