

IN THE NATIONAL COMPANY LAW TRIBUNAL**NEW DELHI (COURT NO. IV)****Company Petition No. IB-1112/ND/2018**

(Under Section 9 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

IN THE MATTER OF:**KNIGHT RIDERS PRIVATE LIMITED****...APPLICANT/OPERATIONAL CREDITOR****VERSUS****GLOBAL FRAGRANCES PRIVATE LIMITED****...RESPONDENT/ CORPORATE DEBTOR***ORDER DELIVERED ON: 05.07.2021***CORAM:****DR. DEEPTI MUKESH****HON'BLE MEMBER (JUDICIAL)****MS. SUMITA PURKAYASTHA****HON'BLE MEMBER (TECHNICAL)**

For the Applicant : Mr. Vishal Gehrana, Adv.
Mr. Sanjeet Ranjan, Adv.
Mr. Navandeep Singh Matta, Adv.

For the Respondent : Mr. Akshay Bhandari, Adv.



MEMO OF PARTIES**KNIGHT RIDERS PRIVATE LIMITED**

Registered office at:

Backstage Plot No. 612

15th Road Junction of Ramkrishna Mission Road

Santacruz (West)

Mumbai 400054

...APPLICANT/OPERATIONAL CREDITOR

VERSUS

GLOBAL FRAGRANCES PRIVATE LIMITED

Registered office at:

C-138 Hari Nagar Clock Tower

New Delhi 110064

...RESPONDENT/ CORPORATE DEBTOR

ORDER

AS PER SUMITA PURKAYASTHA (MEMBER TECHNICAL)

1. The present application is filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'code') read with Rules 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), 2016 (for brevity 'the Rules') by Knight Riders Sports Private Limited

Company Petition No. IB-1112/2018



(for brevity 'Applicant') through Ms. Heema Pithadia (Company Secretary and head Legal & compliance) in the Applicant Company) with a prayer to initiate the Corporate Insolvency process against Global Fragrances Pvt Ltd (for brevity 'Corporate Debtor').

2. The Applicant Knight Riders Sports Private Limited , claimed to be the Operational Creditor, is engaged in the business involved in Sporting and other recreational activities having its registered office at Backstage Plot No. 612, 15th Road Junction of Ramkrishna Mission Road Santacruz (West) Mumbai 400054. The Identification number of the Applicant is CIN U92412MH2008PTC179508.
3. The Respondent Global Fragrances Pvt Ltd is a company incorporated on 18.12.2008 under the Companies Act, 1956 having its registered office at C-138 Hari Nagr Clock Tower New Delhi 110064 and CIN U74120DL2008PTC185964. The Respondent is engaged in the business of Exporting, Manufacturer and supply of Perfume, body spray etc.
4. As per the averments made in the application, the Operational Creditor (Licensor) had entered into a licensing Agreement dated 03.03.2014 ("Licensing Agreement") with the Corporate Debtor (Licensee) and Invision Brand Consulting by way of the Licensing Agreement, the Operational Creditor granted the Corporate Debtor exclusive rights and license to use its trademark, being the '**KKR-Kolkata Knight Riders**' brand logo; to manufacture, have



manufactured, sell, distribute and advertise the licensed products being (a) Deodorants, (b) EDT and (c) Hair gels; and to use, in any other permitted manner, the said trademark on or in association with the licensed products manufactured / sold / distributed / advertised by the Corporate Debtor, for the term of the Licensing Agreement from 03.03.2014 to 31.12.2016. In consideration of having exclusive licensing rights under the licensing Agreement, the Corporate Debtor agreed to pay to the Operational Creditor, as compensation, the Minimum Guaranteed Royalties as stated under Clause 4 of the Licensing Agreement, towards the use of the Trademark.

