



IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI, COURT-III

IA-2884/2019

In

(IB) -02(PB)/2017

Order under Section 66(1) of the Insolvency and Bankruptcy Code, 2016 read with regulation 35A of the Insolvency and Bankruptcy Board of India Regulations, 2016.

IN THE MATTER OF (IB)-02(PB)/2017:

NIKHIL MEHTA

.... Financial Creditor

VERSUS

M/s. AMR INFRASTRUCTURES LIMITED

.... Corporate Debtor

AND IN THE MATTER OF IA-2884/2019:

Mr. VIKRAM BAJAJ

(Resolution Professional for AMR Infrastructures Ltd)

R/o 308, Pearls Business Park

Netaji Subhash Place, Pitampura, Delhi – 110034.

.... Applicant/Resolution Professional

VERSUS

1. RAM CHANDER SONI

R/o 59/20, First Floor

Prabhat Road, WEA, Karol Bagh, New Delhi -110005.

... RESPONDENT NO. 1

2. DEEPAK KUMAR

R/o X/828, Chand Mohalla,

Gandhi Nagar, S.O, East Delhi -110031.

...RESPONDENT NO. 2

3. ANKIT GUPTA

R/o H-472 Rajinder Nagar, New Delhi – 110060.

...RESPONDENT NO. 3



4. KRISHAN KUMAR

R/o 53/309, Block No. 53
Ramjas Road, Karol Bagh, New Delhi – 110005.

.... RESPONDENT NO. 4

5. MADHUR VERMA

R/o 2987, 3rd Floor, Chourasi Ghanta Mandir,
Sita Ram Bazar, North Delhi – 110006.

...RESPONDENT NO. 5

6. ARUN KUMAR SONI

R/o 59/20, First Floor, Prabhat Road
WEA, Karol Bagh, New Delhi- 110005.

...RESPONDENT NO. 6

7. NAVEEN SONI

R/o 59/20, Basement, Prabhat Road,
WEA, Karol Bagh, New Delhi-110005.

...RESPONDENT NO. 7

8. ASHISH GUPTA

R/o 292, Tagore Park (Extension)
Model Town-I, New Delhi-110009.

...RESPONDENT NO. 8

9. USHA GUPTA

R/o 292, Tagore Park (Extension)
Model Town-I, New Delhi- 110009.

...RESPONDENT NO. 9

10. RAJ KUMAR SONI

R/o A-14, First Floor, Satyawati Colony,
Ashok Vihar Phase -3, Delhi – 110052.

...RESPONDENT NO. 10

11. PRASHANT SONI

R/o 59/20, Third Floor, Prabhat Road
WEA, Karol Bagh, New Delhi -110005.

... RESPONDENT NO. 11



Order Pronounced On: 03.04.2025

CORAM:

SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)
SHRI ATUL CHATURVEDI, HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant/RP: Mr. Abhishek Anand, Mr. Krishna Sharma, Mr. Karan Kohli, Advs. along with Mr. Vikram Bajaj (Resolution Professional)

For the Respondent: Mr. Vivek Singh, Ms. Eesha Shonak, Ms. Amrita Sarkar Advs. for R- 1, 2, 4, 6, 7, 10 & 11; Mr. Zorawar Singh, Ms. Peehu Singh, Mr. Shubham, Advs. For R-3

ORDER

PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. The present Application has been filed by Mr. Vikram Bajaj, the Resolution Professional of the Corporate Debtor, i.e., M/s. AMR Infrastructures Ltd. before this Adjudicating Authority Order under Section 66 read with Section 25(2)(J) of the Insolvency Bankruptcy Code, 2016 for seeking appropriate relief for avoidance of certain transactions of Corporate Debtor and consequential directions. The Applicant/Resolution Professional is seeking the following reliefs: -

- a) *"Allow the present application;*
- b) *Pass an Order declaring transactions as detailed in Paragraph XIII to XIX of the Application to be fraudulent transactions within the meaning of Section 66 of the Insolvency and Bankruptcy Code, 2016;*
- c) *Pass an Order directing for forensic audit of books of Accounts of MRG Promoters Pvt. Ltd.;*
- d) *Direct the directors and promoters of the Corporate Debtor to make such contributions to the assets of the Corporate Debtor as it may deem fit;*
- e) *Pass such other or further Order/Order(s) as may be deemed fit and proper in the facts and circumstances of the instant case."*



2. Brief Background of the Case: -

- (i) The Corporate Debtor i.e., M/s. AMR Infrastructures Limited was incorporated on 15.06.2006. The main object as per the Memorandum and Articles of Associations is as under:

"To carry on in India elsewhere either alone or jointly with one or more person, government, local or other bodies, the business to construct, build, alter, acquire, convert, improve, design, erect, establish equip, develop, dismantle, pulldown, turn account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, subcontractor, turnkey contractor and manager of all types of constructions & development work in all its branches such as roads, ways, culverts, dams, bridges, railways, tramways, water tanks, reservoirs, canals, wharves, warehouses, factories, buildings, structures, drains, sewage works, water distribution and filtration system, docks, harbours, piers, irrigation works, foundation works, flyovers, airports, runways, rock drilling, aquaducts, stadium, hydrolic, sanitary works, power supply works, power stations, hotels, hospitals, dharamshalas, multistories, colonies, complexes, housing projects and other similar work and for the purpose to acquire, hand over, purchase, sell, own, cut to size, develop, distribute, or otherwise to deal in all sort of lands and building and to carry on or any of the foregoing activities for building material, goods, plants, machineries, equipment's, accessories, parts, tools, fitting, articles, material and facilities of whatsoever nature and to do all incidental acts and things necessary for the attainment of foregoing objects."



