

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

CP (IB) No.452/MB-IV/2021

Under Section 7 of the I&B Code, 2016

In the matter of:

Muthoot Fincorp Limited

(CIN: U65929KL1997PLC011518)

...Financial Creditor/Applicant

V/s

Richa Realtors Private Limited

(CIN: U70100MH1995PTC091531)

...Corporate Debtor/Respondent

Order Dated: 15.03.2022

Coram:

Mr. Rajesh Sharma
Hon'ble Member (Judicial)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Petitioner(s) :

Mr. Shyam Kapadia a/w Ms.
Malika Joshi , Advocate.

For the Respondent(s)

: Mr.Gaurang Mehta, Advocate.

ORDER

Per: Kishore Vemulapalli Member (Technical)

1. This is an application being CP(IB) No.452/MB-IV/2021 filed by Muthoot Fincorp Limited, the Financial Creditor/Applicant, under section 7 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against

Richa Realtors Private Limited, Corporate Debtor, for initiating Corporate Insolvency Resolution Process (CIRP).

2. The Corporate Debtor is a Private Limited Company incorporated on 08.08.1995 under the companies Act, 1956, with Register of companies (RoC), Maharashtra, Mumbai. Its registered office at 101, 1st floor, Kshitij, Plot No 176 TPS-IV, Sena Bhavan Path, Dadar West Mumbai 400028. Therefore, this bench has jurisdiction to deal with this petition.
3. The Financial Creditor as a Debenture Holder has filed this application through Mr. Ravi Oruganti, “Authorised Signatory” of Financial Creditor vide its Board Resolution dated 28.03.2019, claiming total default of Rs.23,24,96,890/- (Rupees twenty-three crores twenty-four lakhs ninety-six thousand eight hundred ninety only) which includes Principal amount of Rs.13,00,00,000/- and the interest on Debentures under each pricing supplement as:
 - i) Series B: - 18.75% p.a.
 - ii) Default Interest- 3% p.a. as on 15.06.2020.
4. The Date of Default as mentioned in the Petition is 15.03.2017. The Date of NPA as mentioned in the Petition is 15.06.2017.
5. The case of the Financial Creditor is as under:
 - a) The Financial Creditor Submits that, Axis Trustee Services Limited (Debenture Trustee) entered into a Debenture Trust Deed dated 28.09.2016 on behalf of the Debenture Holders, for issuance of fully Secured, Redeemable, Non-Convertible Debentures each having a face value of Rs.1,00,000/- for total subscription amount of Rs.

20,00,00,000/- (twenty-crores only) which debentures were issued on a private placement basis, in 3 series being Series A, Series B and Series C and on the terms and conditions as contained under the Shelf Information Memorandum dated 27.09.2016 and the Pricing Supplement for each Series (Debentures). The said Debentures were issued by the Corporate Debtor for the purpose of raising finances for development and sale of the projects.

- b) The financial Creditor Submits that, the Debenture trust deed dated 28.09.2016, Debenture Trustee Appointment Agreement dated 28.09.2016, Shelf Information Memorandum dated 27.09.2016, Pricing Supplement for Series B Debentures dated 28.09.2016 are at Exhibit “F “to Exhibit “I” in the petition together forming as a financial contract.
- c) The details of disbursement by the Financial Creditor for amount of Rs.13,00,00,000/- is as follows.

Name of the Debenture Holder	Date of Disbursement	Total Subscription Amount for the Debentures	Total No. of Debentures	Percentage Holding
Muthoot Fincorp Limited	01.12.2016	13,00,00,000	1300	65%

- d) The Financial Creditors Submits that, the amount claimed to be in default is Rs. 23,24,96,890/-. The outstanding principal amount along with accrued interest under the Debenture Trust Deed r/w Pricing Supplement for Series B Debenture, is mentioned below:

1. Series B: - 18.75% p.a.
2. Default Interest: - 3% p.a.

The amount of claimed including interest is calculated till 15.06.2020.