5. Further it is stated by the Applicant that it was agreed under the Licensing Agreement (Clause 4) that the Corporate Debtor shall pay all the Minimum Guaranteed Royalties to the Operational Creditor, becoming due and payable for each calendar quarter, no later than 15 (fifteen) days following the last day of such calendar quarter, failing which, the Corporate Debtor will be liable to pay to the Operational Creditor, late charge interest at the contractual rate of 1.5% per month or the maximum rate permitted by law, whichever is less, on such outstanding royalty amounts.
6. Thereafter the Applicant pursuant to the terms agreed under the Licensing agreement, raised upon the Corporate Debtor invoices dated 02.04.2014 for Rs. 8,21,520/- for the first quarter and 23.07.2014 for Rs. 5,30,467/- for the second quarter. The payment towards these two invoices was received by the Operational Creditor on 26.05.2014 and



14.10.2014 respectively. The Applicant has annexed the certificate dated 30.08.2018 issued by Yes Bank and the ledger account with the copies of the financial statement reflecting the payment received. The Applicant further states that the Corporate Debtor had deducted TDS @10% however, the Corporate Debtor has failed to deposit the said amount with the Income Tax Authorities and even on repeated requests the Corporate Debtor has not provided a TDS certificate to the Applicant. The Applicant had also issued invoices dated 28.04.2015 for Rs. 17,60,400/- and 31.08.2015 for Rs. 5,95,000/- and another invoice dated 31.08.2015 for Rs. 3,61,760/-. The payments with respect to these invoices have not been made to the Applicant.

7. The Corporate Debtor was issued a show cause notice by Invision Brand Consulting under the instructions of the Applicant, vide an email dated 04.06.2015 with respect to delay in payment of the outstanding Royalty amount and in case of non-payment within seven days of receiving the notice, the License Agreement shall be susceptible to termination. The Corporate Debtor vide email dated 04.06.2015 through its Managing Director informed Invision brand consulting that the payment shall be made by 05.06.2015 however, no payment was made.

8. Further the Corporate Debtor on 11.06.2015, sent three post dated cheques bearing no. 599514 dated 20.06.2015, 599511 dated 25.06.2015 and 599513 dated 20.06.2015 respectively for the sum of



Rs. 5,00,000 /- each. The cheques were issued by Xtreme Perfumes and Personal Care Pvt Ltd which has common directors as the Corporate Debtor Company. The Applicant being unaware of the fact at that time returned the cheques due to no privity of contract with Xtreme Perfumes and Personal Care Pvt Ltd. The copy of cheques issued by Xtreme Perfumes and Personal Care Pvt ltd has been annexed. Thereafter vide email dated 11.06.2015 Invision Brand Consulting under the instructions of the Applicant company called upon the Corporate Debtor to pay the applicant the balance outstanding royalty by 13.06.2015 and on non compliance the Applicant would terminate the Licensing Agreement for breach of contract. The Corporate Debtor in response to the above email agreed to transfer Rs. 5,00,000 on 13.06.2015 by RTGS and further agreed to give the Applicant cheques for the remaining balance amount. The said amount of Rs. 5,00,000/- was credited in the Applicant's account as on 16.05.2015 however, no cheques were issued for the remaining balance amount. The copy of bank statement, reflecting the said amount being credited in the account of the applicant has been annexed.

9. On various reminders and request made by the Applicant, the Corporate Debtor on 10.09.2015 issued a post dated cheque bearing number 589171 for Rs. 10,00,000/- which was due for presentation on or after 15.09.2015. The said cheque was presented by the Applicant at the bank on 16.09.2015 which got dishonoured on the



account of payment being stopped. The Applicant again issued a show cause to the Corporate Debtor vide email on 29.09.2015 and in response to the same the Corporate Debtor vide email dated 01.10.2015 once again undertook to make the payment. On 20.10.2015 the Applicant received a cheque bearing no. 000813 from the Corporate Debtor for an amount of Rs 10,00,000/- as part payment towards the balance amount . On presentation of the cheque by the applicant in the bank, it was informed to the Applicant that the cheque was dishonoured since the Corporate debtor has once again issued stop payment instructions to its bankers. The copy of the cheque bearing number 589171 for Rs. 10,00,000/- and cheque bearing no. 000813 of Rs 10,00,000/- with the remark of the bank "*Payment stopped by drawer*" has been annexed

10. The Applicant issued a legal notice to the Corporate Debtor on 30.03.2016 bearing Ref. No. NP/113/2016, terminating the Licensing Agreement with effect from 26.12.2015 and called upon the Corporate Debtor to pay the amount of Rs 22,99,312 with an interest at the contractual rate of 1.5% per month within 15 days of the receipt of the notice.

