IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-I

CP (IB) 3640/MB/C-I/2019

Under section 7 of the Insolvency and Bankruptcy Code, 2016

In the matter of

Religare Finvest Limited
[CIN: U74999DL1995PLC64132]
2nd Floor, Rajlok Building, 24, Nehru Place, New Dehli- 110019

… Financial Creditor /Petitioner

Versus

Perpetual Capital and Servicing Private Limited

[CIN: U67190MH2007PTC177055]
83, Arcadia, Nariman Point, Mumbai-400020.

… Corporate Debtor /Respondent

Order Delivered on 12.08.2022

Coram:

Hon'ble Member (Judicial)	:	Justice P. N. Deshmukh (Retd.)
Hon'ble Member (Technical)	:	Mr. Shyam Babu Gautam

Appearances:

For the Financial Creditor	:	Mr. Pulkitesh Dutt Tiwari, Counsel.
For the Corporate Debtor	:	Mr. Pulkit Sharma, Counsel.

ORDER

Per: Justice P.N. Deshmukh (Member Judicial)

1. This Company Petition is filed under section 7 of the Insolvency and Bankruptcy Code, 2016 **(IBC)** by **Religare Finvest Limited** ("hereinafter referred to as Petitioner"), seeking to initiate

Corporate Insolvency Resolution Process (CIRP) against **Perpetual Capital and Servicing Private Limited** ("hereinafter referred to as Respondent").

2. The Corporate Debtor is a Private Limited company incorporated on 24.12.2007 under Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Its registered office situated at 83, Arcadia, Nariman Point, Mumbai- 400020. Therefore, this Bench has jurisdiction to deal with this Petition.
3. The present Petition was filed on 06.08.2019 before this Adjudicating Authority on the ground that the Respondent has defaulted in repayment of loan amount of Rs.228,75,00,000/- (Rupees Two Hundred Twenty-Eight Crore and Seventy-Five Lakh Only) sanctioned by the Petitioner.
4. The total amount claimed to be in default by the Petitioner is Rs.318,91,47,450/- (Rupees Three Hundred and Eighteen Crore Ninety-One Lakh Forty-Seven Thousand Four Hundred and Fifty Only) as on 31.05.2019. The date of default stated to be 24.06.2016.

<u>Submissions made by the learned Counsel of the Petitioner.</u>

5. The Petitioner submits that the Respondent had approached the Petitioner for availing a loan for a period of 36 months for its business in the year 2015. On representation made by Respondent, the Petitioner sanctioned a loan amount to the tune of Rs.225,00,00,000/- (Rupees Two Hundred Twenty-Five Crore Only) on 08.06.2015 for a period of 36 months against pledge of shares and optionally fully convertible debentures. Pursuant to which, loan agreement dated 20.06.2015 was entered into.

6. Further, Petitioner states that in terms of the Loan Agreement an interest at the rate of 12% per annum was payable half yearly. Sanction letter dated 08.06.2015 and Loan Agreement dated 20.06.2015 is marked as Exhibit – H at page 48-52 and Exhibit – I at page 52-61 respectively.

7. Moreover, on 30.12.2015 the Petitioner sanctioned an additional amount of Rs.35,00,00,000/- vide sanction letter dated 30.12.2015. Accordingly, the term loan amount was raised to Rs.260,00,00,000/- (Exhibit -J at page 62-65). Pursuant thereto, a total amount of Rs.228,75,00,000/- was disbursed to the Respondent under the terms of the Loan Agreement. The following table details particulars of the said disbursal

Date of Disbursal	**Amount (Rs.)**
22.07.2015	115,00,00,000
27.07.2015	600,00,000
16.09.2015	22,65,00,000
18.09.2015	630,00,000
23.11.2015	15,80,00,000
30.12.2015	63,00,00,000
Total	**228,75,00,000**

8. The Petitioner has furnished statement of accounts of the Respondent to evidence disbursals. [Exhibit- F (colly) at pages 26-27]. Thereafter, Respondent defaulted in payment of the instalments of interest that was due and payable under the Loan Agreement.

