

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-II, CHENNAI**

**CP(IB)/62(IBC)/2023**

*(filed under Section 9 of the Insolvency and Bankruptcy code, 2016)*

Repro India Limited,  
11<sup>th</sup> Floor, Sun Parradise Business Plaza,  
Mumbai – 400 013.

*... Operational Creditor*

Vs.

Nexrise Publications Private Limited,  
1<sup>st</sup> Floor, 6A & 6B, PMR Towers,  
Menambedu High Road,  
Ambattur Industrial Estate,  
Chennai - 600 098

*... Corporate Debtor*

*Order Pronounced on **2<sup>nd</sup> February 2024***

**CORAM**

**SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)**

**SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

Present:

*For Operational Creditor :Mr.A.R.Ramanathan, Advocate*  
*For Corporate Debtor :Ex-parte*

**ORDER**

This application has been filed under Section 9 of Section 9 of the Insolvency and Bankruptcy code, 2016 by Repro India Limited (hereinafter referred to as 'Operational Creditor') seeking to initiate Corporate Insolvency Resolution Process against Nexrise

Publications Private Limited (hereinafter referred to as 'Corporate Debtor').

2. In Part-I of the application it is averred that the Operational Creditor is an listed company having its registered office at 11<sup>th</sup> Floor, Sun Parradise Business Plaza, Mumbai – 400 013.

3. In Part-II of the applciation it is stated that the Corporate Debtor is a Private Limited Company registered under companies Act, 2013 having its registered office at 1<sup>st</sup> Floor, 6A & 6B, PMR Towers, Menambedu High Road, Ambattur Industrial Estate, Chennai - 600 098.

4. In Part-III of the application the Operational Creditor has prposed Mr.Shouvik Kumar Roy Resolution Professional bearing Reg. No.IBBI/IPA-001/IP-P02113/2020-2021/13284 to act as a Resolution Professional.

5. Part-IV of the application states that the total outstanding Debt is Rs.4,18,90,316/-. The last date of default is mentioned as 31.08.2021.

6. It is stated that the Operational Creditor is engaged in the business of printing related activities. The Operational Creditor and the Corporate Debtor were entered into an Agreement dated 27.08.2019 for printing and fulfilment of books.

7. It is stated that the Operational Creditor has raised various invoices from time to time on the Corporate Debtor amounting to Rs.3,31,51,765/-. Out of which the Corporate Debtor had paid only Rs.61,38,106/-.

8. It is stated that as per Clause 6.4 of the aforesaid agreement the Corporate Debtor agreed to pay the amount in following schedule.

Month	Payment %	Value
September 2019	10%	24,80,867
December 2019	15%	37,21,301
March 2020	10%	24,80,867
April 2020	30%	74,42,602
May 2020	17.5%	43,41,518
June 2020	17.5%	43,41,518
	<b>100%</b>	

9. The Corporate Debtor defaulted to make payments as per above schedule. Despite various e-mail communications of the Operational Creditor, the Corporate Debtor vide e-mail dated 26.02.2020 acknowledged the outstanding dues and assured to pay the same.

10. The Corporate Debtor again defaulted in making payments. The Cheque issued by the Corporate Debtor for an amount of Rs.12,40,000/- towards part payment of outstanding invoices was dishonoured. Vide e-mail dated 12<sup>th</sup> January 2021 and 13<sup>th</sup> March

2021 the Corporate Debtor acknowledged debt and the interest due.

11. Thereafter, the Corporate Debtor vide email dated 17.07.2021 provided a pay-out plan for payment of Rs.2,86,30,898/- from July 2021 till November 2021. Once again the Corporate Debtor failed to make payment.

12. It is stated that despite several opportunities given by the Operational Creditor the Corporate Debtor failed to clear the dues of the Operational Creditor. Pursuant to the Operational Creditor on 14<sup>th</sup> December 2021 issued Demand Notice under Section 8 of Insolvency and Bankruptcy Code, 2016 seeking to pay Rs.3,39,29,748.32/-. In turn, the Corporate Debtor acknowledged its liability.

14. On 6<sup>th</sup> September 2022 again the Operational Creditor issued Demand Notice to the Corporate Debtor. Thereafter, on 17<sup>th</sup> October 2022 assured payment of outstand from October 2022 and issued Cheque dated 27<sup>th</sup> October 2022 for Rs.7,50,000/-. The said cheque was dishonoured by the bank with the remark "Signature mismatch".


15. Aggrieved by the act of Corporate Debtor, the Operational Creditor preferred this Petition to initiate CIR process against the Corporate Debtor.

16. Upon notice Ld. Counsel Mr. Pranav Charan appeared for the Corporate Debtor on 08.06.2023. Till 11.09.2023 no vakalat or counter filed on behalf of the Corporate Debtor.

17. Heard the Ld. Counsels of both the parties and perused documents on record.

18. It is noticed that no vakalat and counter has been filed by the Corporate Debtor. Vide order dated 11.09.2023 the Corporate Debtor was set *expart*. No application for setting aside *exparte* order has been filed before this Tribunal by the Corporate Debtor.

