Ref: NSE/CIRP/Clarification-02 **Date: April 15, 2021**

To
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051.

Scrip Code: 540901 / PRAXIS

Dear Sir/Madam,

Sub: Clarification sought on Intimation filed by the Company

Ref: Disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") in the matter of Petition filed under section 9 of Insolvency and Bankruptcy Code, 2016 ("IBC") by an Operational Creditor.

With reference to the above subject matter, and subsequent submissions by the Company vide its intimations dated March 1, 2021 and with regard to the petition filed under section 9 of Insolvency and Bankruptcy Code, 2016 by **M/s. Profile Interiors**, Operational Creditor of the Company, and email received from National Stock Exchange of India Limited on April 13, 2021, seeking particulars of various events in the said matter :-

Company's Reply:-

We would like to list out the points of action taken by the Company on priority so that the said matter was resolved immediately without being detrimental to any of the stakeholders

S. No.	Particular of the Event	Date of Event
1.	Admission of application by the Tribunal, along with amount of default	August 4, 2020 *(Copy of Order Attached as Annexure – I)*
2.	Public announcement made under section 13 of Insolvency Code	Public announcement has not been made, since settlement arrived with the Operational Creditor before the date of Public announcement to be made;
3.	List of creditors as under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	No list of creditors was prepared since settlement was arrived at with the applicant Operational Creditor – M/s. Profile Interior;
4.	Appointment of Resolution Professional	The Adjudicating Authority of Hon'ble Mumbai Bench of National Company Tribunal vide its order dated August 4, 2020 had appointed Mr. Sandeep D Maheshwari, Registration No. IBBI/IPA-001/IPP00640/2017-2018/11093, as Interim Resolution Professional (IRP) having address at No. 2121, Geeta Society, Opp. Ganesh Talkies, Chara/, Thane (West), 400 601.
5.	Details of Settlement Agreement & terms therein between M/s. Profile Interiors and the listed entity	It may be noted that on August 7, 2020, the promoters of the Company had entered into a Settlement agreement with ***M/s. Profile interiors*** (Operational Creditor) with a Settlement amount of Rs. 45,00,000/- (Rupee Forty-Five Lakhs only) as a one-time lumpsum settlement of the all the claims raised by the Operational Creditor against the Corporate Debtor (listed entity)

6.	Filing of settlement agreement with Hon'ble NCLT, Mumbai Bench	Settlement Agreement filed with the Hon'ble NCLT, Mumbai Bench, on August 7, 2020 together with Interlocutory Application for withdrawal of the application and closer of the CIRP process
7.	Order of Hon'ble NCLT dated August 19, 2020	*Order of the Hon'ble NCLT dated August 19, 2020 closed the the CIRP initiated against the Corporate Debtor (listed entity) vide order dated August 4, in exercise of the power conferred on NCLT under regulation 30A(6) of the Insolvency Resolution Process for Corporate Persons), Regulations 2016. (Copy of Order Attached as Annexure – II)*
8.	Other intermittent material events	Not Applicable

*We further humbly submit that as is evident from the above information, CIRP was not initiated and settlement with the Operational Creditor was arrived **before** the initiation of the CIRP process by the Interim Resolution Professional. Accordingly, the management initially was of the opinion, that no disclosure was required, since CIRP process has not commenced. However, based on the legal advice received, the delayed disclosure has been made to both the Stock Exchanges (NSE & BSE) on March 1, 2021, for the record purposes.*

Kindly, take the above submission in response to specific query raised, on record of your esteemed Exchange.

Thanking you,

Yours faithfully,
For **PRAXIS HOME RETAIL LIMITED**



SMITA CHOWDHURY
Company Secretary & Compliance Officer
Encl: As Above

Annexure - I

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CP (IB) No.3018/MB.IV/2019

Under section 9 of the Insolvency and Bankruptcy Code, 2016

In the matter of

M/s Profile Interiors, a proprietorship concern represented by its proprietor, Mr Chetan C. Panchal

…Operational Creditor

Versus

Praxis Home Retail Limited
[CIN: L52100MH2011PLC212866]

… Corporate Debtor

Order pronounced on : 04.08.2020

Coram:

Mr. Rajasekhar V.K.	:	Member (Judicial)
Mr. Ravikumar Duraisamy	:	Member (Technical)