9. In view of the aforesaid circumstances the Petitioner issued Recall Notice dated 24.06.2016 to the Respondent, inter alia, demanding payment of the outstanding loan amount along with accrued interest. (Exhibit A of Rejoinder at pages 8-10). However, the Respondent has failed to repay the outstanding amount.
10. The Petitioner submits that the Respondent in the Financial Statement of the Respondent for the financial year ending 31.03.2016 has acknowledged that the outstanding amount was borrowed by the Respondent under the head of "Other Long-Term Liabilities" which clearly reflects the debt owed to the Petitioner. (Exhibit M at Pages 92-106). Further, the Respondent has acknowledged its liability to repay the outstanding loan amount along with accrued interest in the Settlement Agreement dated 01.07.2017 (Exhibit L at page 68-91).
11. The Petitioner submits that the present Petition is filed within the period of limitation in as much as the Respondent admitted its liability to pay the outstanding loan amount in its Financial Statement for the financial year ending 31.03.2016. In support of its contention the Petitioner has placed reliance upon ***Asset Reconstruction Company (India) Limited vs Bishal Jaiswal & Anr. Civil Appeal No. 323 of 2021*** which holds that balance sheets satisfy the test of acknowledgement under section 18 of the Limitation Act, 1963. The present Petition was filed on 06.08.2019 which is within three years from the date of acknowledgement by the Respondent.

Submissions made by the Ld. Counsel of the Respondent

12. At the outset, the primary contention raised by the Ld. Counsel of the Respondent is that in terms of the Settlement Agreement dated 01.07.2017 Strategic Credit Capital Private Limited (hereinafter referred to as **"SCCPL"**) and the Respondent entered into the aforesaid agreement with the Petitioner.

13. It is the case of the Respondent that the Petitioner had unconditionally and irrevocably sold, transferred and assigned the loans granted to certain borrowers, to the Respondent and SCCPL. Further, the Respondent submits that the loans sold turned out to be related party transactions and funds siphoning scheme adopted by the Petitioner.

14. Upon unearthing the alleged fraud, multiple litigation proceedings ensued between parties which culminated into a suit before the Hon'ble Bombay High Court Eleos Finvestia Acquisition Trust and Ors. vs Religare Finvest Ltd. & Ors. COMSL/254/2017 (hereinafter referred to as the "Eloes Suit"). In the above suit a settlement was arrived at and hence, Settlement Agreement dated 01.07.2017 was entered into and enforced.

15. The Ld. Counsel for the Respondent at the time of hearing invited our attention to the following clauses of the Settlement Agreement

"CERTAIN ACTIONS AND DELIVERABLES

2.1 Within a period of 15 (fifteen) days from the Execution Date, the Principal Parities shall cause and/or procure the fulfilment of the following conditions (to the satisfaction of the Second Party):

i. termination of the Collection and Services Agreement;

ii. simultaneously with (i) above, execution of the Escrow Agreement and opening of the Escrow Account in accordance with the terms of the Escrow Agreement; and

iii. notify each of the Borrowers in writing, inter alia, irrevocably directing them to deposit the receivables/amounts payable by them to the Principal Parties under their respective loan agreements, in the designated Escrow Account established under the provisions of the Escrow Agreement.

2.2 In consideration of each of the other Parties undertaking to perform all their respective obligations as contained in this Agreement, including without limitation the continuing obligation of the Principal Parties to repay-recover the monies from the Borrowers for the settlement of Second Party Dues, the Second Party will pay an amount of Rs.2,00,00,000/- (Rupees Two Crores only) to SCCPL on the Execution Date, towards litigation costs and expenses relating to Other Parties Litigations. SCCPL has in terms of payment request letter dated June 30, 2017 (annexed hereto as Annexure 1) instructed the Second Party to remit the aforesaid amount of Rs.2,00,00,000/- (Rupees Two Crores only) to the bank account of Halcyon Asia Support Services Private Limited as mentioned therein. Payment by Second Party of the aforesaid amount to the bank account of

Halcyon Asia Support Services Private Limited shall constitute a valid discharge of the payment obligation of the Second Party, as provided under this Clause 2.2.