11. Further The Applicant was constrained to issue demand notice dated 28.03.2018 under Section 8 of the Code read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, calling upon the Corporate Debtor to pay an amount of Rs.22,99,312/-/- with respect to the outstanding invoices including



License Agreement which is claimed by the Applicant from the Corporate Debtor. The notice was served upon the Corporate Debtor vide email dated 25.04.2018 on the email id of the company registered in the Company's Master Data and its directors Mr. Somesh Chowdhury and Mr. Sumit Sarkar.

12. The Applicant filed this application dated 30.08.2018 as an Operational Creditor praying for initiation of Corporate Insolvency Resolution Process of the Corporate Debtor for its inability to liquidate their claim of Rs.22,99,312- towards unpaid invoices along with an interest @18 per annum calculated upto 20.08.2018 of Rs. 12,41,628/- . The total amount being Rs. 35,40,940/-. The Applicant has complied with the requirements of the provision of 9(3) b and 9(3)(c).
13. Notice with respect to the application was issued to the Corporate Debtor vide order dated 04.09.2018 of the Adjudicating Authority.
14. The Corporate Debtor filed its reply dated 22.10.2018 and submitted that royalty was supposed to be provided by the corporate debtor to the applicant on the condition of the services to promote the brand image, initiated by the applicant. That applicant was supposed to make a press release after receiving the payment from the corporate debtor but they have miserably failed to initiate any press release. The corporate debtor has produced an e-mailed dated 25.05.2018



which was sent by Mr. Pankaj (Chief visionary and brand strategist at Invision brand consulting) from his e-mail informing to the corporate debtor that once the payment is received by him he would initiate the press release and releasing of broadcast for the promotion of brand.

15. Further the Corporate Debtor submits in the reply that the instant Application filed by the Applicant herein is about the dispute between two parties which ought to be adjudicated by a Civil Court, on account of various triable issues between the parties and the instant Application is an attempt on the part of the Applicant to use the instant forum for the purposes of civil recovery, which is against the very objective of the Code. That the Applicant has failed to show or annex a single document wherein the Corporate Debtor had promised an assured amount as claimed by the Corporate Debtor.
16. The Applicant filed its rejoinder dated 20.11.2018 and submitted that it is specifically denied that the Minimum Guaranteed Royalties were payable by the Corporate Debtor on the condition that the Operational Creditor promotes the licensed products of the Corporate Debtor. It is submitted that the payment of the Minimum Guaranteed Royalties by the Corporate Debtor to the Operational Creditor under the Licensing Agreement was unconditional and exclusively towards the license granted by the Applicant.



17. Further, it is submitted by the Applicant that as per the Licensing Agreement, there was no obligation whatsoever on the part of the Operational Creditor to either promote the brand image / business of the Corporate Debtor or to initiate any press release, upon the receipt of any payment by the Corporate Debtor towards the Minimum Guaranteed Royalties. However, in spite of the absence of such contractual obligations, the Operational Creditor did its best to support and publicize the Corporate Debtor. In order to promote the licensed products, the Operational Creditor had inter alia uploaded a post for that purpose on the social media website 'Facebook' on 12.07.2014, along with an image of the said licensed products, as launched by the Corporate Debtor. A similar post (tweet) and image was also uploaded by the Operational Creditor on another social media website 'Twitter' on 6th July 2014 to promote the licensed products of the Corporate Debtor. Copies of the said advertisements uploaded on 'Facebook' and 'Twitter' are annexed. By and under an email dated 11.06.2015, the manager (namely Invision Brand Consulting, on behalf of the Operational Creditor, had explicitly clarified to the Corporate Debtor that neither the Operational Creditor nor the Manager had ever promised to market the products of the Corporate Debtor and the Corporate Debtor cannot use it as an excuse to delay the payments admittedly due to the Operational Creditor. Thereafter, in response to the said email dated 11.06.2015, the Corporate Debtor, by its email dated 13.06.2015, unequivocally admitted its liability towards the outstanding royalty amounts due



and payable to the Operational Creditor and agreed and undertook to (i) transfer Rs. 5,00,000/- (Rupees Five Lakhs Only) to the Operational Creditor by 13.06.2015 by way of RTGS and (ii) issue cheques to the Operational Creditor for the balance outstanding royalty amounts. Copies of the sad emails dated 11.06.2015 and 13.06.2015 are already on record as part of the main application.