19. It is seen that the Operational Creditor raised various invoices from 15.10.2019 till 02.06.2021 for sum of Rs.3,31,51,765/-. The interest for delayed payment is arrived as 1,48,16,656. At clause 4 of the invoice it clearly mentioned that 'on unpaid bill interest @ 18% P.A. will be charged' extract of the same is reproduced below.

1) Goods once sold will not be taken back. 2) Subject to Mumbai Jurisdiction. 3) Any discrepancy in this bill should be brought to our Notice with in 3 days. 4) On unpaid bill interest @ 18% P.A. will be charged.		5) Claims of any nature must be notified to Repro India Limited, in writing by fax or email within 7 days of delivery quoting Repro Invoice No. Otherwise no claim will be recognized. 6) Intellectual property rights is at the sole risk, responsibility and liability of the customer 7) Liability of the Seller limited to the Invoice value of the goods.	
Terms of Delivery :			
Notes : 10827			
CIN : L22200MH1993PLC071431 IEC Code : 0393059758 PAN : AAACR0379J		REPRO INDIA LIMITED  Authorised Signatory	

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Corporate & Registered Office  
11th Floor, Sun Paradise Business Plaza, B-Wing, Senapati Bapat Marg, Lower Paral, Mumbai - 400 013, India. Tel.: 91-22-71914000, Fax : 91-22-71914001  
Website: www.reproindiafd.com



20. In the e-mail dated 30.12.2021 the Corporate Debtor stated as follows,

**Tanika Gandhi**

**From:** Mukesh Dhruve <mukesh@reproindia.com>  
**Sent:** 23 February 2023 11:48 AM  
**To:** Tanika Gandhi; Almina Shaikh  
**Subject:** FW: Demand Notice for the release of payment \_Repro India Ltd  
**Attachments:** image001.png; image005.png; image006.jpg; image007.png

Thanks & Regards,  
Mukesh Dhruve



**Repro India Limited**  
11th Floor, Sun Paradise Business Plaza, B-Wing,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013,  
India.



Tel: +91-22-74944000 Fax: +91-22-74944001 www.reproindia.com

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**From:** Nexrise Publications <admin@nexrise.in>  
**Reply to:** Nexrise Publications <admin@nexrise.in>  
**Date:** Friday, 31 December 2021 at 1:31 AM  
**To:** Mukesh <mukesh@reproindia.com>  
**Cc:** Sandeep Dua <sandeep.d@reproindia.com>, Sameer <sameer.k@reproindia.com>, Kajal Damania <kajal.d@reproindia.com>, Ishpal Sethi <ishpal.s@reproindia.com>  
**Subject:** Re: Demand Notice for the release of payment \_Repro India Ltd

30<sup>th</sup> December 2021

Dear Mr Mahesh Dhruve,

At the outset, we hereby confirm the receipt of your mail dated 15 Dec 2021 and furtherance to our teleconference that we had on 30 Dec 2021 we intend to reiterate that we shall service our existing dues in the following manner :

S.NO	MONTH	DATE BY OR BEFORE	AMOUNT
1	Jan-22	25-Jan-22	3500000

1



2	Feb-22	25-Feb-22	4500000
3	Mar-22	30-Mar-22	10000000
4	Apr-22	30-Apr-22	10630868
TOTAL			28630868

Further, we firmly believe that we could honour our commitment as enshrined above.

Further we would like to state, if you could review and revisit your claim on the interest portion given the current pandemic situation.

Further we state in case of any failure or breach on our part against the proposed payment plan we would appreciate you not taking any unilateral decision without bringing the same to our notice, and that we would request you to provide us an opportunity to discuss before you proceed with any legal action.

Further, we wish to state that we are also equally challenged and affected because of pandemic that wreaked havoc and thereby it has brought our entire business to complete disruption. Our endeavor is to always honor all our vendors but our only request to you is to bear with us in this difficult period of time as even now there is no clarity on business because of the onset of Omicron virus and every central/state governments are also contemplating for a lockdown.

Further You might be well aware that unlike other business our business is solely seasonal in nature. Hence the schools are also wary on the ongoing situation and we are not sure how the future is going to unfold.

Thanks & Regards,

Hanifa



The contents of above email clearly shows that the Corporate Debtor clearly acknowledged its debt for a tune of Rs.2,86,30,868/- and expresses its inability to repay the debt.

21. Pursuant to that the Operational Creditor had issued Demand Notice dated 06.09.2022 under Section 8 of IBC, 2016. By the direction of this Tribunal an affidavit filed by Ms.Almina Shaikh, Company Secretary compliance Officer of the Operational Creditor confirming the service of Demand Notice to the Corporate Debtor along with proof of service.

