

IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH

COURT-IV

IA (I.B.C) 2762 (ND) 2025

IN

COMPANY PETITION NO. IB/565/PB/2021

IN THE MATTER OF:

M/S. ENDLESS SERVICES LIMITED

... FINANCIAL CREDITOR

VERSUS

M/S. SLR TECHINFRA PRIVATE LIMITED

...CORPORATE DEBTOR

AND IN THE MATTER OF:

MR. SHIV KUMAR BANSAL & ANR.

... APPLICANTS/ EX- DIRECTORS OF CORPORATE DEBTOR

VERSUS

M/S. ENDLESS SERVICES LIMITED

...RESPONDENT/ FINANCIAL CREDITOR

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI

HON'BLE MEMBER (TECHNICAL)

Order Delivered on: 18.12.2025

PRESENT:

For the Applicant

: Mr. Pankaj Agarwal,

Mr. Shashwat Srivastava, Advs.

For the Ex-Director

: Ms. Anisha Jain, Adv.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The instant application has been filed by the applicants i.e. Mr. Shiv Kumar Bansal and Mrs. Sangeeta Bansal (Suspended Directors of M/s. SLR Techinfra Private Limited) under Section 65 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 with the following prayers:

- a) *Allow the present Application;*
- b) *To Take Action in respect of the Fraud played upon the Hon'ble Tribunal by Respondent by Concealing the Material Facts and Submitting the Forged Documents filed in Company Petition No. 1B/565/PB/2021;*
- c) *Pass any other order(s) that the Hon'ble Tribunal deems fit in the above facts and circumstances.*

2. Briefly stated facts of the case as mentioned in the Application, which are relevant to the issue in question, are as follows:-

- a. That the Applicants, being the erstwhile directors of the Corporate Debtor, have instituted this present Application under Section 65 of the Code read with Rule 11 of the NCLT Rules, 2016, alleging that the Respondent fraudulently procured the initiation of CIRP against the Corporate Debtor. It is contended that the Respondent obtained the admission order by suppressing material facts and relying upon forged documents in Company Petition No. IB/565/PB/2021. It is further noted that the Respondent had filed the aforesaid petition under Section 7 of the Code, which was admitted by this Adjudicating

Authority vide order dated 16.04.2024, thereby an Interim Resolution Professional (IRP) was appointed.

- b.** The Applicant submitted that the Respondent herein i.e. M/s. Endless Services Limited is engaged in the business of investment, lending, inter-corporate deposits, and financing of various entities, including small and medium enterprises, and is registered under the Companies Act, 1956, bearing CIN: U74999DL2011PTC228863. The Respondent's registered office is situated at Office No. 605-606, 6th Floor, Sagar Plaza Building, Laxmi Nagar District Centre, Vikas Marg, East Delhi-110092.
- c.** That the Respondent disbursed a loan of ₹42.00 lakh pursuant to Loan Documents executed on 13.09.2014. The said documents were thereafter provided to the Respondent on its letterhead upon a written request made vide email dated 20.09.2014, wherein the Applicants pledged their immovable properties—Office Nos. 6 and 7, Ground Floor, Parmesh Business Centre II, Plot No. 23, Karkardooma Community Centre, Delhi-110092, as collateral.
- d.** That in Company Petition No. IB/565/PB/2021 filed by the Respondent under Section 7 of the Code, it was alleged that the Applicants were liable to pay a sum of ₹2,66,25,971/, towards the loan, together with compounded interest, on the basis of an allegedly fabricated agreement dated 14.09.2014. The Applicants, in their reply, categorically asserted that the loan in question had been fully repaid in 2015 and contended that the Respondent had suppressed

material facts and misled this Adjudicating Authority, thereby perpetrating a fraud on the Tribunal. It has been alleged by the Applicant that the Respondent failed to comply with the mandatory requirements of the Banker's Books Evidence Act, 1891, and Section 34 of the Evidence Act, 1872, while filing the purported account statements as required under the IBC and its Rules. The Respondent did not furnish complete bank statements reflecting the entire course of transactions between the parties.

