

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

C.P.(IB)-1269(MB)/2021

(Under Section 7 of the IBC, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudication Authority) Rule 2016)

In the matter of

Rajul Mehta

Resident of A-92, Highway Apartment, Sion Trombay Road, Sion (E), Mumbai-400022.

.....Financial Creditor No.1

Sunayna Padwal

Resident of 13, Shree Ganesh Mandir road, Dombivli East West, Mumbai- 400045.

.....Financial Creditor No.2

Sandhya Singh

Resident of 803, I Wing, Premier Residence, Kiroli Road, Kula West, Mumbai- 400022.

.....Financial Creditor No.3

Kedar Mulmule

Resident of C104, Vrindavan Apartment, Dindoshi Depot, Geregaon East Mumbai-400063.

.....Financial Creditor No.4

Vs

Richfeel Health & Beauty Private Limited

Having Registered Office at: Bungalow No B/3,
Shree Mayjibhai Rathod Co-op Housing Society
Ltd., Relief Road, Santacruz (West), Mumbai City
MH-400054.

.....Corporate Debtor/Respondent

Order delivered on: 26.08.2022

Coram:

Hon'ble Member (Judicial) : Justice P.N. Deshmukh (Retd.)

Hon'ble Member (Technical) : Shri Shyam Babu Gautam

Appearances:

For the Financial Creditors : Counsel, Rubina Khan i/b Fortis India Law

For the Corporate Debtor : Counsel, Mrinali Prasad

ORDER

Per- Shyam Babu Gautam, Member Technical

1. The Present Application is filed under section 7 of Insolvency and Bankruptcy Code, 2016 (for brevity 'IBC, 2016') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') by 4 Financial Creditors collectively, Rajul Mehta being the Financial Creditor No. 1 along with Sunayana Padwal, Sandhya Singh and

Kedar Mulmule as Financial Creditor No. 2, Financial Creditor No. 3 and Financial Creditor No. 4 respectively (for brevity 'Financial Creditors') through its Authorised representative, Rajul Mehta, who has been duly authorised vide Authority Letter dated 30.09.2021 for initiating Insolvency Resolution Process (CIRP) against Richfeel Health & Beauty Private Limited (for brevity 'Corporate Debtor') for default in repaying an amount of ₹1,17,73,566 along with compound interest @ 18% per annum.

2. Looking at the Company Petition, it reveals that the Corporate Debtor had approached the Financial Creditors to avail loan for meeting the working capital requirement, as the Corporate Debtor was facing certain financial problems. Further, the Financial Creditors and the Corporate Debtor had entered into a Loan Agreement dated 18.02.2020 in pursuance of which an amount of ₹41,55,00; ₹34,73,040; ₹34,40,00 and ₹13,34,885 was disbursed by Financial Creditor No. 1, Financial Creditor No. 2, Financial Creditor No. 3 and Financial Creditor No. 4 respectively to Corporate Debtor, which was obligated the corporate debtor to repay on or before the expiry of 18 months from the date of disbursement, along with interest at the rate of 18% per annum, as per the terms stipulated in the Agreement.

With respect to grant loan Facility, the Financial creditors have disbursed the amount on various dates, as per the loan agreement in following manner:

Financial Creditors	Date(s) of Disbursement along with the Amount	
Financial Creditor No. 1	26.12.2019	₹20,00,000
	30.12.2019	₹10,00,000
	03.01.2020	₹7,15,000
	13.01.2020	₹14,40,000
	Total	₹41,55,000
Financial Creditor No.2	20.01.2020	₹50,000
	20.01.2020	₹10,00,000
	21.01.2020	₹11,42,830
	21.01.2020	₹2,94,101.18
	22.01.2020	₹9,86,109
	Total	₹34,73,040.18
Financial Creditor No. 3	26.12.2019	₹13,00,000
	31.12.2019	₹5,00,000
	01.01.2020	₹9,00,000
	02.01.2020	₹5,00,000
	02.01.2020	₹2,40,000
	Total	₹34,40,000