Appearances:

For the Operational Creditor	:	Ms Archana i/b Mr Sachin A. Mhatre of Mhatre Law Associates, Advocates
For the Corporate Debtor	:	Mr Chandrakant Mhadeshwar, Advocate

ORDER

Per: Rajasekhar V.K., Member (Judicial)

1. This is a Company Petition filed under section9 of the Insolvency and Bankruptcy Code, 2016 (IBC)by M/s Profile Interiors*(Operational*

Creditor),a proprietorship concern represented by its proprietor, Mr Chetan C. Panchal,seeking to initiate Corporate Insolvency Resolution Process (CIRP) against Praxis Home Retail Limited[CIN: L52100MH2011PLC212866]*(Corporate Debtor)*.

2. The Corporate Debtor is a listed public company limited by shares and incorporated on 31.01.2011 under the Companies Act, 1956,with the Registrar of Companies (RoC), Maharashtra, Mumbai.Its CIN is L52100MH2011PLC212866. Its registered office is at Ithink Techno Campus, Jolly Board Tower D (Ground Floor), Kanjur Marg (East), Mumbai 400042, in the State of Maharashtra.Therefore, this Bench has jurisdiction to deal with this petition. The Corporate Debtor operates through its unit, Home Town Design and Build.

3. The present petition was filed on 22.07.2019 before this Adjudicating Authority on the ground that the Corporate Debtor failed to make payment of a sum of ₹ 27,40,607.00 (Rupees twenty-seven lakh forty thousand six hundred and seven only) as principal and ₹ 2,87,185.00 (Rupees two lakh eighty-seven thousand one hundred and eighty-five only) as interest as on 23.04.2018, which is the last of the five dates of default mentioned at page51 of the petition.

4. The case of the Operational Creditor is as follows: -

   (a) The Operational Creditor is a sole proprietorship engaged in the business of interior contracting and general contracting to various suppliers. The Corporate Debtor is in the business of selling furniture, homeware products, modular kitchen and design and build. The Corporate Debtor outsources the interior work to an external service provider. The Corporate Debtor had placed certain orders for supply of labour and materials;

(b) In June 2015, the Corporate Debtor approached the Operational Creditor and outsourced several projects by executing an Agreement on 14.07.2015, which was valid upto 17.07.2017;

(c) Out of 31 projects executed by the Operational Creditor, payments are due in respect of the following five projects, *viz.,*as per details given below: -

(amount in whole rupees)

Sl No	Project	Invoice	Due date	Paid	Interest on unpaid balance	Balance
1.	Rajesh Kakde	3,01,996	04.02.2017	0	40,856	3,42,852
2.	Ashwin Dudeja	14,58,692	21.05.2017	8,11,401	76,291	7,23,582
3.	Kashinath Katragdond	8,37,454	15.10.2017	7,72,128	6,120	71,446
4.	Ravinder Singh	1,45,938	21.02.2018	0	15,869	1,61,807
5.	Mahindra Dive	54,69,567	23.04.2018	38,89,511	1,48,049	17,28,105
	Total	82,13,647		54,73,040	2,87,185	30,27,792

(Interest calculation shown is from respective due date to 08.05.2019)

5. Invoices have been placed on record as Exhibit 'B' at pages20-32. The invoices provide for interest in case of delayed payments, to be charged at the rate of 18% per annum. Bank statements are attached as Exhibit 'G' at pages52-125. The total debt due and payable to the Operational Creditor is ₹ 30,27,792.00 (Rupees thirty lakh twenty-seven thousand seven hundred and ninety-two only), as mentioned at page 51 of the petition.

6. The Operational Creditor had served a Demand Notice in Form 3 dated 08.05.2019 to the Corporate Debtor (Exhibit 'D', pages40-47) in

terms of section 8 of the IBC. The Corporate Debtor has not replied to the Demand Notice. Necessary affidavit of No Dispute in terms of section 9(3)(b) of the IBC has been annexed at Exhibit 'E' at pages48-50.