- e. That in the Rejoinder in the main petition, the Respondent herein produced a tabular chart purporting to show that the Applicants had availed four separate loans, and falsely claimed that only the 2014 loan remained unpaid. It is alleged that the Respondent misrepresented material facts by attributing a payment of ₹20 lakh, made towards a distinct loan granted to M/s SLR Construction Pvt. Ltd. under a Loan Agreement dated 23.06.2015, to the alleged outstanding debt in the present matter. It is further alleged that the Respondent fabricated a loan agreement dated 24.06.2015 pertaining to M/s SLR Construction Pvt. Ltd., and failed to produce supporting bank statements for the ₹20 lakh payment relating to that loan. Instead, the Respondent is stated to have improperly adjusted the said amount by generating fictitious ledgers based on an allegedly forged agreement dated 14.09.2014 in the name of the Corporate Debtor, which even makes reference to the Insolvency and Bankruptcy Code, 2016, legislation enacted subsequent to the

purported agreement. These acts, it is submitted, were undertaken with the intent to mislead this Adjudicating Authority and advance a fraudulent claim.

- f.** That on 01.02.2019, Mr. Dinesh Khetan, Ex-Director, sought certain documents pertaining to the Loan Agreement dated 13.09.2014, along with post-dated cheques (PDCs) amounting to ₹53.34 lakh towards the loan liability of ₹42.00 lakh, payable by 12.11.2019, for the purpose of reconciling the books of accounts and securing release of the collateral. Pursuant thereto, requested documents and 13 cheques totaling ₹53.34 lakh were issued on 03.02.2019, including four cheques (Nos. 597287, 597288, 597289 and 597297), which were subsequently disputed by the Respondent in its application dated 17.09.2021.
- g.** It is the Applicants allegation that, in order to meet the threshold requirement of ₹1 crore for initiating proceedings before this Tribunal, Mr. Dinesh Khetan, in collusion with Mr. Kishan Kumar (K.K. Nagpal), Ms. Poonam Goyal, and Mr. Umang Goyal, fabricated a Loan Agreement-cum-MOU dated 14.09.2014. The said document was allegedly created to falsely inflate the claim and unlawfully secure the Applicants' collateral. Despite having acknowledged a loan liability of only ₹53.34 lakh in an email dated 01.02.2019, the Respondent subsequently filed a petition claiming ₹2.66 crore with compound interest. It is further alleged that the Respondent fabricated a similar agreement dated 24.06.2015 in respect of a ₹20

lakh loan granted to an associate company of the Applicants, namely M/s SLR Construction Pvt. Ltd. The Respondent filed the petition in February 2020, although no threshold limit for filing such petitions existed before March 2020.

- h.** It is submitted that the bank statements filed by the Respondent are incomplete and that the ledgers relied upon are forged and manipulated. It has further reiterated that the Respondent deliberately withheld material records and filed distorted ledgers, thereby committing a fraud upon the Tribunal. It is further submitted that the Respondent has not produced any loan agreements pertaining to the other loans alleged in its Rejoinder, nor has it furnished corresponding bank statements to substantiate the transactions reflected therein. The Respondent relies solely on manipulated ledger entries, the falsity of which can be demonstrated from the bank statements of the Applicants and of M/s SLR Construction Pvt. Ltd.
- i.** It is submitted that the retrospective agreement dated 14.09.2014 was created in 2019, ostensibly prior to the retirement of Ms. Poonam Goyal, who is alleged to have executed and signed the document with the intent to fraudulently acquire the Applicants' properties. It is further alleged that Mr. Dinesh Khaitan and Mr. Kishan Kumar, acting with ulterior motives, procured the Applicants' signatures on undated papers, which were later converted into the impugned agreements, with the said individuals also signing as witnesses. Ms.

Poonam Goyal is stated to have arranged for the agreements to be notarised by Mr. S. Gupta, Notary Public (Reg. No. 1187, New Delhi), through backdated notarisation involving the affixing of his stamp, date seal, and signature, thereby falsifying the official record.