Financial Creditor No. 4	21.01.2020	₹1,10,000
	22.01.2020	₹1,30,000
	23.01.2020	₹5,90,000
	24.01.2020	₹3,15,000
	28.01.2020	₹1,89,885
	Total	₹13,34,885
Total Amount	₹1,24,02,925	

In addition to this **Loan Agreement** dated 18.02.2020, these Financial Creditors have filed **true Copies of the Bank statement of all the four Financial Creditors** showing proof of disbursement.

3. In response to this, the Corporate Debtor has filed reply and denied all the averments and submissions made in the application except those are specifically admitted in the reply. In relation to Part IV of the Application, the Corporate Debtor has submitted that it is a briefing part and hence needs no reply. However, the Corporate Debtor submitted that the business operations of the Corporate Debtor were hit by various uncertainties and Covid-19 pandemic which were beyond the control of the Corporate Debtor, leading to closing of its clinics and steep downfall in business. The accounts of the Corporate Debtor were also declared NPA due to which the Corporate Debtor was unable to repay the debts of the Applicants in one stretch.

The Corporate Debtor further submitted that they are willing to repay the debt via instalments, the terms of which can be negotiated with the Applicants as part of a settlement. Further submitted that the Corporate Debtor duly acknowledges the debt outstanding any payable to the Financial Creditors, willing to repay the debt in instalments and is also willing to settle the outstanding amounts as claimed by the Financial Creditors in their Application, in order to restructure and keep the brand of the Corporate Debtor alive. Further, pleaded to dismiss the present Application of the Financial Creditors.

4. In response to this, the Financial Creditors have also filed rejoinder to reply of the Corporate Debtor and submitted that the Corporate Debtor took loans from the Financial Creditors to revive its business operations and the Financial creditors being the bonafide salaried employees of the Corporate Debtor with good intentions provided the said loans to the Corporate Debtor for revival of its business. But to great shock, the Corporate Debtor has failed and defaulted to repay the agreed loan amounts. Further submitted that the account of the Corporate Debtor has been declared NPA and the Corporate Debtor in its reply has duly acknowledged its inability to repay the loan amounts and undergoing huge financial crunch.
5. On having seen the loan disbursement and documents supporting agreement between the parties conferring obligation

upon the Corporate Debtor to repay the Loan amount including interest, we are of the considered view that this Financial Creditor has proved existence of debt and default. Moreover, the Corporate Debtor has admitted the debt in its own reply. The present petition was filed on 28.12.2021 and the Corporate Debtor was having enough time to settle the outstanding amounts of the Financial Creditor, but the Corporate Debtor failed to do so. Under the said circumstances, since the debt and default on the part of the Corporate Debtor is being proved and also by looking at the consent given by the Insolvency Professional, we hereby admit this application by appointing **Mr. Anurag Kumar Sinha** as IRP with directions as follows:

a. **The above Company Petition (IB) 1269(MB)/2021 is hereby allowed** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against M/s. Richfeel Health & Beauty Private Limited.

b. This Bench hereby appoints **Mr. Anurag Kumar Sinha, having Registration No: IBBI/IPA-001/IP-P-00427/2017-2018/10750, e-mail: aksinhaip3@gmail.com**; as the Interim Resolution Professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

c. The Financial Creditors shall deposit an amount of Rs. 2 Lakh jointly, towards the initial CIRP cost by

way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.

d. That this Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority, transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

e. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.

f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.

h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

i. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. The suspended directors and employees of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.

j. Registry shall send a copy of this order to the concerned Registrar of Companies for updating the Master Data of the Corporate Debtor.

6. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

SD/-

SHYAM BABU GAUTAM
(MEMBER TECHNICAL)

SD/-

JUSTICE P.N. DESHMUKH
(MEMBER JUDICIAL)