(ii) The promoters/shareholders of the Corporate Debtor are as under:

| S. No. | Name | Address | No. of Shares | Face Value | Value of Shares |
|---------------|------------------|---|----------------------|-------------------|------------------------|
| 1. | Arun Kumar Soni | 59/20, Second Floor, Prabhat Road, WEA, Karol Bagh, New Delhi- 110005 | 15000 | 10 | 1,50,000 |
| 2. | Ram Chander Soni | 59/20, First Floor, Prabhat Road, WEA, Karol Bagh, New Delhi-110005 | 15000 | 10 | 1,50,000 |
| 3. | Prashant Soni | 59/20, Third Floor, Prabhat Road, WEA, Karol Bagh, New Delhi- 110005 | 15000 | 10 | 1,50,000 |
| 4. | Naveen Soni | 59/20, Basement Floor, Prabhat Road, WEA, Karol Bagh, New Delhi- 110005 | 15000 | 10 | 1,50,000 |
| 5. | Ashish Gupta | 292, Tagore Park (Extension), Model Town I, New Delhi- 110009 | 15000 | 10 | 1,50,000 |
| 6. | Usha Gupta | 292, Tagore Park (Extension), Model Town I, New Delhi- 110009 | 15000 | 10 | 1,50,000 |
| 7. | Ankit Gupta | H-472, New Rajinder Nagar, Delhi-110060 | 15000 | 10 | 1,50,000 |
| 8. | Krishan Kumar | 53/39, Ramjas Road, Karol Bagh, New Delhi -110005 | 15000 | 10 | 1,50,000 |
| | | TOTAL | 1,20,000 | 10 | 12,00,000 |

(iii) The present and past directors of the Corporate Debtor are as under:

| DIN/PAN | Name | Begin date | End date |
|----------------|----------------|-------------------|-----------------|
| 00138579 | KRISHAN KUMAR | 04/10/2006 | 31/03/2016 |
| 00143264 | ANKIT GUPTA | 05/08/2014 | 28/03/2016 |
| 02135182 | DEEPAK KUMAR | 18/11/2011 | -- |
| 06952797 | MADHUR VERMA | 05/10/2016 | 01/11/2017 |
| 07131830 | RAJ KUMAR SONI | 23/03/2015 | -- |



- (iv) This Adjudicating Authority vide order dated 10.05.2018 had admitted the C.P. No. (IB)-02(PB)/2017, filed by the Financial Creditor, Mr. Nikhil Mehta under Section 7 of IBC, 2016 and initiated the Corporate Insolvency Resolution Process (CIRP) against M/s. AMR Infrastructures Limited, the Corporate Debtor. Consequently, the moratorium was declared and Mr. Vikram Bajaj was appointed as the Interim Resolution Professional (“**IRP**”).
- (v) The IRP made a public announcement in Form-A dated 11.05.2018 on 15.05.2018 in Business Standard (English) and Business Standard (Hindi) in terms of Regulation 6(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The last date for submission of proof of claim was specified as 24.05.2018.
- (vi) Pursuant to appointment of the Applicant as Resolution Professional, he has taken various steps for discharge of his duties in accordance with law including invitation and verification of claims, collation of information on assets of the company, custody of assets which are detailed in progress report filed by the Applicant which was taken on record in the hearing dated 05.07.2018.
- (vii) In terms of the amendments w.e.f. 06.06.2018 read with regulations w.e.f. 03.07.2018 and circular issued by IBBI dated 13.07.2018, the Applicant filed C.A. No. 725(PB)/2018 seeking appointment of two authorized representatives in terms of Section 21(6) of the Code, wherein this Hon'ble Adjudicating Authority vide order dated 14.08.2018 allowed the application and has appointed Mr. Alok Kaushik to represent class of creditors for Real Estate Commercial and Ms. Maya Gupta to represent class of creditors Real Estate Residential.
- (viii) The Applicant requested the promoters/directors to provide and give access to various information but they failed to provide and give access to information to the Applicant. The Applicant filed an application under Section 19(2) of the Code on 23.08.2018, seeking directions to the Suspended Board of Directors of the Corporate Debtor to cooperate and give access to all documents relating to the Corporate Debtor.



- (ix) Thereafter, the first meeting of the Committee of Creditors was convened on 25.08.2018. However, due to low voting, none of the agenda as listed before the Committee or Creditors was approved. Therefore, the Applicant filed an application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, being C.A. No. 811 (PB)/2018 before this Adjudicating Authority to issue necessary directions on Agenda placed before the Committee of Creditors in the first meeting dated 25.08.2018 which could not be decided in view of the low voting by financial creditors representing 52.78% vote share and to resolve the consequent deadlock and stalemate.
- (x) This Adjudicating Authority vide order dated 28.09.2018, held that in the case of Real Estate (Commercial & Residential) comprising 100% voting share in CoC, a resolution would be deemed to be passed if it is voted by highest number of Financial Creditor in the class of Real Estate (Commercial & Residential). It would make the code workable and would also advance the object of this progressive legislation rather than defeating it. Further, this Adjudicating Authority was pleased to appoint Mr. Vikram Bajaj as the Resolution Professional for the AMR Infrastructures Limited and also approved Agenda item no(s) 4, 6 to 9 as majority in meeting of the CoC dated 25.08.2018 had ratified those resolutions.
- (xi) The 3rd meeting of the CoC was convened on 24.12.2018 wherein the Applicant apprised the members of the CoC about the appointment of Forensic Auditor of the Corporate Debtor. The members of the CoC noted the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants as Forensic Auditor of the Corporate Debtor.
- (xii) In view thereof, M/s Khandelwal Jain & Co., Chartered Accountants conducted the Forensic Audit of the Corporate Debtor for the period 15.06.2006 to 10.05.2018 as per the provisions of the Insolvency & Bankruptcy Code. 2016. M/s. Khandelwal Jain & Co., Chartered Accountants (hereinafter "Auditor") submitted a report dated 21.10.2019 wherein the Auditor observed that certain transactions are under purview of Section 43 and 66 of the Code, 2016.



(xiii) Thereafter, the Applicant Resolution Professional took steps in accordance with the provisions of Section 25 of the Code to preserve and protect the assets of the Corporate Debtor and to run the business of the Corporate Debtor as a going concern. The Applicant also filed applications for avoidance transactions in accordance with Chapter III of the Code, under Sections 43, 45, 49, 50 and 66 of the Code which deal with preferential transactions, undervalued transactions, transactions defrauding creditors, extortionate credit transactions and fraudulent and wrongful trading.

Hence, the present Application.

3. DETAILS OF THE FRAUDULENT TRANSACTIONS BY THE RESPONDENTS UNDER SECTION 66 OF THE CODE

A. FUNDS RECEIVED FROM FINANCIAL CREDITORS WERE DIVERTED TO RELATED PARTIES

(i) It is submitted that the Forensic Auditor observed that the Directors/Promoters of the Corporate Debtor knowingly diverted the funds received from the Homebuyers of the Corporate Debtor to various related parties on the pretext of investment in share capital, acquire land, booking flats which resulted in the project remaining incomplete and further, defaulting in delivery of the project.