- j.** It is further submitted that the stamp paper dated 06.03.2013 was improperly utilised for the purported agreement dated 14.09.2014, indicating a practice of preparing backdated documents and casting serious doubt on the authenticity of the alleged agreement. It is also noteworthy that the original loan documents were executed at the Respondent's then-registered address at H-63, Vijay Chowk, Laxmi Nagar, East Delhi. However, the fabricated agreement dated 14.09.2014 reflects the address as F-2, New Rajdhani Enclave, Delhi, an address that became the Respondent's registered office only in 2017. This discrepancy raises grave suspicion as to how the Respondent's subsequent registered address could appear on documents purportedly executed years earlier.
- k.** It is submitted that Clause 8(n) of the purported Loan Agreement-cum-MOU states that, in the event of default, the Lender may approach the "Adjudicating Authority" and initiate proceedings under the Insolvency and Bankruptcy Code, 2016. The presence of such a clause unmistakably demonstrates that the agreement is an afterthought, as the Insolvency and Bankruptcy Code came into force only in 2016 and was not in existence on the alleged execution date of 14.09.2014. This further indicates that the Respondent misused

blank signed papers obtained from the Applicants to fabricate a document at a later stage for the purpose of falsely initiating proceedings against them, particularly since the introduction of a new statute cannot operate retrospectively.

1. To support its contention the Applicant has relied upon Judgement passed by Hon'ble Supreme Court of India in **Beacon Trusteeship Limited vs. Earthcon Infracon Pvt. Ltd., 2020 SCC OnLine SC 1233** wherein it addressed the issue of collusion and malicious initiation of insolvency proceedings. The Hon'ble SC also laid emphasis on examining and addressing appropriately the allegations of fraud and collusion. It was categorically stated that the issues surrounding collusion could not have been raised for the first time on appeal before the NCLAT or the Apex court and must be thus addressed by the NCLT based on the Application filed.

ANALYSIS AND FINDINGS

3. This Adjudicating Authority has heard the learned counsel for the Applicant and has carefully perused the pleadings, documents, and submissions placed on record. The pivotal issue that arises for determination is whether the application filed under Section 7 of the Code, is vitiated by malice or fraudulent intent so as to warrant the invocation of Section 65 of the Code.
4. On perusal of the case record, it is noted that on 17.07.2025 the Respondent raised an objection regarding the maintainability of the present Application, whereupon time was granted to file a reply on the said issue. The matter was

thereafter listed on 08.08.2025, when learned counsel for the Respondent sought further time to comply with the order dated 17.07.2025. As a last and final opportunity, three days' time was granted for filing the reply.

5. The matter was next listed on 27.08.2025; however, despite the liberty granted, no reply was filed by the Respondent. The Respondent continued to remain in default of the order dated 17.07.2025 and, in the meanwhile, proceeded to file a Plan Application on 08.09.2025 (stated to be dated 26.08.2025), instead of complying with the directions of this Tribunal. In view of the persistent non-compliance with the order dated 17.07.2025, the Respondent's right to file any reply in the present Application stood closed. Considering the conduct of the Respondent, the Respondent was proceeded ex-parte. Arguments of the Applicant were heard and this Application for reserved for Order.
6. Accordingly, at this stage, it is appropriate to refer to the provisions contained in Section 65 of the IBC, 2016.

“65. Fraudulent or malicious initiation of proceedings. –

(1) If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.

(2) If, any person initiates voluntary liquidation proceedings with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.

(3) If any person initiates the pre-packaged insolvency resolution process—

(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or

(b) with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.”

- 7.** A plain reading of Section 65 of the Insolvency and Bankruptcy Code reveals that it does not specifically prescribe who may file an application under the said provision. Therefore, any person who is affected or aggrieved by the fraudulent initiation of the Corporate Insolvency Resolution Process (CIRP) may invoke Section 65 before this Tribunal. Furthermore, the determination of a person's locus to file a case depends on the legal provision under which the case is instituted and the nature of reliefs sought.
- 8.** A plain reading of the provision suggests that it applies not only to the initiation of the Insolvency Resolution Process but may also extend to the conduct during the continuation of CIRP and even during the liquidation process, where applicable. Accordingly, it would be incorrect to contend that the scope of Section 65 is confined solely to the Applicant's conduct prior to the admission of the CIRP. In the considered opinion of this Adjudicating Authority, there may indeed arise circumstances wherein the conduct of the Applicant, subsequent to the initiation of CIRP, may sufficiently demonstrate that the original application was filed with malicious or fraudulent intent.
- 9.** In the present case, the principal issue for consideration is the allegation that the Application filed under Section 7 of the Code by the Financial Creditor, was initiated with malicious and fraudulent intent. It is the Applicant's contention that the admission of the Corporate Debtor into CIRP was