3. OBLIGATIONS OF PRINCIPAL PARTIES AND SUIT PARTIES

3.1 The Parties have, in terms of this Agreement, fully and finally settled their disputes/claims and counter claims, including claims raised in all Other Parties Litigations, which is the subject matter of this Agreement, and pursuant to this settlement, the Principal Parties and the Suit Parties, have agreed and undertaken to withdrawn the Other parties Litigations within a period of 15(Fifteen) days from the Execution Date, by filing joint applications duly supported by affidavits (along with the relevant respondents/defendants in such proceedings) for withdrawal of Other parties Litigations and all allegations made therein (whether against RFL or any other third party), before the relevant Courts/ tribunal; along with a copy of this Agreement. The Parties hereby agree that the Parties shall co-operate with each other to enable the withdrawal of the Litigations. It is made clear that on and from the date of the execution of this Agreement, there is/will be no subsisting claim, past, present and future, of the Principal Parties, the Suit Parties and/or the Confirming Parties, against the Second Party, RHC Holding Private Limited (and including, but not limited to its promoters, shareholders, associates, affiliates and any members, employees, agents, directors, officers, etc. of the foregoing and/or RHC Holding Private Limited), Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Religare Enterprises

Limited, Mr. Sunil Godhwani and/or Radha Soami Satsang Beas with respect to matters as contained in Other Parties Litigations or otherwise whatsoever. Without prejudice to the foregoing, the Principal Parties and/or the Suit Parties would not be restricted from pursuing any claims or actions against Prime Securities Limited, Primesec Investments Limited, ABG International Private Limited ABG Cement Holdco Private Limited, Vadraj Cement, Limited, ABG Energy (Gujarat) Limited, ABG Shipyard Limited, Mr. Rishi Agarwal and/or Mr. Jay Kumar, outside of and independent of the Other Parties Litigations, which have been agreed to be unconditionally withdrawn by the Principal Parties and the Suit Parties.

3.3 The Principal Parties shall act in good faith and take effective steps to procure repayment/recovery of all amount dues by/from the Borrowers. The Principal Parties shall further ensure and procure that all amounts repaid by or realized and/or recovered from the Borrowers (other than the amounts mentioned in Clause7.1(iv), which shall be utilized in accordance with the terms thereof) are immediately deposited in the Escrow Account and are appropriated at the end of every calendar month in the following manner and order.

(i) amounts aggregating to 50% (fifty per cent) of the amounts realized, towards Second Party Dues; and

(ii) the balance amounts aggregating to 50% (fifty per cent) of the amounts realized, to be released to SCCPL in accordance with the terms of the Escrow Agreement.

3.4 The Principal Parties further undertake to procure, on best effort basis, that amounts aggregating to at least Rs.400,00,00,000/- (Rupees Four Hundred Crores only) ("Realizable Amount") are realized by collection of the amounts repayable/recoverable/receivable from the Borrowers, within a period of 9 (nine) months from the Execution Date.

3.7 The obligation of the Principal Parties to pay the entire Second Party Dues shall be a continuing obligation and the Principal Parties shall not be discharged of their obligations to Second Party until the entire Second Party Dues are paid in full, including by way of collections in the Escrow Account, and/or by disposal of collaterals listed in Schedule C as contemplated in Clause 7.1(iv).

9.1 The Parties hereby acknowledge and agree on behalf of themselves (and on behalf of their respective promoters, shareholders, associates, affiliates and any members, employees, agents, directors, officers, etc. of the foregoing and/or of the Parties and those of their affiliates claiming under them) that, on and from the Execution Date, this Agreement and the rights and obligations assumed under it shall constitute full and final settlement of all Litigations and other issues/disputes, if any, between the Parties (and including, but not limited to, their respective promoters, shareholders, associates, affiliates and any members, employees, agents, directors, officers, etc. of the foregoing and/or of the Parties). Each of the Principal Parties, Suit Parties and the Second Party, which are parties to the Litigations, hereby waive and/or forego their contentions and actions initiated against each other Party and against RHC Holding Private Limited (and including, but not limited to its promoters, shareholders, associates, affiliates and any members, employees, agents, directors, officers, etc. of the foregoing and/or RHC Holding Private Limited), Mr. Malvinder Mohan Singh, Mr. Shivinder Mohan Singh, Religare Enterprises Limited, Mr. Sunil Godhwani and/or Radha Soami Satsang Beas. The Parties further agree that the various actions to be undertaken by them in pursuance of Clause 3.1 and Clause 5.1, as the case may be, are merely procedural and consequential to the settlement arrived at amongst them.

