IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI

CP (IB) No.4320/MB/2019 with

IA No.1750 of 2021 and IA No.1755 of 2021

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

IN THE MATTER OF:

JAY NIHALANI AND ORS.
B1/27, Kubera Colony
NIBM Road, Kondhwa
Pune-411048, Maharashtra.

…Financial Creditors

V/s.

MARVEL LANDMARKS PRIVATE LIMITED
[CIN: U45200PN2007PTC130565]
Office No. 301-302, Jewel Tower
Lane No. 5, Koregaon Park
Pune- 411001, Maharashtra.

...Corporate Debtor

IA No.1750 OF 2021 AND IA No.1755 OF 2021

IN THE MATTER OF:

MARVEL LANDMARK PRIVATE LIMITED **…Applicant**

Vs.

JAY NIHALANI AND ORS. **….Respondents**

Pronounced: 13.06.2025

CORAM:
HON'BLE SHRI K. R. SAJI KUMAR, MEMBER (JUDICIAL)
HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

Financial Creditor: Adv. Chaitanya B. Nikte a/w Esha Malik

Corporate Debtor/Applicant: Adv. Amir Arsiwala a/w Neha S and Vidit Divya Kamat

ORDER

[PER: SANJIV DUTT, MEMBER (TECHNICAL)]

1. BACKGROUND

1.1 This is an Application bearing C.P. (IB) No.4320/MB/2019 (Main Application) jointly filed by 12 Applicants/Financial Creditors on 29.11.2019 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating Corporate Insolvency Resolution Process (CIRP) in respect of Marvel Industries Private Limited, the Corporate Debtor.

1.2 As per Part-I of the Application, there are in all 12 Applicants who are home buyers in a residential project being developed by the Corporate Debtor. They have jointly preferred this Application as allottees under a real estate project/Financial Creditors within the meaning of *Explanation* to Section 5(8)(f) of the Code. One Mr. Jay Nihalani has been authorised on behalf of 11 other buyers to pursue this Application.

1.3 The Corporate Debtor is a registered company engaged in the business development of real estate projects. The Corporate Debtor along with M/s. Gagan Promoters and Developers and M/s. Gagan Constructions had floated a luxurious development scheme named and styled as "Marvel Isola Phase II"

consisting of lands admeasuring 42,950 sq.mtrs, bearing Hissa No. 2/1, 2/2 and 2/3 of Survey No.16, situated at village Mohammedwadi, Taluka Haveli, District Pune (herein referred to as "the Project"). The parties had entered into a Joint Development Agreement (JDA) dated 03.03.2008 for the purpose of development and implementation of the said Project.

1.4 The Applicants booked homes in the said Project and entered into registered Agreements for Sale with the Corporate Debtor. The Applicants had deposited the amount in an escrow account by the name "Marvel Gagan Escrow Account". The Corporate Debtor failed to hand over possession to the Applicants as promised and expressly agreed under clause 5(b) of the Agreement for Sale.

1.5 The total debt amount claimed to be in default as per Part-IV of the Application is Rs.17,05,00,068/- (Seventeen Crore Five Lakh and Sixty-Eight Rupees) plus interest of Rs.8,71,31,884 (Eight Crore Seventy-One Lakh Thirty-One Thousand Eight Hundred and Eighty-Four Rupees) at 9% p.a. up to 31.10.2019. The date of default is mentioned as 31.12.2015 to 07.09.2018.

1.6 The Corporate Debtor neither handed over possession of the respective flats/units to the Applicants nor refunded the amounts with interest to them. Hence, this present Application has been filed seeking initiation of CIRP against the Corporate Debtor.

2. AVERMENTS OF FINANCIAL CREDITORS

2.1 As per clause 4(B) of the JDA, the Corporate Debtor was assigned certain roles and responsibilities. As per clause 6 of the JDA, the parties agreed for sharing of Gross Sales Proceeds in the following proportion:-

i. Marvel Landmark Pvt. Ltd. (Corporate Debtor): 60%

ii. Gagan Promoters & Developers: 34.46%

iii. Gagan *Constructions*: 5.54%

Further, as per clause 8 of the JDA, it was agreed that "*all Agreements for Sale of Flats/Units/Commercial Premises in the said Project shall be executed by the Parties of the First or Second Part and the Party of the Third part herein jointly*", the party of the third part being the Corporate Debtor. Clause 23 of the JDA made the Corporate Debtor liable and responsible for all the claims including the claims of the flat purchasers/allottees.