The relevant extract of the Forensic Report is reproduced herein below for ready reference:

“2) Diversion of funds

A. Related party transaction of AMR

We have gone through the balance receivable from the related parties as at March 31, 2015, it is observed that Rs. 42.72 crore receivable from these parties as at March 3, 2015. The recoverability status of these advances, terms and conditions of these advances has not been provided to substantiate such payments.



i. Payment made to MRG promoters Pvt. Ltd. (100% Subsidiary):

Payment made as investment in share capital and other advances out of funds from homebuyers, which may result in project remaining incomplete and default to the financial creditors. Further, there is no evidence of any benefits resulting to the Corporate Debtor from such transaction.

ii. Payment made to M/s. CR Real Estate Pvt. Ltd.:

Payment made to acquire land out of funds received from homebuyers, to a related entity the suspended management could not provide any documents to RP in backing transfer of funds to M/s. CR Real Estate P Ltd, evidencing the purpose of such transfer. Further, the suspended management has submitted that CR Real Estate P Ltd. provided the funds to Mr. Dharam Pal Mailk & others who defrauded the same, in respect of which proceedings are pending with Delhi High Court. It is evident that the funds of the Corporate Debtor were diverted to related entities without any consideration to fund their transactions and were never recovered.

iii. Payment made to AMR Infra Solutions Pvt. Ltd.:

Payment made as advance for booking of 4 flats out of funds received from homebuyers. The Suspended Management has provided the RP with allotment agreement dated 15.04.2015 in support of the same. However, the agreement executed between two related parties seems to be only a ploy for diversion of funds as it lacks in essential details like rate of booking, consideration etc. Further, the 'Apartment 55' project for which bookings were made is still incomplete and a number of applications are pending before NCLT for initiation CIRP against AMR Infr Solutions Pvt. Ltd. since, the above stated investment and advances are made out of homebuyers funds to related parties and same is not related to the project of the company, further, no return/profit has been received against these advances, therefore, these transactions can be considered as diversion of funds to defraud creditors of Corporate Debtor and thus fall under purview of Section 66 of the code.



- (ii) From the perusal of the above observations, it is clearly evident that the ex- management has acted against the interest of the Corporate Debtor and siphoned off the funds just for the own benefit with an intent to defraud its creditors i.e. the Allottees. It is submitted that MRG Promoters Pvt. Ltd. is a wholly owned subsidiary of the Corporate Debtor, however beyond the ambit of present CIRP proceedings and further audit into account of MRG Promoters P Ltd. would be required to ascertain further diversion of funds.

B. SIPHONING OFF THE AMOUNT PAID IN CASH FOR WHICH CREDIT NOTES ISSUED BY THE RESPONDENTS

- (iii) Several Financial creditors have alleged that the promoters and director of the Corporate Debtor have siphoned off amount invested by the Allottees paid in cash for which not only receipts but credit noted were issued by the Respondents. That 403 complaints have since been filed by the Financial Creditors with the Economic Offences Wing, which has since been registered an FIR 173/2015 against Mr. Ram Chander Soni, Mr. Krishan Kumar, Mr. Prashant Soni, Mr. Naveen Soni, Mr. Ashish Gupta, Mr. Kapil Kumar and Mr. Ankit Gupta. The allegations have since been investigated and charge sheet has been filed against the accused. The key findings of the investigating officer reported in the charge sheet which are pertinent to the present application are excerpted hereunder for ready reference:

- (a) *“Further as per documents supplied by accused company it has come to know that accused company had received total investment of approx. Rs. 543 Crores from investors on the pretext of booking in project Kessel-I Valley in Adventure Mall, IT, Manthan, Commercial Mall, I-Home & others and out of which accused Company through its directors have transferred/siphoned off approx. Rs. 52 Crores of investors’ money to other Companies namely Mis AMR Infra Solutions Pvt. Ltd. (2 Crores) Mis CR Real Estate Pvt. Ltd. (3 Crores), Mis MRG Promoters Pvt. Ltd (32 Crores) & M/s. RC Info. System Pvt. Ltd. (13 Crores) without the knowledge of the investors.*



- (b) *Accused Company through its directors raised Rs. 86 Crores from 1100 investors on the pretext of allotment of units in I-Homes. However, even approval/permission for construction of I-Homes from GNIDA has been not taken till date.*
- (c) *Till date 403 complaints of various victims/investors have been received in EOW and invested amount is approx. 85 crores. More Complainants are being received in EOW regularly against the alleged company, which will be filed in the court through supplementary charge sheet."*
- (iv) The investigating authorities have got the accounts of the Corporate Debtor for the period up to 31.03.2015 reviewed by their empanelled Chartered Accountant M/s. V. C Gautam & Co. The investigating authorities filed a supplementary chargesheet on the basis of the said audit report. The key findings reported in the supplementary chargesheet are excerpted hereunder:

"...In continuation to earlier filed charge sheet dated 30-10-2017 in the case, it is submitted that during further course of investigation, empaneled CA has submitted its audit report in respect of the account of alleged AMR infrastructures Limited as per the available balance sheet up to 31-03-2015 and account statement of the company. As per the report, a total Rs. 5,35,32,24,256/- (Rs. Five Hundred Thirty Five Crore Thirty two Lacs Twenty Four Thousand Two Hundred Fifty six only) have been collected from the investors as per the balance sheet 31.03.2015. Out of which Rs. 74,09,92,600/- (Rs. Seventy Four Crore Nine Lacs Ninety Thousand Six Hundred Only) have been diverted to some other purpose. Thus, accused company had received total investment of approx. Rs. 535 crores from investors on the pretext of booking in project Kessel-I Valley in Adventure Mall, IT Manthan, Commercial Mall, I-Homes & other and out of which accused company through its directors have transferred/ siphoned off approx. 74 Crores of investors' money to other Companies namely M/s.