procured with the objective of defrauding the Applicants by fabricating and manipulating loan-related documents. It is alleged that the Financial Creditor falsely represented that the Applicants had availed four separate loans and that only the loan advanced in 2014 remained outstanding, despite the fact that payments had been duly made. The Respondent is further accused of fraudulently attributing a payment of ₹20 lakh—made towards a distinct loan granted to M/s SLR Construction Pvt. Ltd. pursuant to the Loan Agreement dated 23.06.2015, to the purported liability in the present case. It is also alleged that the Respondent fabricated another agreement dated 24.06.2015 relating to the loan of ₹20 lakh advanced to M/s SLR Construction Pvt. Ltd., and failed to produce any corresponding bank statements to support the transactions recorded therein.

- 10.** It has been stated that the Financial Creditor is stated to have adjusted the said amount through fictitious ledger entries prepared on the basis of an alleged forged agreement dated 14.09.2014 in the name of the Corporate Debtor. Notably, this purported agreement makes reference to the Insolvency and Bankruptcy Code, 2016, legislation that did not exist at the time of the alleged execution, thereby reinforcing the allegation that the document was created subsequently with the intention to deceive this Tribunal and advance a false claim.
- 11.** We note that the Financial Creditor has deliberately chosen to withhold complete bank statements and other genuine documents, and has instead placed on record a distorted ledger. No loan agreements pertaining to the other alleged loans, as referred to in the Rejoinder, have been produced, nor

have any corresponding bank statements been filed to substantiate the transactions asserted therein.

- 12.** It is further alleged that, in order to meet the threshold requirement of ₹1 crore for initiating proceedings before this Tribunal, Mr. Dinesh Khetan, in collusion with Mr. Kishan Kumar (K.K. Nagpal), Ms. Poonam Goyal, and Mr. Umang Goyal, fabricated a Loan Agreement-cum-MOU dated 14.09.2014. The said document is stated to have been created to falsely inflate the claim and unlawfully secure the Applicants' collateral. Despite having acknowledged a loan liability of only ₹53.34 lakh in an email dated 01.02.2019, the Respondent subsequently filed a petition claiming ₹2.66 crore with compound interest. It is also alleged that the Respondent prepared a similar fabricated agreement dated 24.06.2015 in respect of a ₹20 lakh loan advanced to an associate entity of the Applicants, namely M/s SLR Construction Pvt. Ltd.
- 13.** It has further been alleged that the purported agreement dated 14.09.2014 was in fact fabricated in 2019, shortly before the retirement of Ms. Poonam Goyal, who is stated to have signed the document with the intent to fraudulently appropriate the Applicants' properties. It is alleged that the Applicants' signatures were obtained on blank, undated papers, which were subsequently converted into the impugned agreements, with the individuals concerned also signing as witnesses. It is further alleged that Ms. Poonam Goyal arranged for the documents to be notarised by Mr. S. Gupta, Notary Public (Registration No. 1187, New Delhi), through backdated notarisation involving the affixing of his notarial stamp, date seal, and signature, thereby falsifying the official record.

- 14.** It has been alleged by the Applicant that the stamp paper dated 06.03.2013 was improperly utilised for the purported agreement dated 14.09.2014, thereby casting serious doubt on the genuineness of the document. It is also material to observe that the original loan documents were executed at the Respondent's then-registered address at H-63, Vijay Chowk, Laxmi Nagar, East Delhi. In contrast, the allegedly fabricated agreement dated 14.09.2014 bears the address F-2, New Rajdhani Enclave, Delhi, an address that became the Respondent's registered office only in 2017. The appearance of this subsequent address on a document claimed to have been executed years earlier raises a grave suspicion as to its authenticity.
- 15.** We deem it appropriate to reproduce the relevant excerpts of the *Loan Agreement-cum-Memorandum of Understanding* dated 24 June 2015, as set out over-leaf:



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

| | |
|---------------------------|------------------------------------|
| Certificate No. | : IN-DL17905896087963M |
| Certificate Issued Date | : 03-Feb-2014 05:58 PM |
| Account Reference | : IMPACC (IV)/d025003/DELHY/DL-DLH |
| Unique Doc. Reference | : SUBIN-DL0102500302649141761949M |
| Purchased by | : ENDLESS SERVICES PVT LTD |
| Description of Document | : Article 5 General Agreement |
| Property Description | : NA |
| Consideration Price (Rs.) | : 0 (Zero) |
| First Party | : ENDLESS SERVICES PVT LTD |
| Second Party | : NA |
| Stamp Duty Paid By | : ENDLESS SERVICES PVT LTD |
| Stamp Duty Amount (Rs.) | : 50 (Fifty only) |