18. Further it is submitted by the Applicant that the contention raised by the Corporate Debtor that present dispute between the parties ought to be adjudicated by a Civil Court is wrong and misleading. It is submitted that there exists no dispute between the parties as to the outstanding amount to be paid by the Corporate Debtor to the Operational Creditor since the Corporate Debtor had time and again unconditionally admitted its liability and obligation to pay the outstanding royalty amounts to the Operational Creditor.

19. Both the parties were heard and the contention on which the parties argued at length was, ***“whether the Guaranteed Minimum Royalties to be paid quarterly by the Corporate Debtor as a consideration to grant of license and right to use the Trademark of the Operational Creditor on its Licensed Product (for manufacture and sale purpose) is an Operational Debt or not ?”*** The order was reserved with a direction to the parties to file their written submissions.



20. The Corporate Debtor contends in the written submission that the it is an admitted case of the Applicant that the money was towards the payment of Minimum Guaranteed Royalties as Compensation as official License fees. The invoices also disclose the fact that the invoices were raised towards the payment of Minimum guaranteed royalties which were to be paid irrespective of the sales made by the Corporate Debtor. The Corporate Debtor submits that the term Operational Debt has been defined under section 5(21) if the code, which requires that claim to be in respect of goods and services to be an operational debt. The Corporate Debtor has referred to clause 4.2 of the agreement :

"Licensee shall pay to licensor, regardless of the actual Net Sales during the term of this Agreement, guaranteed non refundable minimum Royalties ("the Minimum Guaranteed Royalties") as follows (with the total amount of Guaranteed Minimum Royalties equal to INR. 80,64,000/- exclusive of all taxes as Official License Fees."

The Corporate Debtor submits that the applicant's claim arises out of failure to pay the Minimum Guaranteed Royalties which is to be paid regardless of the sales therefore, this reflects that the payment due is not arising out of goods or services and the same cannot be an operational debt. The Corporate Debtor submits that it is not the case of the Applicant that certain sales were made therefore, the Royalty is due. To the contrary, the claim arises out of non payment of minimum guaranteed royalties, which admittedly does not arise



out of non-payment of any goods or services and therefore, cannot be an Operational Debt.

21. The Corporate Debtor has placed its reliance on the judgment of ***Jindal Steel and power limited VS. DCM international Limited IB NO. 200/ND/2017*** it has held in Para No. 10 of the Judgment that *"...Operational Debt unless such a transaction having a correlation of direct input Into the output produced or supplied by the Corporate Debtor and hence we do have any hesitation looking at any way in holding that the petitioner will not fall under the definition of Operational Creditor and the claim which is sought to be made cannot be considered as an Operational Debt."*

In the matter of ***Mr. M. Ravindranath Reddy vs G. Kishan & Ors. Company Appeal (AT)(Insolvency) No. 331 of 2019 has held that (Page No. 6, Page No. 7, Page No. 8, Page No. 9)***

"any debt arising without nexus to the direct input to the output produced or supplied by the Corporate Debtor, cannot, in the context of Code, be considered as an operational debt, even though It is a claim amounting to debt." Further the Hon`ble NCLAT held an operational debt is essentially a claim in respect of (a) Provision of goods, (b) Provision of services, including employment or (c) a debt arising under any statute band payable to the Government/local authority.

22. The Operational Creditor submits in the written submission that the Corporate Debtor has made part payment for the invoices raised. The



Operational Creditor has attached the certificate issued by Yes Bank dated 30.08.2018 along with financial statements reflecting the said payment being received.