- e) The Financial Creditor submits that, the Corporate Debtor executed various security documents in favour of the financial creditor which are listed as below: -
1. Debenture Trust Deed dated 28.09.2016, at Pg. No 74-372;
 2. Debenture Trustee Appointment Agreement dated 28.09.2016 at Pg. No 373-398;
 3. Shelf Information Memorandum dated 27.09.2016 at Pg. No 399-432;
 4. Pricing Supplement for Series B Debentures dated 27.09.2016 at Pg. No 433-447;
 5. Deed of Hypothecation dated 28.09.2016;
 6. Deed of Guarantee dated 28.09.2016;
 7. Escrow Agreement dated 28.09.2016;
 8. Operative Escrow Agreement dated 28.09.2016;
 9. Demand Promissory Note dated 28.09.2016;
 10. Shortfall Undertaking dated 28.09.2016; and
 11. Purchase Option Agreement dated 28.09.2016
- f) The Financial Creditor Submits that, copy of certificate of Bankers Book of Evidence by Kotak Mahindra Bank is at Exhibit "J" in the petition.

- g) The financial Creditor through its Financial Statement shows that the amount has been disbursed to the Corporate Debtor and the Debt has not been paid which is at Exhibit “L” in the Petition.
 - h) The E-mail dated 22.01.2019 from Mr. Ankit Singhvi from Axis Trustee Services Limited to Mr. Yash Joshi tells about the Debenture Holders and the ratio of the Subscription which is at Exhibit “M” in the petition.
 - i) As per the e-mail dated 27.03.2019 the Corporate Debtor through Mr. Prakash Joshi, promoter requested for additional time to repay the outstanding amounts which is at Exhibit “N” in the petition.
 - j) The E-mail dated 15.05.2019 from Mr. Prakash Joshi, promoter of the Corporate Debtor promising cash flow for repayment of debentures along with attached pictures of Bougainvillea project which is at Exhibit “P” in the petition.
 - k) The Financial Creditor Submits that, as per the email dated 30.10.2019 from Mr. Prakash Joshi, Promoter of the Corporate Debtor proposing steps for full redemption of Debentures after they have matured which is at Exhibit “Q” in the petition.
6. The Corporate Debtor has filed Affidavit of Reply and submits as under:
- a) The Corporate Debtor submits that, the Financial Creditor has made reference to four documents which are annexed at Exhibits “F” to “I” to the above Petition namely i) Debenture Trust Deed, ii) Debenture Trustee Appointment Agreement, iii) Shelf Information Memorandum and iv) Pricing Supplement and alleged that the said four documents together form the “Financial Contract”.

Pertinently, the Debenture Trust Deed is also mentioned by the Financial Creditor in item 1 of Part-V as a document creating security favouring the Debenture Trustee. Pertinently, all the four documents bear date 28.09.2016. Item I of Part-V of the above Petition also make reference to the following documents which are also dated 28.09.2016 and are part of the same financial transaction:

1. Deed of Hypothecation,
2. Personal Guarantees of Promoters,
3. Escrow Agreement,
4. Shortfall Undertaking,
5. Demand Promissory Note,
6. Purchase Option Agreement.

The above documents though referred by the Financial Creditor have not been produced along with the above petition.

- b) The financial Creditor is simply a Debenture Holder along with others in respect of a series of Debenture issued by the Corporate Debtor. The rights and obligations of the parties are governed by the Debenture Trust Deed (“DTD”) and the Debenture Trustee Appointment Agreement (“DTAA”) r/w the other transaction documents which are stated hereinabove. The above documents resulted in the appointment of Axis trustee Services Ltd. as Debenture Trustee for the benefit of the Debenture Holders. The Debenture Trustee is a party to all the transaction documents.
- c) The Financial Creditor is a subscriber of fully secured Debentures and the securities are created in favor of the Debenture Trustee for the benefit of the Debenture Holders. On the one hand the

Debenture Trustee has invoked the guarantees and gave Legal Notice of its intention to enforce the securities which are worth much more than the alleged Debenture outstanding. On the other hand, without reference to the securities and the Debenture Trustee, the Financial Creditor has chosen to adopt CIRP proceedings without giving credit to the Corporate Debtor for the market value of the securities.