2.2 The Applicants were looking to buy homes in Pune during the same time the said Project was launched by the Corporate Debtor. The sales executive of the Corporate Debtor informed the Applicants about the Project and the lucrative amenities in the flats, where the Applicants were drawn to own a house in the Project. Accordingly, the Applicants booked homes in the said Project and entered into registered Agreements for Sale with the Corporate Debtor and payment was deposited in the escrow account as per the schedule mentioned in the Agreement for Sale by the Applicants. The Applicants have till date paid the consideration amount to the Corporate Debtor.

2.3 The Corporate Debtor had failed to hand over possession of the flats to the Applicants as promised and expressed under clause 5(b) of the Agreement for Sale. The promised date of possession varied from December, 2015 to July, 2016. Therefore, the Corporate Debtor is liable to refund the entire amount of consideration received by them from each Applicant along with interest at 9% p.a. as agreed under clause 14 of the Agreement for Sale entered with each Applicant.

2.4 The Corporate Debtor did not complete the Project in spite of receiving timely payments from the Applicants. Hence, being aggrieved by the same, the Applicants also filed police complaints before the Kondhwa Police Station against the Corporate Debtor. Further, Applicant Nos.2 to 7 had also approached the MahaRERA authority, where the Corporate Debtor admitted its liability and agreed to settle the matter. Accordingly, Settlement Terms dated 07.09.2018 were drawn up and filed before the MahaRERA Conciliation and Dispute Resolution Forum.

2.5 The Financial Creditor has approached this Tribunal under Section 7 of the Code for initiation of CIRP against the Corporate Debtor on the ground of failure of the Corporate Debtor to repay the financial debt owed to the Financial Creditors.

3. CONTENTIONS OF CORPORATE DEBTOR IN MAIN APPLICATION AS WELL AS INTERLOCUTORY APPLICATIONS

3.1 The Corporate Debtor filed its Affidavit-in-Reply on 22.03.2021. The contentions raised by it in its reply are similar to those taken up in I.A. Nos.1750 and 1755 of 2021. In this background, the various arguments canvassed by it in its defence are set out here so as to avoid repetition

3.2 The Corporate Debtor has vehemently challenged the maintainability of the main Application. It is submitted that the Project consists of 365 residential flats and since the Applicant had failed to amend the Application so as to meet the requirements of the newly inserted first and second provisos of Section 7 within the permissible time, the main Application is deemed to be have been withdrawn before its admission.

3.3 The Applicant/Corporate Debtor filed **I.A. No.1755 of 2021** on 27.07.2021 wherein it took the stand that since the Applicant had failed to remove the defect in the main Application and/or to modify the Application so as to comply with the requirements of first and second provisos to Section 7 within a period of 30 days of commencement of the amended provisions, i.e., on or before 27.01.2020, the main Application should now be deemed to have been withdrawn before its admission, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2020. Therefore, it was prayed that this Tribunal might hold and declare that there was no need to entertain the main Application as the same was already deemed to have been withdrawn.

3.4 The Applicant/Corporate Debtor pointed out that as per clause 3 of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 followed by the Insolvency and Bankruptcy Code (Amendment) Act, 2020, which came into force on 28.12.2019, the following provisos had been inserted in Section 7 which read as under: -

> "**Provided that** for the financial creditors, referred to in clauses (a) and (b) of sub-section (6A) of section 21, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such creditors in the same class or not less than ten per cent of the total number of such creditors in the same class, whichever is less:
>
> **Provided further that** for financial creditors who are allottees under a real estate project, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such allottees under the same real estate project or not less than ten per cent of the total number of such allottees under the same real estate project, whichever is less:
>
> **Provided also that** where an application for initiating the corporate insolvency resolution process against a corporate

> debtor has been filed by a financial creditor referred to in the first or second provisos and has not been admitted by the Adjudicating Authority before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019, such application shall be modified to comply with the requirements of the first or second provisos as the case may be within thirty days of the commencement of the said Ordinance, failing which the application shall be deemed to be withdrawn before its admission."