Please write or type below this line

This stamp paper form an integral part of Agreement dt 24.6.2015

For SLR Construction Pvt. Ltd.
Director



FOR ENDLESS SERVICES PVT. LTD.
Authorized Signatory/Director

Statutory Alerts:

1. The authenticity of this Stamp Certificate should be checked at "www.delhi.gov.in". Any discrepancy in the details on this Certificate should be reported to the concerned authority.
2. The mode of checking the authenticity is on the basis of the certificate.
3. In case of any discrepancy please inform the concerned authority.

24 JUN 2015

24 JUN 2015

SLR CONSTRUCTION PVT. LTD.
Scanned with CamScanner
Authorized Signatory/Director
CERTIFIED TRUE COPY

LOAN AGREEMENT CUM MEMORANDUM OF UNDERSTANDING

THIS LOAN AGREEMENT CUM MEMORANDUM OF UNDERSTANDING (AGREEMENT) Is made and executed at New Delhi on this 24th day of June 2015, between -

M/s SLR Construction Pvt Ltd having its office at 309-310, V4 Tower, plot No. 14, Karkardooma Community Center, Delhi 110092, through Its Director Shri Shiv Kumar Bansal s/o Shri Kewal Ram Bansal r/o 88 Jagriti Enclave, Delhi 110092 hereinafter referred to as "The Borrower", (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to include his heirs, administrators, legal representatives, executors and assigns) of the First part;

AND

M/s Endless Services Pvt. Ltd. having registered office at F-2, 90 New Rajdhani Enclave, Delhi-110092, hereinafter referred to as "Lender or Investor", (which expression shall unless it be repugnant to the context or meaning thereof shall mean and include its successors and assigns) of the other part;

n) Without prejudice to any other rights available to the Lender, in the event the Borrower commits a default in the repayment of the Loan, the Lender at its sole discretion shall make an application to the Adjudicating Authority (as defined in the Code) and proceed under the Insolvency and the Bankruptcy Code, 2016 ("Code") in order to realize the Loan Amount along with interest.

16. Upon perusal of the *Loan Agreement-cum-Memorandum of Understanding* dated 24 June 2015, we observe that the stamp paper used bears the date 03.02.2014 and pertains to a transaction between M/s SLR Construction Pvt. Ltd. and M/s Endless Services Pvt. Ltd. Furthermore, Clause 8(n) of the said Agreement-cum-MOU contains a reference to proceedings under the Insolvency and Bankruptcy Code, 2016. The inclusion of such a reference in a document purportedly executed prior to the enactment of the Code clearly suggests that the agreement is an afterthought and was not executed on the stated date. This lends credence to the allegation that the Respondent misused blank signed pages allegedly obtained from the Applicants and subsequently fabricated the agreements for the purpose of initiating legal action. As the Code did not exist at the material time and cannot apply

retrospectively, the presence of such references indicates that the documents were created at a later stage to advance a false claim against the Applicants.

17. Upon initiation of the CIRP, the moratorium under Section 14(1) of the Insolvency and Bankruptcy Code, 2016, comes into operation, thereby staying all proceedings against the Corporate Debtor for the duration of the process. The intent of the moratorium is to provide a period of calm and protection, allowing for maximization of asset value and facilitating the resolution of the Corporate Debtor's insolvency. However, in the present case, the Financial Creditor appears to have invoked the CIRP on the purported ground of default, not as a genuine attempt at resolution, but for a wrongful and malicious attempt. The admission of Corporate Debtor is based upon malicious and fabricated documents which had been used to mislead this AA and to get a favourable order. Such conduct, which reflects an attempt to misuse the CIRP mechanism for extraneous and unjust purposes, cannot be condoned or ignored, even after the admission of the CIRP.