22. Thereafter, in the e-mail dated 17.10.2022 the Corporate Debtor stated as follows,

**Tanika Gandhi**

**From:** Mukesh Dhruve <mukesh@reproindia.com>  
**Sent:** 23 February 2023 11:48 AM  
**To:** Tanika Gandhi; Almina Shaikh  
**Subject:** FW: Nexrise - Payment of Outstanding Schedule -Reg  
**Attachments:** Repro Cheque.pdf

Thanks & Regards,  
Mukesh Dhruve



BOOKS ON DEMAND. ANYTIME, ANYWHERE

**Repro India Limited**

11th Floor, Sun Paradise Business Plaza, B-Wing,  
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013,  
India.



tel: +91-22-74974000, fax: +91-22-74974001, www.reproindia.com

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**From:** Nexrise Publications <admin@nexrise.in>  
**Reply to:** Nexrise Publications <admin@nexrise.in>  
**Date:** Monday, 13 October 2022 at 7:46 PM  
**To:** Tanika Gandhi <tanika.g@reproindia.com>  
**Cc:** Mukesh <mukesh@reproindia.com>, Hema Patel <hema.p@reproindia.com>, Hema Patel <hema.p@reproindia.com>  
**Subject:** Nexrise - Payment of Outstanding Schedule -Reg

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Ms. Tanika Gandhi,

Greetings to you from Nexrise!

In light of the discussions held in the meeting held at your office on the 7<sup>th</sup> of Oct 2022, the issues were deliberated at our end with the team, we bring the following to your consideration.

- (i) The commitment to start the pay-outs from Oct 22 holds good and we are annexing a cheque for INR 7.5 Lakhs, to start with.
- (ii) With regards to the payment of INR 1 Cr from Oct 22 to Mar 23, our arrangements of funds are, as clarified, from the Bank. We are faced with a challenge of addressing a few statutory compliance issues and have initiated the process on war footing. Immediately on completion of the

requirements, the bank has assured funding of a considerable amount, a major portion of which has been ear-marked only for repro.

< span style="font-size: 12pt;">

(iii) Apart from the bank, we have also approached for funds from Private financiers for unsecured loans, which have been agreed by and the loan is expected by end of Nov 22.

(iv) Also, a major portion of the receivables from the market have been reserved for pay-outs for Repro.

(v) Hence, at this juncture, we assure Repro to start the pay-outs from Oct 22, as discussed, and will be able to continue through the funds from sources specified above. However, we are not in a position to issue any cheques for the 1 Cr, assured to be paid before Mar 23.

In view of the above and in consideration of the requisite time for the arrangement of funds to fulfil our commitment towards the pay-outs, till Mar 2023 and there on after Apr 2023, we solicit your understanding of our intentions to clear dues and the extend the needed cooperation from your end to smoothly execute the plan as discussed.

Nexrise is fully confident of Repro extending its support in fulfilling the commitment made towards the payment of 1Cr by Mar 2023 and the rest after Apr 23.

Your cooperation in this regard is highly appreciated

Regards

A U Mohammed Hanif



23. It is seen that as per above communication the Corporate Debtor issued cheque for Rs.7.5 lakhs and the same has been dishonoured by the bank with the remark 'Drawer Signature Differs'. The above e-mail communication of the Corporate Debtor and the dishonour of cheque once again confirm the acknowledgement of debt and default by the Corporate Debtor.

24. Thus, we are of the view that the petition filed by the Applicant is maintainable in its present form. In this case, the debt is more than Rs.1.00 crore (Rupees One Crore) and the last date of default is 31.08.2021. The application has been filed on 12.03.2023 which is well within the period of limitation.

25. Having considered all the facts and circumstances in totality, we are of the view that the Applicant has made out a case in its favour for initiating CIRP against the Corporate Debtor and the Corporate Debtor was set *exparte*. We therefore left with no option but to allow the application and order for initiation of CIRP against the Corporate Debtor.

26. The Operational Creditor has proposed the name of **MR. SHOUVIK KUMAR ROY**, having **Reg. No. IBBI/IPA-001/IP-P-02113/2020-2021/13284**; Email ID: **shouvikkumarroy@gmail.com** as the Interim Resolution Professional (IRP) who has also filed his consent in Form – 2. Upon verification from the IBBI website, it is seen that the said person hold valid Authorization for Assignment till 13.11.2024 and no disciplinary proceedings pending against him. Accordingly, **MR. SHOUVIK KUMAR ROY**, is appointed as the IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15,17,18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

27. As a consequence of the Application being admitted in terms of Section 9 (5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 the possession of the respondent.

*Explanation.*-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota,

concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

28. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

- (3) The provisions of sub-section (1) shall not apply to
- (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
  - (b) a surety in a contract of guarantee to a corporate debtor.

29. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

**Section 14 (4):** The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

30. Based on the above terms, the Application stands **admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a

copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

**Sd/-**

**RAVICHANDRAN RAMASAMY**

MEMBER (TECHNICAL)

**Sd/-**

**JYOTI KUMAR TRIPATHI**

MEMBER (JUDICIAL)