3.5 Further, the Corporate Debtor contended that the present Project consisted of 365 residential flats as per the sanctioned plan. The number of allotees who had approached this Tribunal was less than the requisite number required as per the Insolvency and Bankruptcy Code (Amendment) Act, 2020 and, therefore, the main Application is liable to be dismissed on this ground alone.

3.6 The Corporate Debtor also filed **I.A. No.1750 of 2021** seeking dismissal of the main CP/Application on the ground that the same is not maintainable in view of recent judgment passed by Hon'ble National Company Law Appellate Tribunal, New Delhi in case of ***Sushil Ansal Vs. Ashok Tripathi*** *[CA (AT)(Ins.) No.452 of 2020]* wherein it was held that a decree holder would not fall within the ambit of 'financial creditor' as defined under the Code and a Section 7 application filed by such decree holder would not be maintainable.

3.7 The Applicant/Corporate Debtor has contested that the Respondent had preferred the Main Application by claiming himself to be a "Financial Creditor" in the capacity as a "Decree Holder" against the Applicant on account of non-payment of the alleged amount due under the Settlement Terms dated 07.09.2018 filed before the MahaRERA Conciliation and Dispute Resolution Forum, Pune. The same is impermissible within the ambit of Section 7 of the Code and, therefore, the Main Application seeking initiation of CIRP is not maintainable and needs to be quashed and dismissed on this count alone.

3.8 The Respondent being “Decree Holder” from RERA would not fall within the definition of "Financial Creditor" as the amount claimed under the decree is an adjudicated amount and not a debt disbursed against consideration for the time value of money and does not fall within the ambit of any of the clauses enumerated under Section 5(8) of the Code. The Corporate Debtor has relied on the judgment passed by the Hon’ble NCLAT in case of ***G. Eswara Rao Vs. Stressed Assets Stabilisation Fund and Ors***. wherein it was held that an application under Section 7 of the Code cannot be filed for execution of a decree. It is contended that the Respondents have approached this Tribunal only with a view to execute the decree in the nature of the order passed by the MahaRERA Authority and for recovery of the amount due thereunder rather than insolvency resolution of the Corporate Debtor.

3.9 Having availed the remedy by initiating the proceedings under RERA, the Applicant cannot at a later stage approach this Tribunal by initiating proceedings under the Code. Both the proceedings initiated by the Applicant are based on same set of facts, documents and circumstances and further are seeking same reliefs between the same parties. The Applicant is thus seeking same reliefs from two forums raising same issues which amounts to misuse of process of law and is legally not permissible.

4. REJOINDER BY APPLICANTS/FINANCIAL CREDITORS

4.1 The Financial Creditors in their Affidavit-in-Rejoinder filed on 10.02.2022, deny the contents of the IAs as they are misconceived and are based on the incorrect and concocted facts and are only directed towards misguiding the Tribunal. The Financial Creditors are well aware of the Insolvency and Bankruptcy Code

(Amendment) Act, 2020 and had already fulfilled the compliance as prescribed under the said Amendment. Therefore, this Tribunal is well within its jurisdiction to entertain the present Application.

4.2 The Main Application is concerned with the second and third proviso to Section 7(1) inserted by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 with retrospective effect from 28.12.2019. The Financial Creditors refer to relevant definitions of the expressions “allottee” and “real estate project” under Section 5(8) of Code as well as under Section 2(d) and 2(zn) including definition of "building” under Section 2(j) of the Real Estate (Regulations and Development) Act, 2016 (RERA) respectively. In view of the above provisions of law, a promoter is required to register a "real estate project" which also includes a "building" and is further required to upload various details and documents of the said registered project on the official website of MahaRERA. A separate registration is required to be made for each separate project, whether consisting of a single building or multiple buildings.

4.3 The Corporate Debtor/Applicant had registered a "real estate project" under the MahaRERA portal by the name of "MARVEL ISOLA J BUILDING", wherein the Corporate Debtor had mentioned total number of apartments in the said Project as "44". All the 12 applicants in the Main Application are allottees of the above-mentioned real estate project, namely, "Marvel Isola J Building" having a separate RERA Registration No.P52100001843. The Director of the co-promoter of the real estate project is also the Director of the Corporate Debtor and had signed the Affidavit-in-Reply on behalf of the Corporate Debtor and had also

submitted an affidavit dated 17.07.2017 before the MahaRERA wherein the "Marvel Isola. J Building" had been categorically identified as a separate project.