23. The Operational Creditor submits that the terms **“goods and services”** are not defined under IBC and for such reasons these terms should be given a meaning that are ordinarily understood. The Operational Creditor has permitted the (a) use, manufacture, have manufactured, sell, distribute and advertise the Licensed Products and also (b) use the intellectual property right i.e. the trademark (Kolkata Knight Riders brand logo or such other trademark as the Applicant may designate, in its sole and absolute discretion, in writing) on or in association with the Licensed Products in India as well as on packaging, promotional and advertising material associated therewith. Therefore, such activities/transactions under the Agreement fall within the scope of words **“services”** under Section 5(21) of the IBC. As the Applicant's claim is *“in respect of the provision of services”* and the Respondent is contractually obligated to make payments towards such claim, the said claim, as defaulted by the Respondent, is evidently an “operational debt” under the IBC. The Operational Creditor has placed its reliance on the judgment of ***Broadcast Audience Research Council V. Mi Marathi Media Limited [C.P. I 688/IBC/NCLT/MB/MAH/2018]***. In this case, the Operational Creditor was granted a limited non-exclusive, non-transferable, non-sub licensable license to the Corporate Debtor to



use the Licensed Data and Licensed Software of the Operational Creditor, upon Corporate Debtor making certain agreed payments. Since the Corporate Debtor did not make the payments, the Operational Creditor had filed an application under Section 9 of the IBC. By an order dated 07.01.2019, the Hon'ble NCLT Mumbai Bench held that *"the non-payment of the license fees by the Corporate Debtor, for using the Data and Software of the Operational Creditor, amounted to an "operational debt" under the IBC and the application of the Operational Creditor was admitted."*

24. The Operational Creditor further submits that Section 7 "Scope of supply" read with Schedule II "Activities or transaction to be treated as supply of goods or supply of services" of Central Goods and Services Tax Act 2017 also substantiates the submission made by the Applicant. Entry 5 of Schedule II provides:

"5. Supply of services

The following activities shall e treated as supply of services namely:-

(c) temporary transfer or permitting the use or enjoyment of any intellectual property right"

Therefore, under the CGST Act, permitting the use or enjoyment of any intellectual property right is treated as a supply of services.

25. The Operational Creditor has also relied on the judgment of ***United breweries limited vs. Assistant Commissioner of Central tax KAR/111R/03/2018-19 dated 23.10.2018*** wherein the Hon'ble Karnataka Appellate Authority for Advance Ruling (GST) held that " All



*there amount to permitting the Brewer to use UBL's intellectual property rights. Therefore, by virtue of clause 5(c) of Schedule II of the CGST Act, the said activity amounts to supply of services" and **Vikas Sales Corporation vs. Commissioner of Commercial Taxes AIR 1996 SC 2082** wherein the Hon'ble Apex court observed that "even incorporeal rights like trademarks, copyrights, patents and rights in personam capable of transfer or transmission are included in the ambit of "goods".*

26. The Operational Creditor submits that the aforesaid judgments on which the Corporate Debtor has place reliance are not applicable in the facts of the instant case. Insofar as the judgment passed by Hon'ble Tribunal in **Jindal Steel and power limited VS. DCM international Limited IB NO. 200/ND/2017** is concerned, the issue in the said judgment was with regard to the default in non-refund of security deposit amount given by the Operational Creditor (lessee) to the Corporate Debtor (lessor). It is in that context, this Hon'ble Tribunal held in Jindal Steel (supra) that, "9. ...such claim cannot be considered as an "operational debt" especially when the Corporate Debtor is the lessor' of the property which had been leased out to the Operational Creditor which happened to be the 'lessee'. Even raking into consideration the report of the Bankruptcy Law Reforms Committee dated 4.11.2015 at face value, it is the Corporate Debtor who can be considered as the lessor', and if at all providing services to the Operational creditor by leasing out the immovable property which basically belongs to the Corporate Debtor and not vice versa..."



Further, the judgment passed by the Hon'ble NCLAT in **Mr. M. Ravindranath Reddy vs G. Kishan & Ors. Company Appeal (AT)(Insolvency) No. 331 of 2019** has held that (Page No. 6, Page No. 7, Page No. 8, Page No. 9) dealt with a claim concerning the purported non-payment of 'enhanced' rent under the lease deed. In this context, the Hon'ble NCLAT held that such alleged debt does not fall within the definition of 'operational debt' in terms of Section 5(21) IBC. The issue raised in the present case being completely different, Ravindranath Reddy (supra) does not apply to the instant case.

27. Further the Operational Creditor relied on the judgment of Hon'ble NCLAT in **Overseas Infrastructure Alliance (India) Pvt Ltd. Vs. Kay Bouvet Engineering Ltd AT. (Insolvency) no.582of 2018 dated 21.12.2018** I which has broadened the scope of the phrase "Operational Debt" even to include within its ambit the advance paid in receipt of goods and services. The Hon'ble Appellate Tribunal adopted a wide interpretation and not limited to the monetary claim of the provider of the goods and services.