- d) The Corporate Debtor is part of the Richa Group of Companies promoted by Mr. Prakash Joshi and others. The Rich Group also comprises, inter-alia, M/s. Shree Richa Realtors, a Partnership Firm (“The Richa Firms”).
- e) In view of the above, the Corporate Debtor had issued a Shelf Information Memorandum dated 27.09.2016 (Exhibit “H” to the above petition). Hereinafter the Shelf Information Memorandum is referred to as “the SIM” for the issue of 2000 unlisted fully secured redeemable interest bearing cumulative non-convertible Debenture (NCD’s) of the face value of Rs. 1 Lakh each aggregating of Rs. 10crores. The SIM clearly recorded that the transaction documents shall mean collectively the following which therefore together constitute the financial contract between the parties.

1. Debenture Trust Deed,
2. Debenture Trustee Appointment Agreement,
3. Shelf Information Memorandum,
4. Pricing Supplement,
5. Deed of Pledge,
6. Deed of Hypothecation,
7. Personal Guarantees of Promoters,
8. Escrow Agreements,
9. Shortfall Undertaking,
10. Demand Promissory Note,

11. Purchase Option Agreement.

- f) The Financial Creditor subscribed to 1300 Series 'B' Debenture of the aggregate value of Rs. 13 crores (hereinafter referred to as "the Subject Debentures"). The remaining 700 NCD's were subscribed to by Strugence Investment Advisors Pvt. Ltd. (Strugence Ltd") who is also named as 'Investment Manager' in the transaction documents. Strugence Ltd. has not concurred or consented taking any action by the Debenture Trustee under the transaction documents.
- g) It is clear from the SIM r/w the transaction documents that the Corporate Debtor and the other entities of the Richa Group (as Co-obligors) created securities against the subscription of Debentures by way of Mortgage and charge over a substantial undertaking and properties of the Richa Group entities as under:

Corporate Debtor Company (RRPL):

Development rights over the Bougainville Project, the balance unsold units therein, the project receivables in respect of the allotted units and the balance unsold units.

RPL (Co-Obligor 1):

- (i) The land and building "VishveshBhuvan".
- (ii) Development rights over the Shivaji Park Project (Magesh Bhuvan and VishweshBhuvan), all the unsold units therein as also all the project receivables in respect of the free sale units in the said projects.

M/s. Shree Richa Realtors (Co-obligor 2):

- (i) Commercial premises being Shop No. 3 and Shop Nos. 1 and 2 to be constructed in the new Buildings to be

constructed by the Co-Obligor No.2 at Bilaney Chawl and Anandalaya both at Shivaji Park, Mumbai.

In addition to the above, the Richa Group also arranged furnishing additional security by way of 10 residential Flats at Mulund (PMGP MHADA Colony) by certain guarantors. Thus, to secure the Series 'B' Debenture issue Rs. 13,00,00,000/-, the Corporate Debtor arranged furnishing of security which was valued more than twice the amount borrowed against the Debentures.