9.2 With respect to the rights and obligations arising by virtue of this settlement other than the procedural compliance as contemplated in Clause 3.1 and Clause 5.1, the parties hereto shall stand released and discharged from their respective obligations upon the due fulfillment performance of the obligations assumed by each of them in pursuance of the relevant provisions of this Agreement."

16. The Respondent submits when the Settlement Agreement was entered into the Petitioner accepted and reduced the repayment of the obligations of the Respondent on a "best effort basis"

"…3.4 The Principal parties further undertake to procure on best effort basis, that amounts aggregating to at least Rs.400,00,00,000/- (Rupees Four Hundred Crore Only) ("Realizable Amount") are realized by collection of the amounts repayable/recoverable/receivable from the Borrowers, within a period of 9 (nine) months from the Execution Date…."

17. Further, in summation of above averments the Respondent stated as under:

    i. The Respondent had to act in good faith and take effective steps to procure repayment/recovery of all, amounts due by/from the borrowers.

    ii. The Respondent further had to ensure and procure that all amounts repaid by or realized and/or recovered from the borrowers are immediately deposited in the escrow account and are appropriated at the end of every calendar month.

    iii. The Respondent, on best effort basis, had to ensure that a fixed sum is realized by collection of the amounts repayable/recoverable/receivable from the borrowers within specified period.

18. The Respondent submits that the Petitioner has not alleged that the Respondent has breached its obligation of creating an escrow account. Further, the Respondent made best efforts to collect the outstanding amount from the borrowers. Hence, it cannot be held liable for breach.

19. The Respondent submits that Petitioner has not met its obligations under the Settlement Agreement. Moreover, in order to resolve disputes between the parties which includes the alleged debt under this Petition, a suit has been filed in Saket District Court titled as Strategic Credit Capital Private Limited and Ors. vs. Religare Finvest Limited. and Anr. The said suit sought the following reliefs:

i. Decree in favour of the Respondent and against the Petitioner declaring that the Respondent is discharged of all obligation and/or liabilities, whatsoever arising out of the settlement.

ii. Agreement in view of the fact that the Petitioner has acted in a manner which resulted in frustrating the purpose of the settlement agreement and making it impossible for Respondent to perform.

iii. Specific performance of the Settlement Agreement by the Petitioner, directing the Petitioner to comply with the terms of the Settlement Agreement and withdraw and/or appropriately amend all notices/utterance/litigations including inter alia those to the Income Tax Authority and Reserve Bank of India.

iv. Specific performance of part of the settlement agreement by the Petitioner, directing the Petitioner to release all collaterals as per the agreement to the Respondent.

v. Directing the rendition of accounts, the Petitioner has made from their conduct including that from the preferential issue.

20. Reliance is placed by the Respondent on *Phoenix Arc Private Limited vs. Spade Financial Service Limited, 2021 (3) SCC 475* wherein it is held that

"51. The IBC recognizes the real nature of the transaction has to be unearthed in order to prevent any person from taking undue benefit of its provisions to the detriment of its rights of legitimate creditors."

21. The Respondent has raised the following four defenses:

(a) It is the contention of the Respondent that the Petitioner is not Financial or Operational creditor under the Code. The agreements entered into between the parties was superseded by the Settlement Agreement, which in turn can be terminated after following due process of law. The Settlement Agreement was entered into pursuant to consent terms and final order from the Hon'ble High Court of Bombay. Further, the Respondent states that debt arising of a Settlement Agreement cannot be treated as a financial debt under the Code.

(b) The Respondent is not a Corporate Debtor under section 3(7) of the Code.