AMR Infra Solutions Pvt. Ltd. (3 Crores) M/s. CR Real Estate Pvt. Ltd (3 Crores), M/s. MRG Promoters Pvt. Ltd (35 Crores) & M/s. RC Info Systems Pvt. Ltd. (13 Crores) without the knowledge of the investors. It is also reported in the audit report that as per the books of accounts of the alleged company AMR Infrastructures Ltd. was having cash in hand Rs. 98,77,45,400/- as on 31.03.2015. But till date no such amount could be disclosed or got recovered by the arrested directors. Thus, the said amount has also been siphoned off by the alleged director of the company... "

- (v) It is submitted that as per the books of accounts of the Corporate Debtor, an amount of Rs. 98.77 Crore was available with the Corporate Debtor on 31.03.2015 but no amount was disclosed by the Respondents.

C. CERTAIN TRANSACTIONS CONSTITUTES TO BE FRAUDULANT TRANSACTIONS UNDER SECTIONN 66 OF THE CODE AS PER THE AUDITOR'S OBSERVATION

- (vi) It is submitted that the Auditor observed that the promoter/director of the Corporate Debtor has made various advances to parties for which no explanations have been given by the promoters/directors of the Corporate Debtors and also failed to provide any corroborating documents in order to evidence that the said payments have been made to the said parties in relation to the business of the Corporate Debtor. The Auditor has made the following observations in the Forensic Report, which are reproduced herein below for ready reference:

"1) Unexplained payment made by Corporate Debtors

We have gone through the financial and operation payments made during the period June 15, 2006 to March 31, 2015, for which tally data is available: it is observed that various payments have been made under various head of expenses such as professional charges, construction expenses, purchase of material etc.



Details of the said transactions are as under: -

| Party Name | 2006-10 | 2010-13 | 2013-14 | 2014-15 | Grand Total |
|---------------------------------------|--------------------|--------------------|--------------------|------------------|---------------------|
| Jain Infraprojects Ltd. | - | 3,00,0000 | 52,50,000 | - | 3,52,50,000 |
| Viramah Real Estate(i) Pvt. Ltd. M-51 | 1,37,42,056 | 71,07,348 | - | | 2,08,49,404 |
| Suspense: Advance from Customers | - | 1,83,66,511 | 59,15,575 | 32,34,723 | 2,75,16,809 |
| Reliable Realtech Pvt. Ltd. | - | 1,30,00,000 | - | - | 1,30,00,000 |
| Thuma Entertainment (P) Ltd. | 1,05,00,025 | - | - | - | 1,10,55,852 |
| Kamlesh Kake | 1,05,00,025 | - | - | - | 1,05,00,025 |
| Mitra Pal Singh Kake | 1,05,00,025 | - | - | - | 1,05,00,025 |
| Rajinder Pal Singh Kake | 1,05,00,025 | - | - | - | 1,05,00,025 |
| Saroj Kumari Babbar | 1,05,00,025 | - | - | | 1,05,00,025 |
| Sudershan Pal Singh Kake | 1,05,00,025 | - | - | | 1,05,00,025 |
| Shri Bankey Bihari Exports Ltd | 1,00,00,000 | - | - | - | 1.00.00,000 |
| Total | 7,62,42,181 | 7,95,29,711 | 1,11,65,575 | 32,34,723 | 17,01,72,190 |

We have asked the suspended directors of corporate debtor for invoices, agreement and other supporting documents for the payment more than Rs. 1 Crore made to the parties during the period June 15, 2006 to March 31, 2015, for 40 parties total amounting to Rs. 148.60 crores, against which suspended directors have provided some invoices and explanation.

Out of the above, 11 parties to whom total payment made amounting to Rs. 17.01 Crores during the period. These payments were made without any correlation to business /project of the Corporate Debtor and no appropriate explanation given to us.



Therefore, in absence of any relation with project and no-availability of any explanation & supporting documents, we consider that, these transactions may carry out with intent of defraud creditors of Corporate Debtor, resulted in embezzlement of resources of the Corporate Debtor, and thus fall under purview of Section 66 of the Code.”

“B. Advances given by AMR

(i) Apart from above mentioned related parties’ advances, we have gone through and identified parties having received of Rs.3.01 Crore as at March 31, 2015, no terms and conditions and appropriate explanation available. therefore. These transactions can be considered as diversion of funds to defraud creditors of the Corporate Debtors under section 66 of the code.

(ii) Receivable of Rs. 12.10 crore also standing in book of accounts, which has been explained to us business/project advances and recoverable, however due to unavailability of complete books of accounts till date and other information, we are unable to comment on recoverability of these advances.

(vii) It was further observed by the Forensic Auditor that the Corporate Debtor and RC Info systems Pvt. Ltd. (‘RCISL’), land owning Company entered into an unregistered notarized Memorandum of Understanding dated 31.07.2016 (“MOU”) for the development of the plot and setting up Technology Park" named as ‘Kessel-i-Valley’ in IT industries and IT enabled services project. RCISL is related party to AMR and having almost same promoter and Director of the group RCISL had funded the acquisition of the said plot through the funds provided by the AMR and passed on the development and execution of the project and all the risks related to the project to the Company, yet created beneficial rights of 15% Project Build Area and took out funds from the Company, which were many times the cost of the said plot.

(viii) Under the given facts and circumstances, the possibility of diversion of funds and unjust enrichment to RCISL cannot be ruled out and this transaction was carried with intent to defraud creditors of Corporate



Debtors under section 66 of the code. The Applicant has already filed an application before this Adjudicating Authority under Section 66 of the Code seeking avoidance of the said transaction which is pending adjudication.

- (ix) The Auditor has further observed that on verification of audited financial of the Company as at March 31, 2015 it has been observed that the advances also include advance of Rs. 78 lacs to Hotel Florence which is an entity of Mr. Prashant Soni (one of promoters) of the Corporate Debtor. There was cash in hand of Rs. 1.02 crore which was not recovered or not found to be deposited in the banks. Similarly, as per audited financial of March 31, 2015 Vehicles of Rs. 2.82 crore Gross Block and Rs. 1.28 crore Net block appears in books of accounts however, same is not found physically.
- (x) The aforesaid transactions have been entered by the promoters and directors of the Corporate Debtor by raising funds from the financial creditors i.e. the allottees (Real Estate and Commercial) and thereafter diverting the funds by not depositing the same in the bank accounts of the Corporate Debtor or by diverting the said funds to its related parties as detailed above. The said business of the Corporate Debtor has been carried out with an intent to defraud the financial creditors so that the project land for development of which the funds were raised from the financial creditors can be kept beyond the reach of the said financial creditors in the event of imminent default and therefore, the same falls within the purview of Section 66 of the Code.

