



IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI - BENCH-VI

CP (IB) No. 1286/MB/2022

[With IA(IBC) No. 2236/MB/2023]

*[Under Section 7 of the Insolvency and Bankruptcy Code,
2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to
Adjudicating Authority) Rules, 2016]*

IN THE MATTER OF:

AXIS TRUSTEE SERVICES LIMITED

[CIN: U74999MH2008PLC182264]

Registered Office: Axis House, Bombay Dyeing Mills Compound

Pandurang Budhkar Marg, Worli

Mumbai-400025, Maharashtra.

...Financial Creditor

V/s

RIVAAZ TRADE VENTURES PRIVATE LIMITED

[CIN: U74999MH2012PTC232339]

Registered Office: Shop No. 28, 1st Floor

Krishna Arcade, Yashwant Shrusti, Khaira, Boisar

Thane - 401501, Maharashtra.

...Corporate Debtor

ALONG WITH

IA (IBC) No. 2236/MB/2023

RIVAAZ TRADE VENTURES PRIVATE LIMITED

.....Applicant

V/s.

AXIS TRUSTEE SERVICES LIMITED

....Respondent

Pronounced: 09.04.2025



CORAM:

HON'BLE SHRI K. R. SAJI KUMAR, MEMBER (JUDICIAL)

HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

Financial Creditor: Adv. Ankit Lohia a/w. Adv. Varun Nathani, Adv. Suchitra Valjee, Adv. Riya Vasa, Adv. Palak Damani and Adv. Smruti Pandya i/b. Manilal Kher Ambalal & Co

Corporate Debtor: Adv. Shyam Kapadia a/w. Adv. Petrushka Dasgupta, Adv. Nupur Jalan, Adv. Krishna Barua, Adv. Kewal Buddhdev, Adv. Ankita Yadav, Adv. Abhirup Ghosh, and Adv. Devdutta Uchill i/b. Link Legal

ORDER

[PER: K. R. SAJI KUMAR, MEMBER (JUDICIAL)]

1. BACKGROUND

1.1 This C.P. (IB) No. 1286/MB/2022 (Main Application/Section 7 Application) was filed on 27.10.2022 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (AAA Rules) by Axis Trustee Services Limited, the Financial Creditor (FC), through Mr. Anil Grover, Chief Operating Officer of the FC, authorised *vide* Board Resolution dated 13.02.2020, for initiating Corporate Insolvency Resolution Process



(CIRP) in respect of Rivaaz Trade Ventures Private Limited, the Corporate Debtor (CD).

1.2 The total amount of default alleged is Rs.451,66,34,504/- (Four Hundred Fifty-One Crore Sixty-Six Lakh Thirty-Four Thousand Five Hundred and Four Rupees) as on 27.09.2022, including the interest amount of Rs.86,14,21,709/- along with Rs.21,45,62,868/- as step-up interest payment and Rs.4,06,49,927/- as default interest on all missed payments. It is based on default in the redemption of the debentures for Rs.400,00,00,000/- comprising of 4000 (Four Thousand) rated, unlisted, secured redeemable non-convertible debentures (NCDs), each having a face value of Rs.10,00,000/- (Ten Lakh Rupees) in five series i.e., Series A, Series B, Series C, Series D and Series E.

1.3 The Debenture Holders, namely, '*Franklin India Short Term Income Plan*' and '*Franklin India Opportunities Fund*' subscribed to 4,000 rated, unlisted, secured, redeemable NCDs, each with a face value of Rs.10,00,000/-, across 5 series: Series A, B, C, D and E totalling Rs. 400,00,00,000/- (Four Hundred Crore Rupees), issued by the CD, in accordance with the terms and conditions of Debenture Trust-cum-Mortgage Deed (DTMD) dated 28.09.2018, for different tenures ranging from 367 days to 1828 days. The CD was required to redeem the debentures and pay interest as specified in the transaction documents. The redemption process by way of quarterly instalments was to start from 30.03.2019. However, due to default in redemption of debentures, an Event of Default was allegedly triggered. It is alleged that despite the FC's Notice dated 01.07.2022 demanding payment, the CD failed to comply.