- h) The Corporate Debtor in effect created securities by way of mortgage and hypothecation in favour of the Debenture Trustee (representing the Debenture Holders) of not only the development rights of the Richa Group over the Building Projects but also the unsold units and the project receivable in the Shivaji Park Project which were to be deposited in to an Escrow Account to be operated by the Debenture Trustee, for being applied towards repayment of the Debentures. In, effect, the C. Debtor and the Richa Group created security not only over immovable properties but also over their revenue and cash flow over which the Debenture Holders through the Debenture Trustee exercised control. Pertinently, under the arrangement recorded in the transaction documents, the Corporate Debtor was required to take prior permission and consent of the Debenture Trustee before selling the unsold units in the Shivaji Park project.
- i) The subscription amount of the subject Debentures was used, inter-alia, to retire the debts under the earlier NCD's issued by the Corporate Debtor and for various purposes relating to the development and construction of the Bougainville Project at

Kalina, Mumbai (hereinafter for convenience sake referred to as “B.V Kalina Project”). The B.V Kalina Project has progressed substantially and the construction of the 12 storey Building comprising the rehab wing and free sale wing has been completed. However, the finishing and fit our works in both wings is yet ongoing. The Corporate Debtor Company expects to complete the B.V Kalina Project in all respects within the next Six months or so.

- j) Prior to September 2016, The Corporate Debtor had entered into sale arrangement with various purchasers for 22 Flats in respect of the building comprising the B. V. Kalina Project. Out of these in respect of three Flats being Flat Nos. 403, 1202 and 1203, the Agreements for sale had remained to be registered in September 2016. It was necessary to register the Sale Agreements in respect of these three Flats to enable the purchasers to continue making payment of the installments towards the price of the Flats. In view of the transaction documents, it was necessary for the Corporate Debtor to take prior concurrence of the Debenture Trustee for registering the Agreements relating to the three Flats. However, the No objection of the Debenture Trustee to the registration of the Sale Agreements in respect of these three Flats was not forthcoming with the result that the Purchasers have not paid to the Corporate Debtor the balance monies for the Flats. The balance monies receivable against the three Flats being project receivables, if received, would have been deposited into the Escrow Account for being applied towards repayment of the Debentures in accordance with the terms of the transaction documents.

- k) The Shivaji Park Projects is of RLPL who is named as a Co-obligor in the DTD. A separate Company Petition has been filed by the Financial Creditor against RLPL before this Hon'ble Tribunal being CP (IB) No. 1145 of 2020 {"the RLPL Petition"}. I say that RLPL has filed an affidavit in reply to oppose the RLPL Petition. I crave leave to refer and reply upon records and proceedings of the RLPL Petition, when produced.
- l) In November 2019, the Debenture Trustee had issued Legal Notice dated 29.11.2019 to the Corporate Debtor, the Co-Obligors and the Guarantors named in the DTD document invoking the guarantees and for enforcement of the securities given to the Financial Creditor.
- m) Mr. Ravi Oruganti is the Authorized Representative of the Financial Creditor or that he is empowered in any manner to initiate against the Corporate Debtor or any other entity an application for CIRP on behalf of the Financial Creditor.
- n) The Corporate Debtor, RLPL and the Richa Firm have created security by way of mortgage and charge over the substantial undertaking and assets of the Richa Group entities including immovable properties, benefits of contract by way of development rights under Development Agreements, unsold units/ Flats in building projects and project receivables. The security documents like Deed of Hypothecation, Deed of Guarantee, Purchase Option Agreement and others have not been produced by the Financial Creditor though the same form part of the transaction documents and together constitute the financial contract. Pertinently, though required to do so, the Financial Creditor has avoided disclosing the

market value of the securities held by the Debenture Trustee on behalf of the Debenture Holder as already stated in paragraph no. 2 hereinabove. The alleged Debenture Outstanding amounts will reduce the market value of the securities held by the Debenture Trustee which is far more than the alleged deb. Pertinently, the Debenture Trustee has the option to set off/ adjust the Debenture monies by utilizing the methodology recorded in the Purchase Option Agreement.