28. The date of default is 15.09.2015 as the aggregate outstanding royalty amount fell due on the expiry of 15 days from the last invoice dated 31.08.2015 , and the present application is filed on 30.08.2018. Hence the application is not time barred and filed within the period of limitation.



29. The registered office of corporate debtor is situated in Delhi and therefore this Tribunal has jurisdiction to entertain and try this application.
30. We would like to draw conclusion as per the judgment ***Vikas Sales Corporation vs. Commissioner of Commercial Taxes AIR 1996 SC 2082***, hence we are of the view that incorporeal rights like trademarks, copyrights, patents and rights in *personam* capable of transfer or transmission are included in the ambit of "goods". Further having considered the facts and circumstances and the material available on record the Adjudicating Authority is of the view that that for a claim to fall within the definition of 'operational debt', the operational creditor must establish that it has a "right to payment" "in respect of the provision of "goods or services" and also that Corporate Debtor has committed a "default" towards its "liability or obligation in respect of such outstanding claim". We would also like to place our reliance on the judgment ***Broadcast Audience Research Council V. Mi Marathi Media Limited [C.P. I 688/IBC/NCLT/MB/MAH/2018]*** and We hereby observe that in the present case, the MGR was a fixed payment due and payable by the Corporate Debtor to the Operational Creditor under the Agreement and the non-payment by the Corporate Debtor, for using the "**Trademark**" which is the **Licensed "Product"** of the Operational Creditor, amounted to an "operational debt" under the IBC. It has been observed that time and again the Corporate Debtor has admitted its liability be it by way of making a part payment (first and second quarter payment) or by submitting before the Adjudicating Authority that

“admittedly the claim of the Applicant arises out of failure to pay the Minimum Guaranteed Royalties and were not paid on the condition that the Operational Creditor under the obligation to promote the brand for the Corporate Debtor” therefore, it is a clear admission of default and this Adjudicating Authority does not have to indulge in the details or the terms of the Agreement. Further in order to deal with issue in hand with respect to **“pre-existence of dispute”** as the alleged by the Corporate Debtor that the Operational Creditor was under the obligation to promote the brand for the Corporate Debtor, We are of the view that the Corporate Debtor did not raise any dispute in terms of Section 8(2)(a) read with Section 5(6) of the IBC, either with regard to the (a) existence of the amount of debt, (b) the quality of goods or service, or (c) the breach of a representation or warranty, either directly or indirectly. Therefore, the defense of pre-existence of dispute can be categorized as a moonshine dispute as explained in the judgment of **“MobiloX Innovations Pvt. Ltd. Vs. Kirusa Software (P) Limited- 2017 1 SCC OnLine SC 353”**, of the Hon’ble Supreme Court. Therefore, the Application is **admitted** and the commencement of the CIRP is ordered.

31. Since there was no name proposed by the Applicant for the appointment of the IRP hence, We hereby appoints the interim resolution professional (“IRP”), Ms. Arti Baluja, IBBI/IPA-002/IP-N00780/2018-2019/12378 mail id: ca.srtibaluja@gmail.com Phone No. 9891446721. She shall take such other and further steps as are



required under the statute, more specifically in terms of Section 15, 17 and 18 of the Code and file his report within 30 days before this Bench.

32. A moratorium in terms of Section 14 of the Code is imposed forthwith in following terms:

“(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.

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

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

(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process.”

33. The Applicant shall deposit a sum of Rs. 2 lakhs to enable the IRP to meet the immediate expenses. The same shall be accounted for by the IRP and shall be reimbursed to the Applicant to be recovered as costs of the CIRP.

34. A copy of the order shall be communicated to the Applicant and the Corporate Debtor by the Registry. The said order shall be communicated to the IRP above named and intimate of the said appointment by the Registry. Applicant is also directed to provide a copy of the complete paper book with copy of this order to the IRP. In addition, a copy of said order shall also be forwarded to IBBI for its records and to ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

35. The Application is allowed and disposed off in terms of above order.

SD/-

Sumita Purkayastha

Member (T)

SD/-

Dr. Deepti Mukesh

Member (J)