1.4 The date of default mentioned in Part-IV of the Application is 30.03.2021, i.e., the date on which the debentures were to be redeemed as the DTMD.

Since the CD defaulted in payment of its outstanding dues, the FC prays that CIRP may be initiated in respect of the CD under Section 7 of the IBC.

1.5 The CD filed the IA (I.B.C) No. 2236/MB/2023 on 21.03.2023, under Section 60(5) and 76 of the IBC read with Rule 11 of the National Company Law Tribunal Rules, 2016, against the FC to challenge the maintainability of the Main Application on the ground of Section 10A of the IBC.

2. CONTENTIONS OF APPLICANT/CD

IA (IBC) No. 2236/MB/2023

2.1 The Applicant/CD is a Mumbai-based private company and is engaged in the business of consumer services while the Respondent/FC, a SEBI Registered Debenture Trustee and a wholly owned subsidiary of Axis Bank Limited, is engaged in the business of providing Corporate Trustee services including as Debenture Trustee, etc., across India. The alleged debt claimed in the Main Application by the Respondent/FC is barred under Section 10A of the IBC. The Respondent/FC by its notice dated 22.10.2020, sought full repayment pursuant to 'event of default' which occurred due to the Original Rating of the Debentures being downgraded during the period from March, 2020 to August, 2020. The default date mentioned in this notice falls under Section 10A of the IBC barring initiation of proceedings under the IBC. However, the Respondent/FC later claimed a default date of 30.03.2021, in Part-IV of the Main Application, contradicting its earlier notice.



2.2 The Respondent/FC cannot assert that payments became due in April, 2021, after invoking Mandatory Prepayment in October, 2020. Placing reliance on judgment of *ITC Ltd. Vs. Debts Recovery Appellate Tribunal*, (1998) 2 SCC 70, the Applicant/CD submits that courts should pierce through pleadings where a party attempts to create a cause of action. Further, in *Jagdish Prasad Sarada Vs. Allahabad Bank*, [(2020) SCC Online NCLAT 621], it was held that the date of default will be the date of declaration of account as NPA, and as such, the date of default would not shift. Thus, the claim of the Respondent/FC is barred under Section 10A of the IBC, and, therefore, the Section 7 Application (Main Application) should accordingly be dismissed. Further, referring to the judgment of the Hon'ble Bombay High Court in *Deserve Exim Private Limited Vs. Yes Bank Limited*, [Writ Petition No.4560 of 2022], it is submitted that an IA raising the issue of jurisdiction ought to be decided first before dealing with any other issues at hand. The Applicant/CD further relied upon the decisions of NCLT Mumbai in *Catalyst Trusteeship Limited Vs. Future Lifestyle Fashions Limited*, [CP(IB) No. 887/MB-IV/2021] and *Catalyst Trusteeship Limited Vs. Future Corporate Resources Private Limited*, [CP(IB) No. 886/MB-IV/2021] to substantiate its contention on the applicability of Section 10A of IBC in filing the Main Application.

2.3 The Main Application is defective as the FC was not authorised to file the same in the absence of explicit written permission of the Debenture Holders as per Clause 2.1 of the DTMD. Further, the FC, being the Debenture Trustee, was merely an agent of the Debenture Holders and cannot act independently as evident from Clauses 4.2 & 4.3 of the DTMD. The CD

relied upon the decision of NCLT Mumbai in *Reliance AIF Management Company Limited and Anr. Vs. Zubin Bharucha & Motivala Infrastructure Private Limited.*, [CP(IB) No. 4108/MB/2019] to substantiate its contention.