- o) The demand for payment by way of email dated 22.01.2019 (Exhibit “M” to the above petition) was made by the Debenture Trustee. By way of his email dated 27.03.2019, the Director of the Corporate Debtor had, inter-alia, informed the Debenture Trustee and the Debenture Holders that the cash flow from the B. V. Kalina Project would substantially take care of the amounts due under the subject Debentures. However, the COVID-19 pandemic intervened to stall the progress of the projects and the same coupled with poor sales on account of the economic environment resulting from the pandemic, delayed the project receivables. It is a fact borne out from the record that the project receivables yet to be received on account of Flats already sold and the project receivables yet to be booked and received on account of balance unsold Flats are all hypothecated to the Financial Creditor and constitute its security under the transaction documents. It is only a matter of something before the B. V. Kalina Project is completed and the project receivables start trickling in, for being applied towards payment of the alleged Debenture Outstanding.

- p) The Legal Notice dated 29.11.2019 (Exhibit “R” to the above petition) was received from the purported Debenture Trustee through its Advocates (being the same Advocates who now represent the Financial Creditor). By way of the Legal Notice, the Debenture Trustee made reference to the DTD, DTA and other transaction documents and not only invoked the guarantees given by the Guarantors named in the DTD and other transaction documents but also proceeded to invoke and enforce the Deed of Hypothecation in respect of the project receivables and also the Purchase Option Agreement. On the one hand there is a positive action on the part of the Debenture Trustee to invoke the guarantees and enforce the securities while on the other hand the Financial Creditor is taking unilateral steps to initiate a CIRP proceeding against the Corporate Debtor for the entire alleged outstanding without accounting for or adjusting the market value of the securities under the transaction documents.
7. The Financial Creditor has filed Affidavit of Rejoinder and submits as under:
- a) The Corporate Debtor has admitted its liability to pay the outstanding dues under the Series B Debentures to the Financial Creditor at para No 20 of its reply. On this ground alone, the Reply Deserves to be dismissed.
- b) The financial assistance provided to the Corporate Debtor was an amount of Rs.13,00,00,000/- (Rupees Thirteen Crores Only) under the Debenture Trust Deed dated 28th September, 2016 by subscribing to 1300 secured, redeemable, non-convertible

debentures being Series B debentures issued by the Corporate Debtor.

- c) The Financial Creditor Submits that, the Corporate Debtor was to redeem the Series B debenture in eight quarterly instalments, starting from 15th September,2017 and ending on 30th November,2019 with interest to be paid on quarterly basis payable on 15thMarch, 15thJune, 15th September, 15thDecember, each year till repayment but failed to repay as per the Repayment Schedule, therefore the Debentures matured on 1st December 2019.
 - d) The Financial Creditor Submits that, the first default occurred on 15th June2017.The account turned NPA on 15th September 2017.The last amount of Rs.1,86,95,121/- paid by the Corporate Debtor to Financial Creditor was on 5th October 2017. Accordingly, as on 15th May 2020, an amount of Rs 23,24,96,890/- has become due and payable by the Corporate Debtor.
8. The Financial Creditor has filed the Written Submissions and submits as under:
- a) The Corporate Debtor in its Reply dated 16.09.2021, has taken the following contentions challenging the maintainability of the present petition:
 - i. The signatory, Mr. Ravi Orungati, is not duly authorized by the Financial Creditor to verify the petition;
 - ii. The Financial Contract, as stated in Part V of the present petition is not annexed in entirety;
 - iii. The financial Creditor is without Locus Standi as action against Corporate Debtor can be initiated by the Debenture Trustee only.