7. Mr Chandrakant Mhadeshwar, Learned Counsel appeared on behalf of the Corporate Debtor and made his submissions.

8. In its reply dated 18.10.2019, the Corporate Debtor has stated as follows:-

(a) In so far as the claim of Project Red Carpet is concerned, the Corporate Debtor has paid the entire bill amount to the Operational Creditor. The claim of the Operational Creditor in so far as this project is concerned, is regarding extra works done, which is not as per the work order and there was no approval taken from the Corporate Debtor in this regard. Therefore, the Corporate Debtor is not liable to pay this amount *(para 8 at page 4-5 of the Reply);*

(b) In so far as the claims in respect of the other projects are concerned, there was a meeting between the representatives of the Operational Creditor and the Corporate Debtor and payments have been made by the Corporate Debtor as per the discussions held in that meeting. Hence, there is no amount due and payable *(para 9 at page 5 of the Reply);*

(c) The Corporate Debtor has raised *bona fide* disputes regarding the entitlement of the petitioner in respect of the claims contained in the said petition. The matter involves triable issues which should be decided by leading evidence in the matter in a court of competent jurisdiction *(para 11 at page 5 of the Reply).*

9. We have heard the arguments of both sides and perused the records.

10. The dispute in essence can be separated into two components - one in respect of Mr Rajesh Kakde (Project Red Carpet), where the Corporate Debtor states that the bill now being claimed by the Operational Creditor pertains to additional work which has been undertaken without the consent of the Corporate Debtor. As regards the other four bills, the Corporate Debtor has submitted that the same have been settled.

11. In so far as Project Red Carpet is concerned, the Operational Creditor has submitted in its rejoinder that the Corporate Debtor was in the habit of assigning extra work which was not included in the original work order. A separate work order is issued by the Corporate Debtor. However, in the present case, such separate work order for additional work has not been placed on record. In its absence, and in view of the admitted position that the invoice raised pertains not to the original work order but to additional work performed by the Operational Creditor allegedly at the behest of the customer, we are of the opinion that the same cannot be accepted.

12. In so far as the other four projects are concerned, while on the one hand, the Corporate Debtor claims to have settled the matter (para 9 at page5 of the reply), on the other hand, the Corporate Debtor has submitted that the matter involves some "triable issues" and therefore, the matter should be heard and decided by leading evidence in a civil court. This is self-contradictory. If the amounts have indeed been settled, then there is no question of having any "triable issue." Besides, the minutes of the meeting purported to have taken place on 29.11.2018 records that a sum of ₹ 3,91,303/- would be released and a sum of ₹ 4,00,000/- would be kept on hold. There is no evidence of

the amount of ₹ 3,91,303/- having been released, nor any indication of what happened to the remaining amount of ₹ 4,00,000/-. Further, in its rejoinder, the Operational Creditor has specifically averred that the account status as on 24.01.2019 annexed at page13 of the reply is fabricated unilaterally from the side of the Corporate Debtor.

13. If the amounts have been paid in terms of the invoices, then the Corporate Debtor was duty bound to place the evidence on record like Bank statement, payment details etc.The Corporate Debtor has not placed anything on record to prove to the satisfaction of the undisputed invoices. On the other hand, there is a contradiction in the stand taken by the Corporate Debtor, as recorded in the preceding paragraph. The Corporate Debtor has not replied to the Demand Notice sent by the Operational Creditor even though the same has been sent by Registered Post and the Acknowledgment Card has been placed on record at page46 of the petition.

14. At the stage of deciding admissibility of the petition, it is not necessary for the Adjudicating Authority to go into the exact quantum that is due and payable to the Operational Creditor, so long as such sum is above the threshold prescribed in section 4(1) of the IBC. As already mentioned, once there is an invoice due and payable, it is for the Corporate Debtor to satisfy the Adjudicating Authority that it has either been paid or that there is a pre-existing dispute, and not raise frivolous defences such as "triable issues" as these are not defences that may be validly raised in a summary adjudication under the IBC. There is no pre-existing dispute between the parties.

15. The application made by the Operational 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 of one lakh rupees stipulated under section 4(1) of the IBC at the relevant time. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of the above, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor.