4.4 In the application made by the Corporate Debtor for registration of the said project "Marvel Isola J Building", the Corporate Debtor had categorically mentioned the total number of flats/apartments in the said project which are '44' in number. Further, the Corporate Debtor had also mentioned in the said application the total number of booked Apartments, i.e., the total number of Allotted Apartments as '25'. Therefore, in view of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, the total number of allottees is 25 out of which there are total 12 applicants in the Main Application, which constitute 48% of the total allottees. Even if all the 44 apartments are considered as allotted for the sake of calculation, the Applicants shall still form 27% of 44 allottees which are the total number of apartments in the said project. Therefore, the Applicants are more than the minimum requirement of 10% as per the second proviso to Section 7(1) of the Code.

4.5 The Financial Creditors are not the "Decree Holders" as alleged by the Corporate Debtor and the Corporate Debtor is making a futile attempt to misguide this Tribunal by concocting and twisting the facts. The judgement relied upon by the Corporate Debtor decided by the Hon'ble NCLAT in ***Sushil Ansal (supra)*** is not at all applicable to the present case as the allottees/Financial Creditors are neither Decree Holders nor have they approached this Tribunal for seeking execution of any decree. It is pertinent to note that in that case, the respondents had obtained Recovery Certificates from UP RERA whereas it is not so in the present case.

4.6 The MahaRERA had not passed any Decree in favour of any of the Financial Creditors. Copies of Settlement Terms annexed by the Financial Creditors to the Main Application are not a Decree passed by the MahaRERA. It was only to bring on record the conduct of the Corporate Debtor and to show the admission of debt on the part of the Corporate Debtor. Pursuant to the failure of the Corporate Debtor to honour the Terms of Settlement, the aggrieved party was free to approach MahaRERA for adjudication of the complaint and upon such adjudication, the MahaRERA would have passed a Decree. In this regard, some of the Applicants have initiated proceedings before MahaRERA which are pending adjudication and as on date, there is no order passed by MahaRERA.

5. ANALYSIS AND FINDINGS

5.1 We have perused the materials available on record and heard both the Ld. Counsel for the parties in both the IAs and the Main Application which are being disposed of by this common order.

5.2 It is well-established that while considering an application filed by a financial creditor under Section 7 of the Code for initiating CIRP against a corporate debtor, the Adjudicating Authority must be satisfied that:

a. A “default” in respect of a “financial debt” has occurred;

b. The application is complete in all respects and

c. There are no disciplinary proceedings pending against the proposed Resolution Professional.

Once the Adjudicating Authority is satisfied that the default has occurred, it has no discretion to refuse the admission of the application under Section 7 of the Code.

5.3 It is an undisputed fact in the present case that the Corporate Debtor had executed 12 separate registered Agreements to Sell with the twelve Applicants in respect of allotment of 12 residential flats in 'Marvel Isola J Building' for a consideration of Rs.17,05,00,067/- and, therefore, the Applicants being allottees of a real estate project are legally entitled to be treated as 'financial creditors' within the meaning of Section 5(7) read with Section 5(8)(f) of the Code. Under the terms of the Agreement to Sell, the Corporate Debtor was required to hand over possession of the said flats to the Applicants latest by 31.03.2016 but it failed to do so. Clause 14 of the Agreement to Sell provides that in the event of failure to hand over possession of the units to the Allottees/Financial Creditors as per the date mentioned in Clause 5(b), the Corporate Debtor was liable to refund the amounts already received by them in respect of the said units with simple interest at the rate of 9% p.a. It is submitted by the Applicants that the default on the part of the Corporate Debtor is a continuing one as the building is still under construction and possession of the allotted flats has not been delivered to them till date.

5.4 The first issue which arises for consideration is whether the Applicants satisfy the minimum threshold in terms of percentage/number of allottees so as to be eligible for filing the Application under Section 7 of the Code. It is observed from the record that at the time of hearing of the matter on 04.06.2024, there was no representation from the Financial Creditors and the Counsel for the Corporate Debtor alone was heard on the main Application and the two IAs bearing Nos.1750/2021 and 1755/2021. It was stated that there were originally two hundred and eighty two unit holders for the 'Marvel Isola J Building' project while

only twelve Applicants had filed the main Application on 29.11.2019 claiming to be Financial Creditors and that there was nothing on record to show that the Applicants had complied with the amended law to make the requisite number/percentage of unit holders to be eligible to pursue the main Application. In view of the above submissions, this Bench took the view that the Application lacked the requisite number/percentage of unit holders to be eligible to continue the main Application which was hence disposed of *vide* order dated 04.06.2024 along with the two IAs referred to above.