3. CONTENTIONS OF RESPONDENT/FC

- 3.1 The CD passed the Board Resolution dated 05.03.2018, for issuing secured, rated, redeemable NCDs aggregating to Rs.400,00,00,000/- as well as appointing the FC as the Debenture Trustee. Pursuant to the Board Resolution, the Applicant/CD and the Future Retail Limited (FRL) executed the Master Lease Agreement dated 27.03.2018 (MLA), wherein the FRL was desirous of taking the assets of the Applicant/CD on lease for use in the latter's retail stores and payment of certain lease rentals. It is further submitted that the CD had also executed the Asset Purchase Agreement dated 27.03.2018 with the Future Enterprises Limited (FEL) regarding the sale of tangible movable fixed assets including plant and machinery, furniture and fixtures, etc.
- 3.2 Besides the MLA, the Applicant/CD executed two Tripartite Agreements (TA) dated 27.03.2018, one TA involving the Applicant/CD, FRL and the Respondent/FC (FRL TA) and another TA involving the Applicant/CD, FEL and the Respondent/FC (FEL TA), wherein terms of deposit of receivables under the MLA directly into an Escrow Account were recorded. To facilitate the deposit of receivables into the Escrow Account and maintenance of the Escrow Account, the CD executed the Escrow Agreement dated 27.03.2018 with the FC and Oriental Bank of Commerce.



3.3 The FC was appointed as the Debenture Trustee pursuant to the execution of Initial Debenture Trustee Agreement (DTA) dated 27.03.2018 between the parties as well as Power of Attorney dated 27.03.2018, executed by the CD in favour of the FC. Later, the CD passed the Board Resolution dated 27.03.2018, for execution of documents regarding Debentures for Rs.400,00,00,000/- followed by undertaking dated 27.03.2018, furnished by Mr. Kishore Biyani and Mr. Rakesh Biyani in FC's favour regarding performance of their obligations under the MLA, APA, TAs with FRL and FEL.

3.4 Subsequently, the CD executed the DTMD dated 28.09.2018 in FC's favour. However, due to default in repayment of NCDs, the FC issued the notice dated 22.10.2020 to the CD for seeking full repayment of all dues pertaining to the Debentures. Later, the FC, through its advocate, issued the put option notice dated 20.04.2022 to the FRL regarding breaches under the transaction agreements by FRL and the CD, which led to the invocation of "Put Option" under Clause 1.1 of FRL TA dated 27.03.2018, and again issued the notice dated 01.07.2022 to the CD seeking payment of Rs. 454,01,29,815.51/- as on 20.05.2022. The details of the default amount in Part-IV of the Main Application are as follows:

Sr. No.	Particulars	Amount (in Rs.)
1.	Principal Outstanding	340,00,00,000/-
2.	Interest Payment	86,14,21,709/-
3.	Step-Up Interest Payment	21,45,62,868/-
4.	Default Interest on all missed payments	4,06,49,927/-
	TOTAL	451,66,34,504/-



- 3.5 The charge has been created upon the NCDs in favour of the FC as evident from the Certificate of Registration of Charge dated 28.03.2019 with Charge Identification Number 100248170, which is also available in the CD's Master Data as per the records of the Ministry of Corporate Affairs (MCA).
- 3.6 The Main Application pertains to a default occurred on 30.03.2021, which is outside the period covered by Section 10A. The FC's notice dated 22.10.2020, referred only to a coupon rate revision due to the downgrading of NCDs and sought payment of old outstanding amounts, while reserving the rights of the Respondent/FC to exercise the Mandatory Prepayment Option and to accelerate the redemption of debentures. Thus, the Respondent/FC, *vide* Notice dated 22.10.2020, had not exercised any rights in respect of accelerated payment and/or Mandatory Prepayment.
- 3.7 The Section 7 Application filed by the Respondent/FC is based solely on the default committed by the Applicant/CD on 30.03.2021, as per Schedule V of the DTMD. The CD has committed defaults within the period falling under Section 10A of the IBC as well as outside such period. The default forming the basis of the Main Application is separate and distinct from the default committed during the period covered under Section 10A of the IBC. The Applicant/CD's reliance on the notice dated 22.10.2020, is misconstrued and is intended to mislead the Tribunal. The defaults during the Section 10A period do not preclude the Respondent/FC from filing the Main Application for subsequent defaults.
- 3.8 The decisions cited by the Applicant/CD were rendered in factually different circumstances and are inapplicable to the facts of the present case. In view of the foregoing reasons, the Respondent/FC prays that this IA may be

dismissed and CIRP may be initiated in respect of the CD, by admitting the Section 7 Application.

