NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 823 of 2026

IN THE MATTER OF:

Comp. App. (AT) (Ins) No. 823 of 2026 **...Appellant(s)**

Versus

---- **...Respondent(s)**

Present:

For Appellant : **Mr. Sumant Batra, Mr. Vinod Chaurasia, Mr. Sarthak Bhandari, Ms. Riya Kaur Arora, Advocates**

For Respondents :

O R D E R
(Hybrid Mode)

15.05.2026 Heard Shri Sumant Batra, Ld. Counsel appearing for the Appellant.

2. This Appeal has been filed against the order dated 24/03/2026 by which Adjudicating Authority rejected Section 10 Application filed by the Appellant in C.P. (IB) 546 (MB)/2022.

3. Ld. Counsel for Appellant submitted that in the Application which was filed by the Appellant under Section 10, various orders were passed by the Adjudicating Authority from time to time, directing the Appellant to serve Notices to the Financial Creditor and the operational creditor, which were duly complied with.

4. One of the operational creditor, GST Department had also appeared and filed its objections.

5. Adjudicating Authority itself has passed an order observing the affairs of the Company requires enquiry and consideration.

6. It is submitted that on 24/03/2026 when the Application was taken up, Adjudicating Authority has rejected the Application on the ground that Appellant was directed to file an Affidavit with regard to trade receivables documents which have been filed but does not include list of persons from whom the amount was received.

7. Ld. Counsel for Appellant submitted that Financial statement for year 2020 to 2024 was filed where trade receivables were mentioned as "nil".

8. It is submitted that when the trade receivables were nil, there was no question of giving any list of persons. It is submitted that Adjudicating Authority only making the above observation as relying on the judgement of the Hon'ble Supreme Court in the matter of **S.P. Chengalvaraya Naidu v. Jagannath (1994) 1 SCC 1** proceeded to dismiss the Application observing that Appellant has not come with a clean hand before court.

9. We have considered submissions of the Ld. Counsel for Appellant and perused the records. In Paragraph 1 of the impugned order dated 24/03/2026, Adjudicating Authority made following observations :

> *"The applicant, when asked by this Tribunal to provide details of trade receivables, initially failed to disclose any information. Subsequently, in compliance with the directions issued by this Tribunal, the applicant filed an additional affidavit; however, the same was incomplete, as it did not include a list of persons from whom the amounts were receivable."*

10. Ld. Counsel for Appellant has referred to the Affidavit along with which financial statement of 2020-2021 up to 2023-2024 has been brought on record where trade receivables are mentioned as “nil”. The Appellant is a Company dealing with the production of Films and web series and there are various projects in hand and due to Covid-19, certain Projects could not take off leading the Appellant to file Application under Section 10. There being no trade receivables, the balance sheet mentioned the same as nil.

11. We have heard Counsel for Appellant and perused the record and other materials brought on the record. We are of the view that observation of the Adjudicating Authority that additional-Affidavit did not include list of persons from whom amounts were receivable were uncalled for since the trade receivables in the balance sheet are shown “nil”. When balance sheets show trade receivables as “nil”, there is no occasion to mention about the list of the persons from whom the trade receivables are to be received.

12. After the above observation, the Adjudicating Authority came to the conclusion that Appellant has not come with the clean hands before court of law. There cannot be any dispute with the proposition that any Applicant who does not come with clean hands before court of law, Application can be rejected. Court has ample jurisdiction to reject such Application but there has to be concrete reason for coming to the conclusion that Appellant’s Application has been filed as abuse of process of the court. We do not find any specific reason in the order for coming to the conclusion that Applicant has not come with the clean hands.

13. The proceedings are pending from 2022 and various orders have been passed for issuing notice to the creditors. Notices have been issued to all creditors, as submitted by the Appellant, and only one of the operational creditor, GST Department has filed its objections claiming its dues.

14. We thus are of the view that order impugned, dated 24/03/2026 cannot be sustained.

15. Order is set aside. C.P. (IB) 546 (MB)/2022 is revived before the Adjudicating Authority for fresh consideration in accordance with law. We make it clear that we are not making any observation on merits of the Application and it is for the Adjudicating Authority to decide the same in accordance with law.

16. Appeal **disposed of**.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

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