5.5 However, later the Applicants filed IA No.4881/2024 praying for recall of the Order dated 04.06.2024 dismissing the main Application for non-prosecution. Ld. Sr. Counsel for the Applicants invited this Bench's attention to the fact that 'Marvel Isola J Building' was a single project comprising of 44 units only as shown in the RERA registration certificate placed on record and that there were twelve applicants in the Main Application who thus fulfilled the minimum threshold laid down in the second proviso to Section 7(1) of the Code. In these circumstances, we held that since the order dated 04.06.2024 was passed only on the submissions of the Ld. Counsel for the Corporate Debtor without hearing the Financial Creditors and the Order was not on merits of the matter, we deemed it appropriate to recall the said order and restore the Main Application on file. While disposing of IA No.4881/2024 *vide* order dated 18.11.2024, IA Nos.1750/2021 and IA 1755/2021 were also restored. Thus, it is clear that the twelve Applicants out of 44 allottees of 'Marvel Isola J Building' constitute 27% of total allottees, which is more than the minimum threshold of 10% as per the second proviso to Section 7(1) of the Code and hence, they are competent to pursue and continue

the Main Application. Therefore, we are of the considered view that the Main Application is maintainable and the **I.A. No.1755 of 2021** filed by the Corporate Debtor challenging the maintainability of the main Application is found to be devoid of merit and is accordingly **dismissed.** Hence, this issue is decided in favour of the Applicants/Financial Creditors and against the Corporate Debtor.

5.6 With regard to the next objection raised by the Corporate Debtor in treating the Applicants as 'Decree Holders' rather than Financial Creditors who had approached this Tribunal to execute the MahaRERA order, it is observed that the Settlement Agreement dated 07.09.2018 was executed between the parties before the MahaRERA Conciliation and Dispute Resolution Forum. The Settlement Agreement stated that the Corporate Debtor was liable to pay the Financial Creditors the amount due along with 9% p.a. interest, failing which it will lead to default. This Settlement Agreement dated 07.09.2018 cannot be executed as a decree as it is merely an Agreement and not a Decree passed by the appropriate authority. In this regard, the Corporate Debtor has relied on judgment of Hon'ble NCLAT in ***G. Eswara Rao (supra)*** which is not applicable to the present case as the Applicants/Financial Creditors herein are not executing any "Decree", as contended by the Corporate Debtor. Likewise, the judgment of Hon'ble NCLAT cited by the Corporate Debtor in case of ***Sushil Ansal (supra)*** will not be a ground to dismiss the Main Application as the Applicants/Financial Creditors are neither decree holders nor have they preferred this Application seeking execution of any decree. Moreover, unlike that case, the Applicants herein have not obtained any recovery certificate from

MahaRERA. Nor has MahaRERA passed any decree in favour of any of the Applicants/Financial Creditors.

5.7 Further, even the issue whether a party who holds a decree or order of refund can initiate CIRP under Section 7 of the Code is now settled by Hon'ble Supreme Court in ***Vishal Chelani and Ors. Vs. Debashish Nanada*** reported in *(2023) 10 SCC 395,* wherein it has been clarified that even if any of the allottees approaches RERA and its claim is crystalised in the form of a Court Order or decree, that does not alter or disturb the status of the allottees as Financial Creditors. As held by the Hon'ble Supreme Court in ***Pioneer Urban Land and Infrastructure Limited*** (supra), the provisions of RERA are supplemental and do not supplant or relax existing laws. The remedies available to allottees of flats or apartments under RERA are concurrent and complementary and not exclusive. In other words, the allottees of flats or apartments are free to avail of the remedies under the Code, the RERA, Consumer Protection Act, 1986, etc. In other words, having already approached RERA for certain reliefs, the Applicants/Financial Creditors are not barred from initiating action under Section 7 of the Code against the Corporate Debtor. Therefore, the aforesaid objection of the Corporate Debtor is found to be misconceived and legally untenable. We thus have no hesitation in holding that the Main Application is maintainable and, consequently **IA No.1750/2021** is found to be devoid of substance and the same is accordingly **dismissed**. As a result, this issue is also decided in favour of the Applicants/Financial Creditors and against the Corporate Debtor.