4. REJOINDER OF RESPONDENT/FC IN THE MAIN APPLICATION

4.1 The Main Application is not barred by Section 10A of the IBC since it had granted a three-month moratorium (from 01.04.2020 to 30.06.2020) on payment obligations, effectively shifting the repayment schedule by three months *vide* its letter dated 27.04.2020. The said moratorium was granted pursuant to the Applicant/CD's letter dated 13.04.2020 to the Franklin Templeton Asset Management (India) Private Limited (FTAMPL) regarding request for moratorium on the principal repayment and interest obligations in view of the unprecedented external environment marked by nationwide lockdown, which was accepted by the FTAMPL *vide* its email letter dated 18.04.2018. The Main Application is filed only in respect of NCDs for Rs.340,00,00,000/- i.e., Series C, D and E which does not fall within the period covered under Section 10A of the IBC and the redemption dates of the NCDs are as follows:

Sr. No.	NCD Series	Principal Amount (In Rs.)	Redemption Date	Revised Redemption Date post FC's letter dated 27.04.2020
1.	Series-C	60,00,00,000/-	30.03.2021	30.06.2021
2.	Series-D	80,00,00,000/-	30.03.2022	30.06.2022
3.	Series-E	200,00,00,000/-	30.03.2023	30.06.2023
	TOTAL	340,00,00,000/-		



- 4.2 The IA filed by the CD challenging maintainability of the Section 7 Application is only with the intention to delay the CIRP of the CD. The fact that the Applicant/CD failed to produce any relevant documents for substantiating its case show the frivolous nature of the IA.
- 4.3 The CD's contention that Section 10A of the IBC is attracted in the matter is similar to the defence taken by its related entity, NuFuture Digital (India) Limited in another application under Section 7 of the IBC, filed by Axis Trustee Services Limited against it, which was rejected by NCLT Mumbai *vide* order dated 30.03.2023 in *NuFuture Digital (India) Limited.*, [IA No. 34/2023 in CP(IB) No. 1147/MB/C-IV/2022] and the same was upheld by the Principal Bench of Hon'ble NCLAT, New Delhi on 09.05.2023, in *NuFuture Digital (India) Limited Vs. Axis Trustee Services Limited.*, [Company Appeal (AT) (Insolvency) No. 444 of 2023] as well as the Hon'ble Supreme Court *vide* order dated 03.07.2023 in Civil Appeal No. 4016/2023.

5. ANALYSIS AND FINDINGS

- 5.1 We have perused all the documents and pleadings in the Main Application and the IA and heard both the Ld. Counsel for the Applicant/CD and the Respondent/FC.
- 5.2 The major issues to be determined in the Main Application and the IA, are (i) Applicability of Section 10A of IBC; and (ii) FC's authority to file the Main Application.
- 5.3 As far as applicability of Section 10A of IBC is concerned, it is observed from the record that the Applicant/CD issued 4000 rated, unlisted, secured, redeemable, NCDs each having a face value of Rs.10,00,000/- aggregating



to Rs.400 Crore on a private placement basis in favour of the Debenture Holders in March, 2018. The Applicant/CD appointed the Respondent/FC as the Debenture Trustee Agreement *vide* DTA dated 27.03.2018.

5.4 It is observed that subsequent to the DTA, the Applicant/CD issued 4000 secured, rated, redeemable, NCDs each having a face value of Rs.10,00,000/- aggregating to Rs.100 Crore on a private placement basis in four series being Series A, Series B, Series C, Series D and Series E on 28.09.2018 to the new Debenture Holders, clearly substantiating disbursement of financial debt. Subsequently, the DTMD was executed between the Applicant/CD and the Respondent/FC on 28.09.2018, whereby the Respondent/FC agreed to be appointed as Debenture Trustee for the benefit of the Debenture Holders.