16. The Operational Creditor has not proposed the name of any Interim Resolution Professional (IRP) in the matter.

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

(a) The petition bearing CP (IB) No.3018/MB.IV/2019 filed by M/s Profile Interiors, the Operational Creditor, under section 9 of the IBC read with rule 6(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against Praxis Home Retail Limited [CIN: L52100MH2011PLC212866], 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) 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) Since the Operational Creditor has not proposed the name of any IRP in the matter, this Adjudicating Authority hereby appoints Mr Sandeep D Maheshwari, Registration No.IBBI/IPA-001/IP-P00640/2017-2018/11093, having address at No.2/21, Geeta Society, Opp Ganesh Talkies, Charai, Thane (West), 400 601

[email: ayunish@yahoo.com, Mobile: +91-9320384156] as the IRPAGEThe fee payable to IRP or, as the case may be, the RP shall be compliant with such Regulations, Circulars and Directions as may be issued by the Insolvency and 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 IRP/RP shall submit to this Adjudicating Authority periodical reports with regard to the progress of the CIRP of the Corporate Debtor.

(i) The Operational Creditor shall deposit a sum of ₹ 3,00,000/- (Rupees three 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).

(j) In terms of section 9(5)(i) of the IBC, the Registry is directed to communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by Speed Post, email and WhatsApp immediately, and in any case, not later than two days from the date of this Order.

(k) A copy of this Order be also sent 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/-

Ravikumar Duraisamy
Member (Technical)

Rajasekhar V.K.
Member (Judicial)

Annexure - II

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

COURT - IV

1. **IA1139/2020 in CP(IB)-3018(MB)/2019**

CORAM: SHRI RAJASEKHAR V.K.
MEMBER (J)

SHRI RAJESH SHARMA
MEMBER (T)

ORDER SHEET OF THE HEARING HELD ON **19.08.2020**

NAME OF THE PARTIES: Profile Interiors/Sandeep Maheshwari(IRP)

In the matter of :
Profile Interiors
v/s.
Praxis Home Retail Ltd.

SECTION: u/s 12A OF INSOLVENCY AND BANKRUPTCY CODE, 2016.

O R D E R

1. Mr. Sachin Mhatre, Ld. Counsel for the Applicant present. Mr. Sandeep D. Maheshwari, IRP appointed in the matter, present in person.

2. This is an Application filed under section 12A of the IBC 2016 r/w regulation30A(1)(a) of the IBBI (Insolvency Resolution Process for Corporate Persons), Regulations 2016, seeking leave of the Court to close the Corporate Insolvency Resolution Process (CIRP) ordered by this Court *vide* order dated 04.08.2020on CP(IB)-3018(MB)/2019,on the grounds of settlement arrived at between the Operational Creditor and the Corporate Debtor.

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3. The Interim Resolution Professional (IRP) submitted that pursuant to the order dated 04.08.2020of this Adjudicating Authority he had been given notice of the settlement arrived at between the Operational Creditor and the Corporate Debtor. He also confirmed that no claims have been received from any quarter, against the Corporate Debtor. The IRP also confirmed that he has received Rs.1,00,000/- (Rupees One Lakh only) by NEFT into his account yesterday from the Corporate Debtor towards his professional fees. Form-FA has been filed with the Registry, which is taken on record.

4. Considering the circumstances and after hearing submissions of Ld. Counsel for the Operational Creditor and the IRP in person, this Bench is of the view that the CIRP initiated against the Corporate Debtor *vide* order dated 04.08.2020 can be closed in exercise of the power conferred on this Adjudicating Authority under regulation 30A(6) of the Regulations *ibid.*

5. Accordingly, it is hereby ordered as follows:

   a) The CIRP initiated against the Corporate Debtor (Praxis Home Retail Ltd.)*vide* order dated 04.08.2020 is hereby closed;

   b) The Board of Directors of the Corporate Debtor is hereby reinstated to its original position;

   c) The IRP is discharged from his role with effect from today (19.08.2020);

d) The IRP is hereby directed to handover the possession of the assets of the Corporate Debtor back to the Board of Directors; and

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e) IRP is further directed to return all the documents of the Corporate Debtor back to the Board of Directors.

5. With the above directions, **IA 1139/2020 in CP(IB)-3018(MB)/2019** is **disposed of.**

6. File be consigned to the records.

7. Designated Registrar is directed to communicate a copy of this orderby email as per the record available with the Registry,immediatelyto the IRP, Operational Creditor, Corporate Debtor and to the Registrar of Companies, Maharashtra, Mumbai.

Sd/- Sd/-

RAJESH SHARMA **RAJASEKHAR V.K.**
Member (Technical) **Member (Judicial)**

19.08.2020 / pvs