5.8 At the time of final hearing, Ld. Counsel for the Corporate Debtor raised the issue of limitation which was not a part of the pleadings. It is settled law that a case

which is not pleaded before the Court cannot be taken into account while passing orders. The Corporate Debtor under the Agreement to Sell was obligated to hand over possession of the flats to the Applicants latest by 31.03.2016 while the Main Application was filed on 29.11.2019. In this connection, it is observed from the record that the Corporate Debtor had admitted its liability to refund the amounts due to the Applicants in writing under the Settlement Terms dated 07.09.2018 entered with the Applicants. Therefore, the Settlement Terms dated 07.09.2018, being a written acknowledgement of admission of liability, constitute a fresh cause of action under Section 18 of the Limitation Act, 1963 and a new period of limitation begins from the date of such written acknowledgement. Since the Main Application was filed within three years from the date of written acknowledgement, it can by no stretch of imagination be said that it is barred by limitation. Moreover, it is a matter of record that the Corporate Debtor had neither handed over possession of the flats nor refunded any amounts to the Applicants. The law is settled that failure to deliver possession gives rise to recurring cause of action and so long as the possession is not delivered, the allottees are always entitled to approach the Court of law without any limitation. Thus, the plea taken by the Corporate Debtor on this point is also found to be bereft of merit and is accordingly rejected.

5.9 In view of above discussion, we find that the Corporate Debtor has committed default in respect of the financial debt owed to the Applicants/Financial Creditors in terms of *Explanation* to Section 5(8)(f) of the Code exceeding the minimum monetary threshold prescribed under Section 4 of the Code. The default has been committed by the Corporate Debtor due to non-fulfilment of its obligations

under the Agreements to Sell executed with the Applicants/Financial Creditors who are allottess of the flats in 'Marvel Isola J Building'. The Application has been made in the prescribed form and is complete in all respects. The Applicant/Financial Creditors have proposed the name of Interim Resolution Professional (IRP) in compliance with Section 7(3)(b) of the Code. The Applicants/Financial Creditors have placed on record written consent of the proposed Interim Resolution Professional (IRP) in Form-2, wherein he has confirmed that there is no disciplinary proceeding pending against him. Hence, it is found to be a fit case for directing initiation of CIRP in respect of the Corporate Debtor. We are, therefore, of the considered view that the present Application filed under Section 7 of the Code to initiate the CIRP in respect of the Corporate Debtor deserves to be admitted.

ORDER

In view of aforesaid findings, the I.A. Nos.1750 of 2021 and 1755 of 2021 are hereby **dismissed and disposed of** and Main Application bearing **C.P.(IB) No.4320/MB/2019** filed under Section 7 of the Code by Jay Nihalani and others, the Financial Creditors, for initiating CIRP in respect of Marvel Landmark Private Limited, the Corporate Debtor, is **admitted.**

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

1. We prohibit-

   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 Securitisation 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 possession of the Corporate Debtor.

2. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.

3. Notwithstanding the above, during the period of moratorium: -

(a) 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;

(b) That the provisions of sub-section (1) of Section 14 of the Code shall not apply to -

i. such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

ii. A surety in a contract of guarantee to a corporate debtor.

4. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

5. That this Bench hereby appoints **Mr. Vijay P. Lulla, a registered Insolvency Professional** having **Registration Number IBBI/IPA-001/IP-P00323/2017-18/10593** and **e-mail address** vijayplulla@rediffmail.com having valid Authorisation for Assignment up to 31.12.2025 as the IRP to carry out the functions under the Code.

6. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.

7. That 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 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor the Corporate Debtor is directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. 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/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.

8. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

9. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit a sum of Rs.5,00,000/- (Five Lakh Rupees) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid

back to the Financial Creditor on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

10. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.

11. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

12. The Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.

13. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)

Sd/-
K. R. SAJI KUMAR
MEMBER (JUDICIAL)

// Vani//