5.5 The case of the Applicant/CD hinges on the notice dated 22.10.2020, addressed by the Counsel for the Respondent/FC to the Applicant/CD, pointing out an occurrence of event of default as per Clause 13 of the DTMD dated 28.09.2018. A perusal of the said notice reveals that it was meant to convey to the Applicant/CD, certain breaches under the Transaction Documents (as defined in the DTMD), viz., downgrading of rating of debentures and default in payment of the scheduled amounts on the due date, which constituted events of default under Clause 13 of the DTMD. There is nothing in the said notice to show that the Respondent/FC sought full repayment under the Mandatory Prepayment Clause of the DTMD. It is categorically and unequivocally stated in the said notice that in view of the breaches/default committed by the Applicant/CD, the Respondent/FC reserves its rights to exercise the Mandatory Prepayment Option and to



accelerate the redemption of the debentures. It is also observed, on perusal of the said notice, that instead of seeking full repayment under the Mandatory Prepayment Clause, the Respondent/FC had called upon the Applicant to confirm full repayment of all dues pertaining to the aforesaid debentures.

- 5.6 The Main Application is based on the default committed on 30.03.2021, as per Schedule-V of the DTMD dated 28.09.2018. The prohibition under Section 10A ended on 24.03.2021, and hence, the date of default falls after the expiry of the prohibited period to initiate CIRP. We observe that this date of default is in line with the date mentioned in Part-IV of the Main Application. It is noticed from the record that subsequently, the Respondent/FC issued notice dated 01.07.2022, calling upon the Applicant/CD to make immediate repayment of dues under the NCDs, failing which appropriate legal action would be taken.
- 5.7 Section 10A was inserted in the IBC in order to prevent corporate persons, which were experiencing distress on account of unprecedented situation of COVID-19 Pandemic, from being pushed into insolvency proceedings under the IBC. The Pandemic had impacted businesses, financial markets and economies all over the world including India and created uncertainty and stress for businesses for reasons beyond their control. In view of this extraordinary situation, Section 10A of the IBC was inserted by the Insolvency and Bankruptcy (Second Amendment) Act, 2020, which barred filing applications under Sections 7, 9 and 10 of the IBC for defaults occurring during the period from 25.03.2020 to 24.03.2021. The Applicant/CD by letter dated 13.04.2020, addressed to the Debenture



Holders, requested for moratorium due to temporary cash flow mismatches in the wake of COVID-19 Pandemic. Further, it is also observed that the Respondent/FC by letter dated 27.04.2020, granted a three-month moratorium (from 01.04.2020 to 30.06.2020) on payment obligations, effectively shifting the repayment schedule by three months.

- 5.8 Be that as it may, it is now well-settled that Section 10A will have no bearing on defaults occurring after the expiry of the prohibited period. In view of the above, we find merit in the Respondent/FC's contention that since the Applicant/CD had already committed multiple defaults not only during the suspension period covered by Section 10A but also beyond such period, there is no bar against the Respondent/FC from preferring application under Section 7, based on the subsequent defaults not covered by the prohibited period, when the defaults fall within the prescribed threshold limit under Section 4 of the IBC. Merely because the Applicant/CD committed default during the Section 10A period, it cannot be said that the Respondent/FC is barred from filing application under Section 7 on the basis of default subsequent to Section 10A period. In other words, there is no embargo under Section 7 of the IBC, preventing the Respondent/FC from approaching the Adjudicating Authority (AA) on the occurrence of a default subsequent to the prohibited period. The Hon'ble NCLAT, in the matter of a related entity of the Applicant/CD, NuFuture Digital (I) Ltd. [*NuFuture Digital (I) Ltd. Vs. Axis Trustee Services Ltd.*, [(2023) SCC OnLine NCLAT 242] held, on more or less similar facts, that Section 10A has no application to the defaults which occurred subsequent to the suspension period. Therefore, when a subsequent default takes place in the post-suspension



period, the Applicant/CD cannot claim that the Respondent/FC is attempting to shift the date of default or that the subsequent notice dated 01.07.2022, is contradictory to the previous notice dated 22.10.2020. It is noted that both these notices are in relation to two separate issues of the debentures as well as separate events of default giving rise to separate causes of action. In view of this position, reliance of the Applicant/CD on the decisions in *ITC Ltd* (supra) and *Jagdish Prasad Sarada* (supra) is misconceived and is accordingly of no avail.