18. Now a question arises, whether the Financial Creditor has filed the Section 7 application with a malicious and fraudulent intent. The term malicious has not been defined anywhere under IBC, 2016. Therefore, at this juncture we refer to the Judgement of Hon'ble Supreme Court, passed in the matter of **West Bengal State Electricity Board Vs Dilip Kumar Ray, Civil Appeal 5188 of 2006 dated 24.11.2006**, wherein the term '**malicious**' has been discussed. The extracts of the Judgement are reproduced below: -

"Malice means in law wrongful intention. It includes any intent which the law deems wrongful, and which therefore serves as a ground of

*liability. Any act done with such an intent is, in the language of the law, malicious, and this legal usage has etymology in its favour. The Latin malitia means badness, physical or moral - wickedness in disposition or in conduct – not specifically or exclusively ill-will or malevolence; hence the malice of English law, including all forms of evil purpose, design, intent, or motive. But intent is of two kinds, being either immediate or ulterior, the ulterior intent being commonly distinguished as the motive. The term malice is applied in law to both these forms of intent, and the result is a somewhat puzzling ambiguity which requires careful notice. **When we say that an act is done maliciously, we mean one of the two distinct things. We mean either that it is done intentionally, or that it is done with some wrongful motive.**"*

(Emphasis Supplied)

- 19.** Thus, it can be inferred that two essential conditions must be satisfied for invoking the provisions of Section 65 of the Insolvency and Bankruptcy Code, 2016, against an Applicant under Sections 7, 9, or 10. Firstly, there must be an application initiated to trigger the Corporate Insolvency Resolution Process (CIRP); and secondly, such an application must have been filed with a malicious or fraudulent intent, i.e., for a purpose other than the bona fide resolution of insolvency or liquidation, as the case may be. Therefore, while considering a matter under Section 65 of the IBC, the Adjudicating Authority is primarily required to determine whether the application under Section 7, 9, or 10 has been filed with such malicious or fraudulent intent. It is further observed that Section 65 specifically uses the term "initiates," and does not distinguish between the pre-admission and post-admission stages of CIRP.
- 20.** In light of the foregoing discussion, this Adjudicating Authority is of the considered view that the Corporate Debtor, under the guise of initiating proceedings under the Insolvency and Bankruptcy Code, has attempted to perpetrate a fraud upon its stakeholders. The framework of the IBC cannot

be invoked to confer legitimacy upon actions that are otherwise illegal or tainted by malafide intent. Accordingly, it is concluded that the Application filed under Section 7 of the Code was initiated with malicious and fraudulent intent, with the objective of causing undue prejudice and injury to the legitimate rights and interests of the stakeholders of the Corporate Debtor. Further, punishment is prescribed under Section 75 for furnishing false information in an application made by a financial creditor which further deters a financial creditor from wrongly invoking the provisions of Section 10 of the Code.

Section 75 reads as under:

75. Punishment for false information furnished in application. -

Where any person furnishes information in the application made under section 7, which is false in material particulars, knowing it to be false or omits any material fact, knowing it to be material, such person shall be punishable with fine which shall not be less than one lakh rupees, but may extend to one crore rupees.

- 21.** In light of the foregoing discussion and findings, this Adjudicating Authority is of the considered view that the Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, was a clear attempt by the Financial Creditor to abuse the process of law and to commit fraud upon its Corporate Debtors, by initiating CIRP with a malicious and fraudulent intent and creating vicious and fabricated documents. Further, it has been brought to our notice that a resolution plan has also been filed before this Authority

during the pendency of these proceedings, which further compounds the prejudice caused to the Corporate Debtor.

22. These facts obviously were never brought before the Adjudicating Authority during the proceedings which culminated in the order dated 16.04.2024 initiating the CIRP in the case of the Corporate Debtor. Thus, we find enough justification to adjudicate the allegation levelled by the Applicant in the present application on merits. As a sequel, we recall the order dated 16.04.2024 initiating CIRP of the Corporate Debtor, obtained fraudulently from the Tribunal. The RP is directed to hand over the control and custody of the corporate debtor and its assets to the erstwhile management.