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- iv. The Financial Creditors right are secured as an English Mortgage is created.
- b) The right of the Financial Creditor as a Debenture Holder under the code is statutory right. The Financial Contract and the allied security documents provide the terms and conditions pertaining to the transactions entered between the parties. The Judgement is cited below:
- i. Ketkai Shah Talati vs. Kasata Hometech (India) Ltd (CP(IB)2177 of 2019), has held that-
- “13. The other argument that action in case of any default can only be initiated after a decision by the Majority Debenture Holders cannot be countenanced, because that would amount to defeating the provisions of the IBC. There can be no estoppel against a statute. Therefore, the Financial Creditor is clearly within her rights to file the present petition”.*
- There is no majority Debenture-Holder and Financial Creditor holds 65% of the total debentures issued by the Corporate Debtor and is a Financial Creditor as per the provision of this Code.
- c) It is a well settled position of law that to determine the admissibility of a petition u/s 7 of the Code, the Authority is only to see the existence of a default in respect of the debt that has become due and payable {M/s Innoventive Industries Ltd. v ICICI Bank &Anr. (AIR 2017 SC 4084 (Supreme Court)}.
- d) The Corporate Debtor has admittedly defaulted in repaying the outstanding amount of Rs.23,24,96,890/- (Rupees twenty-three

crores twenty-four lakhs ninety-six thousand eight hundred ninety only).

9. The Corporate Debtor has filed Written Submissions and submits as under
 - a. The DTD is one of the transaction documents and also a document creating security by way of English Mortgage over the development rights of RRPL's Kalina Property with the unsold units as also the immovable properties of the Co-Obligors under the DTD being Richa Life Spaces Private Limited, M/s. Shree Richa Realtors and the Guarantors named therein.
 - b. The Clause 7 of the DTD states that the security is been created by way of first ranking sole and exclusive charge by way of an English Mortgage properties as described in clause 7.11 and hypothecation of the Project Receivables from the projects.
 - c. As per the Schedule-15 DTD properties are the development rights and unsold units in the Kalina Project, the development rights in "Mangesh Bhuvan" with unsold units also the immovable properties of the Co-obligors and Guarantors named in the DTD.
 - d. The Clause 7.14 and 7.27 of the DTD provide power of sale without intervention of Court and empower the Debenture Trustee to appoint receiver for taking possession of the mortgaged properties.
 - e. The value of mortgaged properties as recorded under the DTD are far in excess of Debentures Outstanding and are more than twice the value thereof.

- f. As per the reason of arrangement and understanding recorded in the transaction documents including the DTD and the SIM, there is no default on the part of RRPL and no application for CIRP will lie against RRPL. The judgement is cited below:
1. AIR 1939 PC 14 Ram Kinkar Banerjee &Ors. V. Satya CharanSrimani&Ors.
 2. NCLT, Mumbai CP(IB)993/MB/C-IV/2020 (Beacon Trusteeship Ltd V. Neptune Ventures & Developers Ltd.)
- g. The petitioner is not financial Creditor and lacks locus to maintain the above petition for CIRP against RRPL. The Debenture Trustee can demand the Debenture outstanding and can take steps to enforce the securities in accordance with the instructions of the Majority Debenture Holders.
- h. The Financial Creditor has not disclosed the value of the securities held by it though mandated by the Rules and has thus disentitled itself from invoking the special remedy under the IBC.
- i. An order of CIRP against a Real Estate Company can only be passed in respect of the building or Construction Project in respect whereof the Financial Creditor has advanced loans or Financial assistance and cannot affect or impact the other assets, undertaking and project of the Company. It is not feasible to follow normal CIRP process in case of infrastructure and real estate Companies as held by Hon'ble NCLAT in reported Judgment at (2020) SSC Online NCLAT Flat Buyers Association V. Umang Realtech Pvt. Ltd. through IRP &Ors.

10. The Legal Notice dated 29.11.2019 was issued from the Debentures Trustee Axis Trustee Services Limited on behalf of Financial Creditor, to *inter-alia*, the Corporate Debtor Richa Realtors Pvt. Ltd. on the instructions of the Majority Debenture Holder for the events of default and breaches committed under the Debenture Trust Deed dated 28.09.2016 which is at Exhibit "R" in the petition.
11. The financial Creditor has filed the NESL report showing the total outstanding of Rs.23,24,96,890 as on 30.06.2020 showing as the record of default in the matter of M/s Richa Realtors Private Limited which is at Exhibit "S" in the petition.