5.9 In the present case, it is noticed from the record that the Applicant/CD committed another default on 30.03.2021, in redemption of NCDs amounting to Rs.5 Crore as per the redemption terms contained in Schedule-IV of the DTMD. Since the aforesaid default took place on 30.03.2021, after the prohibited period ended on 24.03.2021, it cannot by any stretch of imagination be said that the Main Application is barred under Section 10A of the IBC.

5.10 In the Reply to the Main Application, although the CD's challenge mainly revolves on the maintainability on account of Section 10A, the Ld. Counsel for the CD argued that the DTMD creates multiple relations as regards the FC, one being a debenture trustee and the other relating to creation of security qua the mortgaged property. According to the Ld. Counsel for the CD, the DTMD is a hybrid document in that the FC is an agent of Debenture Holders and it only holds the debentures on behalf of the Debenture Holders. According to him, the FC, being a Debenture Trustee ought to have obtained majority of the nominal value of the debentures outstanding for triggering CIRP as it is only authorised to act on behalf for the benefit of and



in trust of the Debenture Holders. According to him, Proviso to Clause 2.1 of the DTMD dated 28.09.2018, stipulates that before initiating any action or exercising any right under DTMD, the Debenture Trustee shall seek written instructions from majority Debenture Holders. However, we find that in the DTMD, in Clause 13.1(i) categorically stipulates that the CD voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law including, '*without limitation*', the Insolvency and Bankruptcy Code, 2016. Hence, it is amply clear that the parties have agreed, and the CD had subjected itself to the provisions of the IBC. According to the Ld. Counsel for the CD, since initiation of Section 7 is in the nature of exercising the rights of the Debenture Holders, the FC has violated this provision of the DTMD and hence, the Main Application is defective. However, we find that the IBC, being a special dispensation for addressing the insolvency resolution of corporates and firms, makes a simple method to initiate the process under Section 7. Under Section 7 of the IBC, any person on *behalf of* the financial creditor as may be notified by the Central Government may also file application for initiating CIRP against a corporate debtor. The Notification of the Government of India in the MCA No. S.O. 1091(E) dated 27.02.2019, explicitly authorises debenture trustees to file applications for initiating corporate insolvency resolution process on behalf of financial creditors under Section 7(1) of the IBC. Thus, we find that the locus standi of the FC to file the Main Application is established and the FC is not required to obtain any separate authorisation from the Debenture Holders to file the Main Application. The CD relied on the judgement of *Zubin Bharucha (supra)*, for the proposition that a debenture trustee is an



agent of the debenture holders. However, it is observed that both the judgments are distinguishable on facts. The aforesaid judgments pertained to a case wherein the debenture holder had initiated proceedings against the corporate debtor. None of the decisions holds that a debenture trustee cannot file and maintain an application under Section 7 of the IBC. On the other hand, it is clear from the Hon'ble Supreme Court's decision in *W.O. Holdsworth & Ors vs State of UP*, (AIR 1957 SC 887) that the trustee is not an agent of the beneficiary. We, therefore, hold that there may be various roles for the Debenture Trustee to perform under the DTMD for and on behalf of the Debenture Holders. However, the Debenture Trustee, i.e., the FC has every right to approach the AA when there is a debt and liability by a corporate debtor who is in default of the debt. The CD has not specifically denied the debt and liability in the instant matter and the default under Section 4 of the IBC, except challenging maintainability on account of Section 10A of the IBC and the locus of the FC to file the Section 7 Application.