23. We also place reliance on the judgment of the Hon'ble National Company Law Appellate Tribunal (NCLAT) in *Acute Daily Media Pvt. Ltd. and Ors. v. Rockman Advertising and Marketing (India) Ltd. and Ors.*, Company Appeal (AT) (Insolvency) No. 1480 of 2024, decided on 16th January 2025. In the said ruling, the Hon'ble Appellate Tribunal categorically held that when a fraudulent Corporate Insolvency Resolution Process (CIRP) is initiated, the Adjudicating Authority is vested with the jurisdiction under Section 65 of IA/1044/ND/2024 and CP: IB/24/ND/2024 M/s Saivi Finance Private Limited v/s M/s AKJ Metals Private Limited. the Insolvency and Bankruptcy Code, 2016 (IBC) to examine and adjudicate upon allegations of fraudulent and malicious initiation of CIRP proceedings.

“31. We have no quarrel with the proposition of the Appellants that in terms of Section 7 of the IBC, what is required to be seen is the existence of a debt and default of the said debt. Once a debt becomes due or

payable and there is incidence of non-payment of the said debt in full or part, CIRP may be triggered by the Financial Creditor as long as the amount in default is above the threshold limit. Be that as it may, Section 65 of the IBC is an enabling provision within the statutory framework of IBC whereby even if a Section 7 application has been filed or has been admitted, it vests jurisdiction on the Adjudicating Authority to examine an application under Section 65, if a prima facie case is made out to show that the Section 7 application had been filed 'fraudulently' or 'with malicious intent' and for purpose other than resolution of insolvency or liquidation. In the present case too, we therefore do not find any error on the part of the Adjudicating Authority to consider the Section 65 application filed by the Respondent No.1 on being prima facie satisfied that the Section 7 application seeking initiation of CIRP proceedings had been filed by suppression of relevant material for purposes other than insolvency resolution. There is no statutory embargo on the Adjudicating Authority to exercise its discretion carefully and judiciously in a Section 65 application to prevent and protect the Corporate Debtor from being dragged into CIRP....."

24. We place our reliance on Orders passed by **Hon'ble NCLAT in Ashmeet Singh Bhatia v. Pragati Impex India Private Limited & Anr.; CA (AT) (Ins) No. 1413 of 2023**

"....

16. The power under Section 65 of the Code can be exercised by the Adjudicating Authority only after satisfying that grounds as mentioned exist, if the Adjudicating Authority come to the conclusion that

insolvency proceedings have been initiated fraudulently or with malicious intent for any other purpose other than for the resolution of insolvency of the Corporate Debtor, it can impose penalty as provided in the provision. While exercising jurisdiction under Section 65, the Adjudicating Authority is also fully entitled to close CIRP process and pass all consequential order. The mere fact that Section 7 Application has been admitted does not denude the jurisdiction of the Adjudicating Authority to examine the application under Section 65 of the Code. The observations of the Adjudicating Authority are that the Appellant is opposing the admission of the proceeding which admission has been affirmed by the Appellate Tribunal. The above does not denude the jurisdiction of the Adjudicating Authority to examine the allegations made in the Section 65 Application even after admission of the proceedings under Section 7.

18. Learned Counsel for the Respondent submitted that Application have been filed belatedly at the stage when Resolution Plan of the Corporate Debtor is under consideration. The mere fact that Application has been filed at the time when plan is under consideration does not take away the jurisdiction of the Adjudicating Authority to consider the allegations and find out the truth, if any.

25. Reliance is also placed on **Hindalco Industries Ltd. V. Hirakud Industrial Works Ltd. & Ors. [NCLAT, New Delhi; Company Appeal (AT) (Insolvency) No. 42 of 2022]** wherein it was held that:

“110. Regarding the observations in the Pratap Technocrats judgment (supra) judgment, we are of the view that the present case is a case of fraudulent and malicious initiation of CIRP, and hence, when the basic edifice on which the resolution plan of the corporate debtor is

based is non-est in law, the superstructure of the resolution plan cannot sustain itself maintain its existence.”

26. Having regard to the totality of the facts and circumstances of the present case, as well as the material placed on record, this Adjudicating Authority is of the considered view that the initiation of proceedings under Section 7 of the Code stands vitiated by fraudulent and malicious intent. The commencement of CIRP in such a manner constitutes an abuse of the process of law and, therefore, cannot be permitted to continue. We further note that although an application for approval of a Resolution Plan is stated to be pending before this Adjudicating Authority. We record that where the very foundation of the CIRP, having been initiated on the basis of fraud and malice cannot be sustained in the eyes of law. Consequently, nothing survives for further consideration in the CIRP. In view of the judgments relied upon and the findings recorded hereinabove, the following orders are passed