4. Submissions on behalf of the Respondents:

- i. The Respondent No.8 filed Reply Affidavit dated 07.12.2020, Respondent No. 1,2,6,7,10 and 11 filed Reply Affidavit dated 08.12.2020 and Respondent No.4 filed Reply Affidavit dated 10.12.2020 and submitted that the present Application is liable to be dismissed as the Applicant has failed to produce any substantial document to prove the false allegations against the Respondents.



- ii. It is submitted that all the relevant documents as required by the forensic auditor is lying at the Head Office of the corporate debtor which has been sealed by the Ld. Consumer Court Commission Bearing Execution Case No. 73 of 2016. The necessary steps could only be taken by the Resolution Professional and for the reasons best known, the Corporate Debtor's Corporate office is still under seal and no documents could be provided to the Forensic Auditor to properly conduct the auditing. Therefore, there could be no reliance on such half-baked report and Promoters/Directors ought not to be penalised for the lapses of the Resolution Professional. It is therefore, submitted that documents to substantiate the transactions mentioned in Para XIII and XIV are lying at the corporate office of the corporate debtor and the same is under seal as per the Orders of Ld. Consumer Court.
- iii. It is submitted that even the Forensic Auditor has sought for the said documents and the same were not provided by the Resolution Professional. The promoters/directors had offered to send over the auditor's team to assist the forensic auditor to conduct the auditing, however, devoid of any papers the same was impossible.
- iv. It is submitted that there has been a theft in the project Kessel-I Valley in Greater Noida, Plot No 9, Tech Zone, UP of the Corporate Debtor when the same was under the custody of the Resolution Professional. There has been a loss of approximately Rs. 4-5 crores (including various equipment's/material, etc.) and Resolution Professional is yet to take steps to follow the recovery.
- v. With respect to transactions mentioned in Para XV of the Application:
 - a. *It is submitted that the corporate funding of a wholly owned subsidiary for the purposes of expansion of business and engaging in further real estate project ought not to be held against the promoters/directors. MRG Promoters Pvt. Ltd. had also invested in real estate and is a separate corporate entity and ought not to be covered in the present CIRP.*
 - b. *It is submitted that the Corporate Debtor and CR Real Estate Pvt. Ltd. too had engaged in a business venture on a piece of land in*



Sonipat, Haryana. However, the seller one Mr. Dharam Pal Mallik has cheated the Corporate Debtor and CR Real Estate Pvt. Ltd. for an amount of Rs. 5 crores. That the Resolution Professional has deliberately avoided, stating that the proceedings against the said Mr. Dharam Pal Mallik pending before the appropriate court.

c. It is submitted that the Corporate Debtor and AMR Infra Solution Pvt. Ltd. invested on 4 apartments which are to be handed over to the Corporate Debtor in March, 2021. The said transaction too is in the nature of a business investment with the aim to generate revenue for the corporate debtor. It is therefore submitted that none of the investments stated could be termed as preferential /undervalued/ avoidable/ extortionate credit transactions.

d. It is submitted that no funds has been siphoned off to any related party transactions. It is submitted that all transactions have taken place in the ordinary course of business of financial affairs of the corporate debtor. It is submitted that corporate debtor has a security interest in such assets therefore the above stated assets will form part of the CIRP.

vi. It is submitted that with respect to para XVI, the responses of the suspended board of directors have already been given to each and every transaction to the Forensic Auditor and the same is already recorded in the Annexures 4(a) and 4(b) to the report.

vii. It is submitted that with respect to para XVII, C.A. No. 1214/2019 has been filed by the Resolution Professional before this Adjudicating Authority wherein the Applicant has failed to discharge the burden of proof to seek the reliefs as prayed in the present application.

viii. It is submitted that with respect to para XVIII, C.A. No. 1114 of 2019 has been filed by the Resolution Professional before this Adjudicating Authority. It is submitted that the reply to the said application is already on record and the same be read as a part and parcel to the present reply. It is submitted that the Resolution Professional has failed to discharge the burden of proof to seek the reliefs as prayed in the present application.



- ix. It is submitted that with respect to para XIX, auditor has not reconciled the bank accounts showing the cash deposits. It is submitted that either payments of cash were done to the contractors/professional consultants for the interest of the home buyers/real estate project or advance has been paid for a particular job done. It is submitted that the payments made from the corporate debtor's account has been kept in the tally/journal which has been used by the auditor to prepare the report. It is submitted that the Respondents ought not to be held responsible for the acts and omissions of the Financial Creditors who without verification handed over monies to strangers who are not authorised by the Corporate Debtor.
- x. It is submitted that the Corporate Debtor has acted as per the contract with the home buyers and have committed to providing assured returns to almost all the investors for the years 2006-2017. It is submitted that the Corporate Debtor has also delivered a project in Kundli and second IT office to various investors of more than 7 lakhs sq. ft area in the project in Greater Noida named Kessel I Valley located at Plot No. 9, Tech Zone, Greater Noida UP.
- xi. The Respondents further ought not to be held responsible for any commercial business decisions taken for the benefit of corporate debtor or in good faith. The Respondents have failed to produce a single fact on record to show that any such action has led to the stopping of the Real Estate project.
- xii. It is submitted that the reason as to why the amount of sum as claimed by the financial creditors against the Corporate Debtor are not shown in the books of account is that no such transaction has been carried out by the corporate debtor and more so, no amount has been credited against the corporate Debtor. The allottees were aware that any consideration towards the sale of the units ought to only be given to Corporate Debtor by way of Cheque/DD/RTGS and the same has been specifically and categorically mentioned in the application form.
- xiii. The Applicant in order to create false illusion of cause of action before this Adjudicating Authority has raised vague and unsubstantiated claims against the Respondents.



