

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT II**

**CP (IB) 799/MB/C-II/2023**

Under section 10 of the Insolvency & Bankruptcy Code, 2016 r.w. Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

**IN THE MATTER OF**

**M/s. Cachet Events and Design  
Solutions Pvt. Ltd.  
[CIN: U74120MH2011PTC214121]**

Registered office at 126, Santa Industrial  
Estate, I.B. Patel Road, Goregaon (East),  
Mumbai Maharashtra- 400 063.

**...Corporate Applicant**

**Order Pronounced on -11.10.2024**

***Coram:***

**Anil Raj Chellan  
Member (Technical)**

**Kuldip Kumar Kareer  
Member (Judicial)**

***Appearances:***

**For the Corporate Applicant** : Adv. Atishay Jain a/w Adv.  
Tanushree Sogani i/b Adv. Kunal  
Kanungo

**ORDER**

***Per: Coram***

1. This Application is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("**the Code**") read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by Cachet Events and Design Solutions Private Ltd ("**the Corporate Applicant**") for initiation of Corporate Insolvency Resolution Process (**CIRP**) following a default in meeting the financial obligations to its Operational Creditors amounting to Rs. 2,11,70,909/-.
2. It is submitted that the Corporate Applicant is a Private Limited Company incorporated on 28.02.2011 bearing CIN: U74120MH2011PTC214121 and having its Registered Office at 126, Santa Industrial Estate, I.B. Patel Road, Goregaon (East), Mumbai Maharashtra- 400 063.
3. It is stated in the Application that the Applicant Company has been operating for 12 years, but for the last 5 years, it had no revenue and has been incurring losses due to an inability to continue operations. Despite the promoters investing additional capital, the company has not been able to recover its losses.
4. It is submitted that the Corporate Applicant's business, which was already experiencing losses, faced further challenges in 2020 due to the nationwide lockdown imposed as a result of the Covid-19 pandemic. This lockdown severely affected the company's operations, leaving it without any significant source of income to sustain its business and manage operations effectively.

5. It is further submitted that over the last 5 years, the Corporate Applicant, despite not conducting any business, has continued to incur expenses and losses progressively over the years. As of 31.08.2023, the Corporate Applicant has accumulated losses amounting to Rs. 1,80,14,610/-. It is submitted that the Corporate Applicant has no stream of revenue or assets to recover the losses incurred, nor the capacity to pay or repay the expenses and outstanding amounts it has accumulated.
6. The Corporate Applicant, in an effort to restore its business and manage its increasing expenses, has made every possible attempt. However, due to unfavorable market conditions, these efforts have not been successful. The Corporate Applicant has outstanding liabilities amounting to Rs. 2,11,70,909/- and has not repaid this amount for several years, indicating financial distress or default on its liabilities. However, the Company has no Financial Creditors as on the date of filing the petition.
7. It is submitted that due to its inability to generate any income or revenue, it has been unable to fulfill its payment obligations to its intermediaries and fiduciaries. As the Corporate Applicant is not generating any revenue and is already burdened with significant outstanding liabilities, it is unable to secure further loans, as the business is non-operational and running at a loss. Moreover, the intermediaries and fiduciaries have also blacklisted the Corporate Applicant, resulting in unintentional non-compliance. As a result, the Corporate Applicant is facing additional penalties imposed by regulators.

8. The Corporate Applicant is in a dire financial condition, unable to cover basic expenses such as rent, employee salaries/remuneration, and costs related to conducting board or general meetings, among other obligations.
9. The promoters, and directors of the Corporate Applicant had to infuse Rs. 54,95,681/- to cover basic expenses due to pending receivables.
10. The Corporate Applicant also had receivables of Rs. 5,32,572/- from various parties.
11. It is submitted that financial distress and damaged reputation among stakeholders have severely impacted its business operations. It has been unable to appoint or retain a Chartered Accountant as its Statutory Auditor, and for the past two years, it has not had any Secretarial Auditors. Over the past three years, employees and key personnel have also left the company, further weakening its position. Consequently, it has lost the trust of its stakeholders and is ill-equipped to continue its business operations.
12. Hence, the Board of Directors of the Corporate Applicant in its meeting held on 09.01.2023 passed a Resolution to file an Application under Section 10 of the Code for initiation of the CIRP due to difficulty in paying off the liability of the company and as no operations were being carried out by the Company.
13. Further, the Corporate Applicant has placed on record the Special Resolution passed by the members of the Corporate Applicant dated 09.01.2023 to authorize the Board of Directors to initiate the CIRP proceedings in respect of the Corporate Applicant.