- A.** The application under Section 65 i.e IA (I.B.C) 2762 (ND) 2025 **in C.P. IB-565/PB/2021** of the Code is hereby **allowed**.
- B. As a result, the order dated 16.04.2024 passed by this Adjudicating Authority in C.P. IB-565/PB/2021 is hereby recalled. Consequently, C.P. IB-565/PB/2021 stands disposed of and is hereby closed.** We further impose a penalty of **INR 50,00,000/- (Rupees Fifty Lakh Only)** against the Financial Creditor i.e Endless Services Pvt. Ltd. for fraudulent and malicious initiation of proceedings as per Section 65(1) of the Code, to be deposited with the Insolvency and Bankruptcy Board of India (IBBI) within 30 days from the date of this order.
- C.** As a natural corollary to the recall of the admission order, the Corporate Debtor is hereby restored to its legal status as it existed

immediately prior to the commencement of the Corporate Insolvency Resolution Process (CIRP).

- D.** In view of the foregoing, the services of Mr. Shivanand Chaudhary Resolution Professional, are no longer required, and he stands discharged of all duties and responsibilities with immediate effect. He is further directed to forthwith hand over the custody and possession of all documents, records, files, books of account, digital data, and any other property or material pertaining to the Corporate Debtor, to its Board of Directors or such authorized representative(s) as may be duly nominated by the Corporate Debtor. He shall also ensure that the control and management of the Corporate Debtor is effectively and seamlessly reverted to its erstwhile management without any delay. Additionally, the Resolution Professional shall take all necessary steps to facilitate the restoration of banking operations to the Corporate Debtor, including but not limited to, ensuring that the authorized signatories to the Corporate Debtor's bank accounts are appropriately modified and restored to the pre-CIRP position. A compliance report confirming the completion of the aforesaid actions shall be filed before this Adjudicating Authority within two weeks from the date of this order.

- 27.** The Registry is further directed to forward a copy of this order to the IBBI for its records and necessary action.

Sd/-

**ATUL CHATURVEDI
MEMBER (TECHNICAL)**

Sd/-

**MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH

COURT-IV

IA (I.B.C) 5750 (ND) 2025

IN

COMPANY PETITION NO. IB/565/PB/2021

IN THE MATTER OF:

M/s. Endless Services Limited

... Financial Creditor

Versus

M/s. SLR Techinfra Private Limited

...Corporate Debtor

AND IN THE MATTER OF:

Shivanand Chaudhary

... Applicant/RP

VERSUS

Raj Kumar Malhotra & Anr.

...Respondents

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI

HON'BLE MEMBER (TECHNICAL)

Order Delivered on: 18.12.2025

Present:

For the RP

: Ms. Kanika Singhal,
Ms. Richa Tripathi, Advs., along with
Mr. Shivanand Chaudhary (RP)

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present application is filed on behalf of Mr. Shivanand Chaudhary, Resolution Professional of M/S. SLR TECHINFRA PRIVATE LIMITED under section 12 of Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of National Company Law Tribunal Rules, 2016 seeking the following prayer(s):-

“i. Grant an extension of 288 days from 13th October 2024 to 28th July 2025;

Or in the Alternative to prayer (i),

ii. Grant an exclusion of 288 days from 13th October 2024 to 28th July 2025;

iii. Grant an extension of 123 days from 29th July 2025 to 28th November 2025 for completing ongoing Corporate Insolvency Resolution Process of SLR Techinfra Private Limited; and

iv. To pass any other or further order of any nature, or direction as this Hon’ble Tribunal may deem fit and proper in the facts and circumstances of the present case.”

2. In view of the Order passed by this Adjudicating Authority allowing the application under Section 65 of the Code, bearing I.A. (I.B.C.) No. 2762 (ND) 2025 in Company Petition No. IB/565/PB/2021, vide Order dated 18.12.2025, and consequently recalling the admission order dated 16.04.2024 passed by this Adjudicating Authority in C.P. IB-18/ND/2023, the present Application has rendered infructuous.

Accordingly, the present Application, i.e., I.A. (I.B.C.) No. 5750 (ND) 2025 in C.P. No. IB/565/PB/2021, is disposed of as infructuous.

Sd/-

**ATUL CHATURVEDI
MEMBER (TECHNICAL)**

Sd/-

**MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)**