5. Analysis and Findings:

- i. We have heard the Ld. Counsel appearing for the Applicant and the Respondents and also perused the documents on record.
- ii. It is the case of the Applicant/Resolution Professional that the Applicant being duly empowered under Section 20(2)(a) of the Code, 2016 appointed M/s. Khandelwal Jain & Co., Chartered Accountants as the Forensic Auditor of the Corporate Debtor for conducting the forensic audit of the Accounts of the Corporate Debtor and the same was apprised to the CoC members during its 3rd CoC meeting held on 24.12.2018. The Auditor shared the Forensic Auditor Report on 21.10.2019 for the period 15.06.2006 till 10.05.2018 wherein it was observed by the Auditor that certain transactions fall under the purview of Sections 43 and 66 of the Code, 2016.
- iii. The Ld. Counsel for the Applicant/Resolution Professional submitted that under Section 25(2)(j) of the Code, it is the duty of a resolution professional to file application for avoidance of transactions in accordance with Chapter III of the Code. Further Regulation 39(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, obligates the Resolution Professional to report to the CoC, details of avoidance transactions as "observed, found or determined" by him. Therefore, the present application has been filed by the Applicant/Resolution Professional of the Corporate Debtor against the Respondents who are the Suspended Board of Directors /Shareholders /Promoters of the Corporate Debtor under Section 66 of the Code, 2016.
- iv. The Ld. Counsel for the Applicant/Resolution Professional submitted that the transactions entered by the promoters and directors of the Corporate Debtor have been carried out with the intent to defraud the financial creditors which eventually resulted in a shortage of the resources available to the Corporate Debtor and the construction of Kessel-I-Valley project of the Corporate Debtor in respect of which collections were received from investors was stalled and same is lying incomplete which has resulted in



putting investment of thousands of investors in jeopardy. There were no board resolutions or minutes of meeting wherein the Board of Directors of the Corporate Debtor had resolved to authorise any broker/agents to collect cash from the allottees on behalf of the Corporate Debtor and to deposit such cash received in the bank accounts of the Corporate Debtor. The transactions were knowingly carried out by the promoters and directors of the Corporate Debtor with an intention to defraud the creditors and never pay back the debt due. The same has been held by the UK Court of Appeal in the case of **Grantham vs R (1984) OB 675**.

- v. It is submitted that Section 66(1) of the Code specifically includes any person who were knowingly parties to the carrying on the business which is held to be either with (a) an intent to fraud the creditors or (b) for any fraudulent purpose then the Adjudicating Authority has power to direct any person to make such contributions to the assets of the corporate debtor as it may deem fit. It is worthwhile to A Ramaiya, Guide to Companies Act, where while dealing with Section 542 of the Companies Act, it is stated as follows: -

“A person can be held liable for fraudulent trading, if he assisted in the commission of the fraud. It is not necessary that he should be actively involved in the management of the Company. The Court said that as a matter of ordinary language the section was not restricted to those who performed a managerial role. Moreover, the legislative history of the provision pointed towards a wider interpretation, extending not only to a person who carried on business or assisted in the carrying on of the liquidated company’s business but also to a person who had participated in the fraudulent acts of the Company.”

- vi. It is further submitted that any transaction which has an adverse bearing on the financial health of a distressed Corporate Person has to be viewed with considerable disfavour. It is worthwhile to refer to the decision of the Hon’ble Supreme Court in the matter of **Anuj Jain Interim Resolution**



Professional for Jaypee Infratech Limited V. Axis Bank Limited passed in Civil Appeal No. 8512-8527 wherein the Hon'ble Supreme Court held as below:

“17.3 Coming now to the corporate personalities, it is elementary that by the very nature and legal implications of incorporation, ordinarily, several individuals and entities are involved in the affairs of a corporate person; and impact of the activities of a corporate person reaches far and wide, with the creditors being one of the important set of stakeholders. If the corporate person is in crisis, where either insolvency resolution is to take place or liquidation is imminent; and the transactions by such corporate person are under scanner, any such transaction, which has an adverse bearing on the financial health of the distressed corporate person or turns the scales in favour of one or a few of its creditors or third parties, at the cost of the other stakeholders, has always been viewed with considerable disfavour.”

vii. It is submitted that establishment of fraudulent conduct does not require the same standard of proof as in criminal trial. Reliance has been placed upon the judgment of Hon'ble NCLAT in the case of **Tridhaatu Kirti Developers LLP Vs. Mr. Arihant Nenawati, Liquidator of Royal Refinery Pvt. Ltd.** (Company Appeal (AT)(Insolvency) No.95/2021 wherein it was observed that: -

“11.

iii) It is the law laid down that fraud unravels of acts. In some way it is a deception to gain by another loss.

iv) It is also well settled law that the establishment of fraudulent conduct does not require the same standard of proof as in criminal trial. It is not necessary that each instance of fund being siphoned needs to be established from inception to the end and even one conduct of director of CD can depict an act of fraud.



12. Even the law laid down in UK Insolvency Act as held in Hon'ble England and Wales Court of Appeal in JSC BTA Bank V Mukhtar Ablyazov, (2018) Civ. 1176 Para 14, For attracting liability under Section 423 of the UK IA it is sufficient to show that the transaction was entered into for a prohibited purpose (i.e. to defraud creditors of the corporate debtor, or for any fraudulent purpose, as per Section 66 of the IBC) and the fact that the transaction was also for some other purpose is of no relevance.”

viii. On the contrary, the Ld. Counsel for the Respondent submitted that the present application is liable to be dismissed on the following grounds: -

- a) The prayers sought in the present Application is omnibus in nature against all present directors/ex-directors/promoters without specifying without averring any specific liability as to when and which Director has committed the alleged fraud. Further, whether the transaction is falling under Section 66(1) or 66(2) of the Code is also unclear in the Forensic Report.
- b) There is no ground for SFIO Investigation as the partial completion certificate has been received by the Corporate Debtor which shows that the money received from the home buyers were being utilized in the construction and there was no fraudulent purpose or intent of the Ex-management to dupe the financial creditors. Even though the onus to prove fraud under criminal statute is higher than civil cases, however, in such a case too, there has been no finding of intent being fraudulent on the part of ex-directors. It has been held vide Order dated 25.02.2023 passed by the Ld. CMM, Tis Hazari (Central District) Court, Delhi in Ct Case No. 12374/2017 titled **State v. Ram Chander Soni**: -

“15. From the aforesaid facts, it cannot be said that the accused persons had the intent to cheat the complainants since inception of the project. If the accused had dishonest intent since inception, they would not have sought the necessary clearances and raised huge structures to complete the project. The mere fact that the possession was not offered to the investors as per the promised



timeframe does not automatically imply that the investors have been cheated by dishonest inducement."

The charge with respect to Section 420 IPC has been dismissed.