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14. The documents produced by the Applicant to prove the existence of debt such as Copy of Demand notice/reminder correspondences/pending invoices/ ledgers of Operational Creditors, are given in detail in the petition from pages no.77 to 95.A show cause notice dated 31.12.2021 is also received from Office of CGST, Mumbai calling upon the Corporate Applicant to pay outstanding dues of Rs. 1,68,13,105 /-.
15. Debts of the Corporate Applicant are as follows:

<b>Sr. No.</b>	<b>Names of Operational dues</b>	<b>Outstanding Dues</b>
1.	Office of the Commissioner of CGST, Mumbai	79,47,335
2.	MK Traders	55,56,847
3.	Balaji Glass & Plywood	4,69,297
4.	Sharma Arts	8,79,974
5.	Ramesh Painting Work	5,67,821
6.	Inside out Events & Venue Construction	3,91,633
7.	Basil A Shayda	18,290
8.	Shakshi Freight Carrier	11,19,960

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9.	Optimor Solutions	91,140
10.	Nisha Creation	33,040
11.	Imagine Event	38,000
12.	Output Pre-Press House	6,37,856
13.	Grace Interiors	5,64,853
14.	Display system	8,60,930
15.	Gani Timer Trader	85,299
16.	Balaji Event Services (S)	37,571
17.	Fine Touch Dekors	29,500
18.	Gayatri Print Solution	32,202
19.	Ramesh Srijimuna singh patel	76,604
20.	Taslim Events Services	1,04,412
21.	Unique Exhibitions and events	89,000
22.	GST	3,67,036
23.	Audit fees payable	30,000

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24.	Professional fees	5,00,000
25.	Professional Tax payable	1,82,308
26.	Staff salary payable	4,60,000
<b>Total</b>		<b>2,11,70,908</b>

16. The Corporate Applicant has issued notice dated 14.10.2023 to the 21 creditors and also mailed the same on 24.10.2023.
17. Further, through an additional affidavit, the applicant has provided the latest balance sheet for the period from 01.04.2023 to 29.02.2024 and has also submitted that there is no pending litigation against the Corporate Applicant as of the date of filing, except for the show cause notice received from the Commissioner of CGST, Mumbai."
18. Thus, the Corporate Applicant has established the existence of debt and its default beyond the threshold limit prescribed under Section 4 of the Code which is also not barred by limitation and the Company Petition is complete and no disciplinary proceeding is pending against the proposed resolution professional. Thus, we hold that this is a fit case for admission. Accordingly, the Company Petition **C. P. No. 799 of 2023** is admitted in the following terms:

**ORDER**

- a. **The above Company Petition No. (IB) 799 of 2023 is hereby allowed** and initiation of the Corporate Insolvency Resolution Process (CIRP) is ordered against **M/s. Cachet Events and Design Solutions Pvt. Ltd**
- b. The Applicant has proposed the name of Mr. Tarun Prakash Dhand as the IRP. However, we observe that the AFA of the proposed IRP has expired. Therefore, we deem it appropriate to appoint Mr. Rajan Garg as the IRP of the Corporate Applicant from the available panel of Resolution Professionals maintained by the IBBI.
- c. This Bench hereby **appoints Mr. Rajan Garg, Registration No: IBBI/IPA-001/IP-P-02397/2021-2022/13624 as the Interim Resolution Professional** having his address at Flat No. 202, Wing B, 2nd Floor, Safal Twins, Block Punjabwadi, Sion Trombay Road, Deonar ,Mumbai Suburban, Maharastra, 400088 **Email:** fcarajangarg@gmail.com ; to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.



- d. The Corporate Applicant shall deposit an amount of **Rs. 4,00,000/-** (Rupees Four Lakhs Only) towards the **initial CIRP cost** by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.
- e. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate Applicant including the 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 applicant any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover enforce any security interest created by the corporate applicant 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 Applicant.
- f. That the supply of essential goods or services to the Corporate Applicant, if continuing, shall not be

terminated or suspended, or interrupted during the moratorium period.

- g. 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.
- h. 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 the corporate applicant under section 33, as the case may be.
- i. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- j. During the CIRP period, the management of the Corporate Applicant will vest in the IRP/RP. The suspended directors and employees of the Corporate Applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.

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

19. The Registry is hereby directed to communicate this order to the Applicant and IRP immediately.

**Sd/-**

**ANIL RAJ CHELLAN  
MEMBER TECHNICAL**

**Sd/-**

**KULDIP KUMAR KAREER  
MEMBER JUDICIAL**