5.11 In view of above discussions, we hold that the Applicant/CD has failed to make out a case for dismissing the Main Application on the ground that the claim of the Respondent/FC is hit by Section 10A of the IBC and even on merits. On the contrary, we find that the date of default stated as 30.03.2021 in Part-IV of the Application falls outside the suspension period contemplated by Section 10A. To contend that the date of default is referable to the notice dated 22.10.2020 falling within the suspension period is nothing but a figment of imagination of the Applicant/CD. Hence, **IA(IBC)**



No. 2236/MB/2023 is found to be devoid of merit and is accordingly **dismissed.**

5.12 In view of the above detailed discussions, it is now established, based on the aforesaid facts and findings, that there exists a financial debt and that the CD has a liability to pay the financial debt, which is best evident from the balance sheet forming the part of the CD's Balance Sheet as on 31.03.2021. We have no hesitation in concluding that there exists a "financial debt" within the meaning of Section 5(8) of the IBC far exceeding the monetary threshold of One Crore Rupees under Section 4 of the IBC, which is due and payable by the CD to the FC and that the CD has defaulted in payment of the debt. In other words, the existence of financial debt and the occurrence of default have been conclusively established by the FC. The CD has not shown that the debt in question is interdicted by any other law. Therefore, we are of the considered view that the Main Application is complete and satisfies all the necessary requirements for admission under Section 7 of the IBC.

5.13 The FC has proposed the name of Mr. Ritesh Agarwal, a registered Insolvency Professional having Registration Number- IBBI/IPA-001/IP-P-02296/2021-2022/13557, as the Interim Resolution Professional (IRP), to carry out the functions as mentioned under the IBC. A declaration in Form-2 dated 09.04.2025, has been filed affirming that no disciplinary proceeding is pending against him. Upon verification from the IBBI website, we find that the IRP has a valid Authorisation for Assignment (AFA) until 30.06.2025. Therefore, all pre-requisites under Section 7(5)(a) of the IBC have been

met, and we are satisfied that the Application is fit for admission under Section 7 of the IBC.

ORDER

In the result, this Application bearing **CP(IB) No. 1286/MB/2022** under Section 7 of the IBC read with Rule 4 of the AAA Rules, filed by Axis Trustee Services Limited, the FC, for initiating CIRP in respect of Rivaaz Trade Ventures Private Limited, the CD is **admitted**.

We further declare moratorium u/s 14 of the IBC, with consequential directions as follows:

I. We prohibit-

- a) the institution of suits or continuation of pending suits or proceedings against the CD 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 CD 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 CD in respect of its property including any action under the SARFAESI Act;
- d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the CD.



- II. That the supply of essential goods or services to the CD, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Bench approves the resolution plan under section 31(1) of the IBC or passes an order for the liquidation of the CD under section 33 thereof, as the case may be.
- IV. That the public announcement of the CIRP shall be made in accordance with the provisions of the IBC, the Rules and Regulations made thereunder.
- V. That this Bench hereby appoints **Mr. Ritesh Agarwal**, a registered Insolvency Professional having **Registration Number- IBBI/IPA-001/IP-P-02296/2021-2022/13557** and **e-mail- ritesagarwal@gmail.com**, having valid Authorisation for Assignment up to **30.06.2025** as the IRP to carry out the functions under the IBC. The fee payable to IRP/RP shall be in accordance with the Regulations/Circulars issued by the IBBI.
- VI. That during the CIRP Period, the management of the CD 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 IBC. The officers and managers of the CD are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the CD. The officers and managers of the CD 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 IBC. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules for any violation of law.



- VII. In exercise of the powers under Rule 11 of the NCLT Rules, we order the FC to deposit a sum of Rs.5,00,000/- (Five Lakh Rupees) with the IRP to meet the initial CIRP cost, if demanded by the IRP to fund initial expenses on issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the FC on priority upon the funds available with IRP/RP. The expenses, incurred by IRP out of this fund, are subject to approval by the Committee of Creditors (CoC).
- VIII. A copy of this Order be sent to the Registrar of Companies, Mumbai Maharashtra, for updating the Master Data of the CD.
- IX. Registry is directed to immediately communicate this Order to the FC, the CD and the IRP by way of e-mail and WhatsApp, not later than two days from the date of this Order.
- X. The Registry is directed to communicate electronic version of this order to the Insolvency and Bankruptcy Board of India forthwith for information and record.
- XI. **Compliance report of the order by Designated Registrar is to be submitted today.**
- XII. To sum up, **IA(IBC) No.2236/MB/2023** is dismissed and consequently, the Main Application bearing **CP (IB) No. 1286/MB/2022** is **admitted**.

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)

//Tanmay Jain//

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