- c) The Transactions mentioned in Paragraph XIII to XIX are not fraudulent as per Section 66 of the Code. The forensic report falsely states that 11 transactions worth Rs.17,01,72,190/- have not been explained by the management of Corporate Debtor. However, the correct version is that out of these 11 transactions, 4 transactions worth Rs. 5,49,05,256/- have already been explained. The observation of the Auditor is that these transactions may (be) carried out with intent to defraud creditors of corporate debtor. It is stated that mere potentiality of fraud cannot be used to hold the ex-management liable.
- d) With respect to the advances of Rs. 3,00,48,861/- and Rs. 12,09,57,929/- the ex-directors could not provide details to the forensic team because the documents with respect to the said parties were lying in the registered office of the Corporate Debtor which was sealed as per the Order of Ld. District Consumer Commission bearing Execution case no. 73 of 2016 before Resolution Professional took over. The said difficulty was already informed to the CoC and Resolution Professional.
- e) The related entities being enlisted below are all involved in the business of real estate and as per the MOA of the Corporate Debtor, such transactions are allowed to be undertaken, thereby making it fall under ordinary course of business. At best, if there has been loss in such undertakings, it could be considered as bad commercial transactions.
- f) With respect to the transaction with AMR Infrsolution Private Ltd. (2007), it is presumed that Rs. 3,23,16,619/- has been advanced from the homebuyers money lying in account of Corporate Debtor to AMR Infrsolution Pvt. Ltd. to acquire 4 units in another project. However, the forensic report has given half-baked information. Further, vide allotment agreement dated 15.04.2015, the impugned four units were bought. If at all there are any unexplained transaction the same could be tallied from balance sheet of AMR Infra Solution Private Ltd., however, the same was not referred to in the forensic audit report.



- g) With respect to the transaction with **MRG Promoters Pvt. Ltd.**, it is presumed that Rs. 36,11,88,768/- has been advanced from the homebuyers money lying in the account of Corporate Debtor to purchase 100% shares of MRG Promoters Pvt. Ltd. It is submitted that MRG Promoters was incorporated on 27.09.2004 (prior to incorporation of Corporate Debtor i.e., 15.06.2006) and was already holding a piece of land obtained by auction of Haryana State Industrial Development Corporation Ltd. on 08.05.2006. The said land is not purchased by MRG Promoters from the funds of homebuyers. The Corporate Debtor purchased the share capital of this company later and Corporate Debtor is not the owner of the land owned by MRG Promoters. The valuation of such investment in share capital is dependent on the value of land. Such details were provided to the Resolution Professional vide email dated 06.10.2018. Further, this was discussed in the CoC Meeting dated 25.08.2018 that the title documents of the land are deposited by MRG Promoters itself to TFCI for the purpose of development and to raise finance. Further, balance sheets of MRG Promoters are in public domain and the same were not referred to by the Forensic Audit Report to show any fraudulent transaction between the Corporate Debtor and MRG Promoters.
- h) Section 18 and 36 of the Code, 2016 restricts CIRP to the assets of the Corporate Debtor solely and does not extend to the subsidiaries of the Corporate Debtor. Reliance has been placed upon the Order passed by Hon'ble NCLAT in the case of **Dynepro Private Limited and Ors. Vs. Nagarajan**, (Company Appeal (AT) (Insolvency) No. 229 of 2018) wherein it was held that while interpreting Section 18 of IBC, Hon'ble NCLAT observed that "as per the explanation for the purpose of Section 18(1), the term 'assets' do not include assets owned by a third party in possession of the corporate debtor held under contractual arrangements including bailment. It also does not include assets of any Indian or foreign subsidiary of the corporate debtor and such other assets as may be notified by the Central Government. The Corporate Debtor, being the Holding Company will only allow the Resolution Professional to exercise control over the shares of the subsidiary being the assets of the Corporate Debtor.



- i) With respect to the transaction with CR Real Estate (P) Ltd., it is submitted that CR Real Estate (P) Ltd. was incorporated on 16.06.2005 (prior to incorporation of Corporate Debtor i.e., 15.06.2006) and had assets on its own. The said land is not purchased by CR Real Estate (P) Ltd. from the funds of homebuyers. Corporate Debtor entered into an agreement with CR Real Estate (P) Ltd. Such details were provided to the Resolution Professional vide email dated 06.10.2018. Further, this was discussed in the CoC Meeting dated 24.12.2018 wherein it was explained the amount could not be recovered by CR Real Estate as one Dharam Mallik had illegally withheld the amount. It is submitted that CR Real Estate and Mr. RC Soni himself has initiated criminal proceedings against Mr. Mallik and even got a favourable arbitral award against Mr. Mallik. The present recovery/execution of award is pending before the Hon'ble High Court of Delhi in OMP (Enf.) (Comm.) 28/2016 titled "**CR Real Estates (P) Ltd. v Dharampal Malik & Ors.**"
- ix. The Ld. Counsel for the Respondents submitted that the Forensic Report is not conclusive evidence as the forensic audit report clearly states that the report does not constitute an audit of the financial statements provided by AMR. There was no physical verification of fixed assets namely plant /machinery/land/building and no written confirmation from the debtor /creditor was called. The draft report has been sent to Resolution Professional who will have the final say on the said report. The forensic audit report is not an independent report. The report states that random checks on the expenses were done and not on the complete transactions, therefore, such cherry picking of accounts is not conclusive to burden the Ex-Management with any such liability which is yet not proved. In clause IV, it is stated that the procedures/enquiries do not include verification. In Clause VIII, the report further states that no questionnaires were sent to sundry debtors/vendors/bankers and no confirmations were obtained. Therefore, hardly any effort was made by the auditor to give an unbiased opinion on the transactions.



x. We are of the considered view that after the examination of records and identification of fraudulent transactions assailed in C.A. No. 1114 of 2018 and C.A. No. 1214 of 2019, the Resolution Professional required a thorough examination of records of the Corporate Debtor which was carried with the assistance of the forensic auditor. The observations in the Audit report were backed by the accounts of the Corporate Debtor and other relevant records provided as annexure to the Audit Report. The Audit Report also notes the comments of the promoters/suspended directors of the Corporate Debtor alongside each observation. Besides the Forensic Auditor appointed by the Applicant, the Investigating Officer of Economic Offence Wing had also appointed M/s. V C Gautam & Co., Chartered Accountants (which is independent of the Applicant and much prior to initiation of CIRP). The report of M/s. V C Gautam & Co., Chartered Accountants also notes similar observations and the said report has also been taken into account by the Applicant/Resolution Professional in forming his opinion. The Applicant has also taken into account the observations in various charge sheets filed against the respondents in FIR No. 173/2015 which contain detailed account of investigation by the Investigating Officer and as well as the records of the Corporate Debtor. Thus, the opinion of the Applicant is not solely based on forensic audit report but is also based on other records which have been duly filed along with the Application.