Findings:

12. We have heard the arguments of Learned Counsel for Financial Creditor and Corporate Debtor and perused the records.
13. The Date of Default as mentioned in the Petition is 15.03.2017. The Date of NPA as mentioned in the Petition is 15.06.2017.
14. The Corporate Debtor had E-mailed dated 27.03.2019 through Mr. Prakash Joshi, Promoter of the Corporate Debtor, to the Financial Creditor requesting for additional time to repay the outstanding amounts this shows that the Corporate Debtor has admitted its liability.
15. It is clear from the records that the Corporate Debtor has time and again acknowledged the debt which is due and payable to the Financial Creditor.
16. The Corporate Debtor has nowhere in its reply has denied the Liability nor denied the outstanding payable amount.
17. It is also noticed from the petition that-

- a) There is unequivocal admission of liability on the part of the Corporate at para No 20 of its reply.
 - b) The Corporate Debtor vide its E-mail dated 27.03.2019 has requested for additional time to repay NCDs till 31.12.2019 which is at pp 464-465 as Exhibit "N" of the Petition.
18. On perusal of the documents submitted by the Applicant, it is clear that financial debt amounting to more than Rs.1,00,00,000/- (Rupees One Crore Only) is due and payable by the Corporate Debtor to the Applicant. There is default by the Corporate Debtor in payment of debt amount. Therefore, we do not have any objection on record against the application filed for initiation of CIRP against the Corporate Debtor.
19. The application is complete and has been filed under the proper form. The debt amount is more than Rupees One Crore and default of the Corporate Debtor has been established and the application deserves to be admitted.
20. Therefore, we do not have any objection on record against the application filed for initiation of CIRP against the corporate debtor. The debt and default are constituted, and default amount is more than the threshold amount. Hence, the application filed by the Financial Creditor is complete in all respect.
21. The Financial Creditor has proposed Miss Neelima Anil Bhate, an Insolvency Professional registered with the Insolvency Bankruptcy Board of India having registered number IBBI/IPA-001/IP-P01122/2018-19/11900 as Interim Resolution Professional to carry out functions as mentioned in I&B Code and has also given his declaration no disciplinary proceeding are pending against him.

ORDER

This Application being **CP (IB) No.452/MB-IV/2021** under Section 7 of I&B Code, 2016, presented by Muthoot Fincorp Limited, Financial Creditor/ Applicant against **Richa Realtors Pvt. Ltd.**, Corporate Debtor for initiating Corporate Insolvency Resolution Process is **admitted**. We further declare moratorium u/s 14 of I&B Code with consequential directions as mentioned below:

I. That this Bench as a result of this prohibits:

- 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 possession of the corporate debtor.

- II. That 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.
- III. That the provisions of sub-section (1) of Section 14 of I&B Code shall not apply to
- a. such transactions as may be notified by the Central Government in consultation with any financial sector regulator;
 - b. a surety in a contract of guarantee to a Corporate Debtor.
- IV. That the order of moratorium shall have effect from the date 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 of I&B Code or passes an order for the liquidation of the corporate debtor under section 33 of I&B Code, as the case may be.
- V. The Operational Creditor shall deposit a sum of Rs.5,00,000/- (Rupees five lakh only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).
- VI. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of I&B Code.
- VII. Miss Neelima Anil Bhate, an Insolvency Professional registered with the Insolvency Bankruptcy Board of India having registered

number IBBI/IPA-001/IP-P01122/2018-19/11900 is hereby appointed as Interim Resolution Professional to carry out the functions as mentioned under IBC, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard. The IRP shall carry out functions as contemplated by sections 15,17,18,19,20 & 21 of the IBC.

VIII. The Registry is directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional even by way of email or WhatsApp. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
Kishore Vemulapalli
Member (Judicial)
15.03.2022.

Sd/-
Rajesh Sharma
Member (Technical)