(c) The transaction is not covered under the definition of "claim" as defined under 3(6) of the Code. The loan was part of a structured debt servicing agreement between the Petitioner and the Respondent. It was part of a complicated scheme to pass on fraudulent loans to the Respondent.

(d) The Respondent states that the present application is barred by limitation. The Petitioner in Part- IV of the Application has stated that the date of default is 24.06.2017 which is the date of Loan Recall Notice issued to the Respondent by the Petitioner. It is the stand taken by the Respondent that the "Event of Default" under clause 13 of the Term Loan

Agreement occurred when loan became payable under the said agreement.

<u>Submissions made by the Ld. Counsel of the Petitioner by way of Rejoinder</u>

22. The Petitioner submits that the Respondent has not denied execution of Settlement Agreement which records the acknowledgement of liability by the Respondent to pay the outstanding amount of Rs.228,75,00,000/- to the Petitioner. This fact is further evidenced from Recital B and Schedule C of the said Settlement Agreement.

23. Further, the Petitioner states that under section 7 of the Code, the Tribunal is only required to ascertain the fact that whether debt is due and payable. Further, the contention of the Respondent that the present Petition is part of complex dispute is of no relevance as the presence of an alleged dispute does not have any bearing on the present petition filed under section 7 of the Code. In support of its Contention the Petitioner has cited E.S. Krishnamurthy vs Bharath Hi-Tecch Builders (P) Limited 2022 3 SCC 161

31. On a bare reading of the provision, it is clear that both, Clauses (a) and (b) of sub-Section (5) of Section 7, use the expression "it may, by order" while referring to the power of the Adjudicating Authority. In Clause (a) of sub-Section (5), the Adjudicating Authority may, by order, admit the application or in Clause (b) it may, by order, reject such an application. Thus, two courses of action are available to the Adjudicating Authority in a petition under Section 7. The Adjudicating Authority must either admit the application under Clause (a) of sub-Section (5) or it must reject the *application under Clause (b) of sub-Section (5). The statute does not provide for the Adjudicating Authority to undertake any other action, but for the two choices available.*

32. In Innoventive Industries (supra), a two-judge Bench of this Court has explained the ambit of Section 7 of the IBC, and held that the Adjudicating Authority only has to determine whether a "default" has occurred, i.e., whether the "debt" (which may still be disputed) was due and remained unpaid. If the Adjudicating Authority is of the opinion that a "default" has occurred, it has to admit the application unless it is incomplete. Speaking through Justice Rohinton F Nariman, the Court has observed:

"28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1), a default is in respect of a financial debt owed to any financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the

records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted 24 unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be. […]

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise." (emphasis supplied)

24. Therefore, the Petitioner states that from a bare perusal of clause 3.7, clause 9.2 and schedule C, the obligation of the Respondent

to pay was continuing. The Respondent has not discharged its liability under the loan agreement.

Findings

25. Heard the Ld. Counsel for the parties and perused the records.

26. The Respondent in its reply alleged that the Petitioner had unconditionally and irrevocably sold, transferred and assigned the loans granted to certain borrowers, to the Respondent and SCCPL. Further, the Respondent submits that the loans sold turned out to be related party transactions and funds siphoning scheme adopted by the Petitioner which led to filing of multiple suits which ultimately resulted in Settlement and accordingly parties entered into Settlement Agreement.

27. The Respondent is not disputing the fact that the outstanding amount is due and payable to the Petitioner. Further, infact vide Settlement Agreement dated 01.07.2017 to which the Respondent is a signatory party acknowledged the debt of Rs.260,00,00,000/- (Rupees Two Hundred and Sixty Crore Only) in Recital B at pages 70 of the Petition.

28. The Respondent contented that the subject debt is disputed and pending before Saket District Court for adjudication. We opine that as per scheme of the Code and plethora of landmark judgements i.e. ***E.S. Krishnamurthy vs Bharath Hi-Tecch Builders (P) Limited and Innoventive Industries (supra)*** the proposition laid down by the Hon'ble Supreme Court on the law relating to Section 7 of the Code is that this Adjudicating Authority is bound to examine the existence of debt and default.