xi. This Adjudicating Authority vide Order dated 11.02.2025 passed in CA-1114/2018 held certain transactions to be fraudulent and made the following observations: -

“88. A fundamental principle of corporate law is that separate legal personality cannot be exploited to shield wrongful conduct. Here, the promoters of the Corporate Debtor created a financial arrangement wherein RCISL, despite being fully funded by the Corporate Debtor, retained significant economic benefits. Such abuse of corporate personality, particularly to evade financial obligations, necessitates piercing the corporate veil to hold the true beneficiaries accountable.



89. In the instant case, the financial statements of both the Corporate Debtor and RCISL confirm their status as related parties, with disclosures establishing their close nexus. The promoters structured transactions in a manner that artificially separated assets and liabilities between the two entities, creating an illusion of independent business dealings while ensuring that control remained within the same set of individuals. Such collusive arrangements, designed to insulate assets from legitimate claims, warrant judicial intervention to prevent abuse.

90. The present case involves substantial sums raised from investors in a real estate project, with assurances of returns that were never honoured. Instead, these funds were funneled into RCISL effectively depriving the financial creditors of their dues. Given the magnitude of financial harm, the number of complaints filed, and the ongoing criminal proceedings, it is evident that the corporate structure was orchestrated to shield the real perpetrators. In such circumstances, the lifting of the corporate veil is not merely justified but imperative to ensure that corporate structures are not misused as instruments of fraud and to uphold the integrity of commercial transactions.

91. In view of the above, we are of the considered view that prayers sought against Respondent No. 1 and the promoters /shareholders in this application are necessary to fully uncover the facts and to prevent these Respondents from exploiting the situation to the detriment of Homebuyers (Financial Creditors). These Respondents are attempting to retain land in a separate entity, creating obstacles to resolving the Corporate Debtor. Additionally, the requested actions against Respondent No. 1 to 19 also address dues owed to Respondent No. 20.

92. It is an admitted fact that Respondent No. 20 is the owner of the land in question. Accordingly, Respondent No. 20 has leased the land to Respondent No.1 vide Lease Deed dated 21.07.2006.



It is also not in dispute that the lease had not been cancelled and is still in full force.

So, the objection of the Respondent No. 20 that the rights under Lease Deed cannot be transferred and only option for Respondent No. 20 is to cancel the Lease Deed with Respondent No. 1. is not sustainable.

93. The prayer of the Applicant in this application to declare that all rights under the lease deed dated 21.07.2006 between RCISL and GNOIDA should belong to and be exercised by the Corporate Debtor and to ensure that the developed project area on plot No. Tz-09, Pocket Nil, Sector-Tech Zone (I.T. Park) in Greater Noida Industrial Development Authority (GNOIDA), District Gautam Budh Nagar, measuring 100,857 square meters, should belong to the Corporate Debtor is justified in the facts and circumstances of the present case. This is because the project has been fully funded by the financial creditors, thus nullifying the 15% Project Build Area right as per the MOU dated 31.07.2006. Accordingly, the Prayer (b) stands allowed.

94. With respect to Prayer (g), we direct the GNOIDA to consider granting the Applicant (potential Resolution Applicant /Successful Resolution Applicant) an additional three-year period as requested. Additionally, we emphasize that GNOIDA should charge fees and other charges in a reasonable and transparent manner to facilitate the completion of the project.”

- xii. Since, we have already taken a view in CA-1114 of 2018 and held that the transactions incurred by the Suspended Directors of the Corporate Debtor were to defraud the creditors of the Corporate Debtor and also held them to be fraudulent in terms of Section 66 of the Code. The contention of the Respondents that the Audit Report is not an independent report, having been prepared by the Auditors appointed by the Applicant himself cannot be sustained since the Audit Report of M/s. V C Gautam & Co., Chartered Accountants (which is independent of the Applicant) also notes similar observations and the said report has also been taken into account by the



Applicant to form an opinion as to the nature of the transactions. Therefore, upon a perusal of the record, we are of the considered view that the transactions mentioned under Paragraph XIII to XIX are fraudulent under Section 66 of the Code.

- xiii. The Respondents have made the said transactions knowingly and with an intent to defraud the allottees. Thus, the Respondents have entered into the aforesaid transactions after receiving funds from the allottees in the year 2006 and subsequently diverted the same to its related parties or parties who have no connection to the project or business of the Corporate Debtor in order to defraud its own creditors i.e. the investors (Real Estate Residential and Commercial) who have invested their hard earned money into the project and the Respondents have diverted the funds raised from the said investors i.e. financial creditors to its related entity and further entered into covenants for unjust enrichment of various related entities. The rights and interests of the bonafide homebuyers/allottees shall be protected in accordance with the law by the Resolution Professional /Successful Resolution Applicant.
- xiv. It is therefore, directed that the Respondents, who are the Directors and Promoters of the Corporate Debtor shall make total contributions amounting to Rs. 77,14,27,005/- (Rupees Seventy Seven Crore Fourteen Lakhs Twenty Seven Thousand and Five Only) to the Corporate Debtor within two months from the date of this Order, failing which necessary legal actions may be taken. The Respondent No.5, namely Mr. Madhur Verma accepted the notice sent by the Applicant vide E-mail dated 04.12.2023 and have concurred with the prayer sought in the present application. We also direct the forensic audit of books of Accounts of MRG Promoters Pvt. Ltd., being the subsidiary of the Corporate Debtor.

6. Order

- i. In light of the above facts and circumstances, the Application bearing **IA-2884/2019** filed under Section 66(1) of the Insolvency and Bankruptcy Code, 2016 read with regulation 35A of the Insolvency and Bankruptcy Board of India Regulations, 2016 stands **allowed**.



- ii. The Registry is directed to send a copy of the Order to the parties concerned.

No order as to costs.

-Sd-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-Sd-

BACHU VENKAT BALARAM DAS
MEMBER (JUDICIAL)