29. The Settlement Agreement was entered into pursuant to the litigation before the Hon'ble Bombay High Court to settle issues. After reading settlement agreement by any stretch of imagination it cannot be concluded that the said agreement has altered the transaction between the parties. At the same time, it was acknowledged that basis the loan agreement dated 20.06.2015 a loan facility was availed to the tune of Rs.260,00,00,000/- (Rupees Two Hundred and Sixty Crore Only).

30. We have also perused the case of ***M/s Brand Realty Services Ltd. Vs Sir John Bakeries India Private Limited Company Appeal (AT) Insolvency No. 958 of 2020*** wherein it was held that unpaid instalment under the settlement agreement can't be treated as an Operational Debt as per Section 5(21) of the Code. In the present case the application is filed by the Financial Creditor and the amount was disbursed against time value of money. Moreover, we hold that the facts of the present case are distinguishable on the ground that the settlement agreement on record ratifies that fact the Respondent was under a continuing obligation to repay the outstanding amount of Rs.260,00,00,000/- pursuant to loan agreement dated 20.06.2015.

31. In light of the above circumstances we hold that aforesaid acknowledgment meets all the essential ingredients of Section 18 of the Limitation Act,1963. Therefore, the debt is within the period of limitation.

32. Further, clause 3.4 and 3.7 of the Settlement Agreement stipulates that

"3.4 *The principal parties further undertake to procure, on best effort basis, that amounts aggregating to at least Rs.400,00,00,000/- (Rupees Four Hundred Crores Only) ("Realizable Amount") are realized by collection of amounts repayable/recoverable/receivable from the borrowers, within a period of 9 (nine) months from the Execution Date".*

"3.7 The obligation of the Principal Parties to pay the entire Second Party Dues shall be a continuing obligation and the Principal Parties shall not be discharged of their obligations to Second Party until the entire Second Party Dues are paid in full, including by way of collections in the Escrow Account, and/or by disposal of collaterals listed in Schedule C as contemplated in Clause 7.1(iv)."

Therefore, the Respondent is under a continuing obligation to pay the dues to the Petitioner.

33. The application made by the Financial Creditor is complete in all respects as required by law. It clearly shows that the Corporate Debtor is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC. Therefore, the debt and default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor.

34. The Financial Creditor has not proposed the name of Insolvency Resolution Professional, therefore this bench appoints **Mr. Suresh Baburao Shingte,** having Registration No. IBBI/IPA-001/IP-P00428/2017-18/10751, having registered email id

susneha_57@yahoo.com as the Interim Resolution Professional of the Corporate Debtor.

35. It is, accordingly, hereby ordered as follows: -

(a) The petition bearing CP (IB) 3640/MB/C-I/2019 filed by **Religare Finvest Limited**, the Financial Creditor, under section 7 of the IBC read with rule 4(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **Perpetual Capital and Servicing Private Limited [CIN: U67190MH2007PTC177055]**, the Corporate Debtor, is admitted.

(b) There shall be a moratorium under section 14 of the IBC, in regard to the following:

(i) 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;

(ii) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(iii) 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 (SARFAESI) Act, 2002;

(iv) The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

(c) Notwithstanding the above, during the period of moratorium:-

(i) 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;

(ii) That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

(d) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

(e) Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(f) **Mr. Suresh Baburao Shingte,** having Registration No. IBBI/IPA-001/IP-P00428/2017-18/10751,having registered email id susneha_57@yahoo.com is hereby appointed as

Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the IBC. The fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions issued/as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC.

(g) 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 of the IBC. 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 within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

(h) The Financial Creditor shall deposit a sum of Rs.5,00,000/- (Rupees Five Lakhs 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).

(i) The Registry is directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

(j) IRP is directed to send a copy of this Order to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master

Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court **within seven days** from the date of receipt of a copy of this order.

Sd/-	**Sd/-**
SHYAM BABU GAUTAM	**JUSTICE P. N. DESHMUKH**
Member (Technical)	**Member (Judicial)**

12.08.2022
Priyal