IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.10
IA 460/2022, 485/2022
IA(IBC)(DIS) 03/2025
CP(IB) No.244/BB/2018

IN THE MATTER OF:

M/s Dena Bank ... Petitioner

Vs.

M/s Kavveri Telecom Infrastructure Limited ... Respondent

Petition under Sec 7 of I&B Code 2016

Order delivered on: 20.07.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Liquidator : Shri. R Ravichandran

ORDER

1. **I.A. No. 460/2022 dismissed vide a separate order.**
2. List **IA 485/2022** on **12.08.2026 for orders**.

-Sd-	-Sd-
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

Jones

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
(Exercising powers of Adjudicating Authority under The Insolvency and Bankruptcy Code, 2016)

I.A. No. 460 of 2022 in **C.P. (IB) No. 244/BB/2018**

(Application under Section 66 the IBC, 2016)

IN THE MATTER OF
Ms. Ramanathan Bhuvaneshwari
LIQUIDATOR
M/s. KAVVERI TELECOM INFRASTRUCTURE LIMITED
Plot No.3l to 36, Ist Main, 2nd stage,
Arakere Mico Layour, Bannarghatta Road,
Bengaluru-560076 **...Applicant**

Versus

1. C SHIVAKUMAR R
Erstwhile Promoter a:
Mls. KAVVERI TELECOM INFRASTRUCTURE LIMITED
Residing at: No. 14, 29th Main Road,
BTM Layout, Second Stage,
Bangalore-560074 **...Respondent No.1**
2. Ms. KASTURI RH
Erstwhile Promoter and Director:
Mls. KAVVERI TELECOM INFRASTRUCTURE LIMITED
Residing at: No. 14, 29th Main Road,
BTM Layout, Second Stage,
Bangalore-560074 **...Respondent No.2**
3. Ms.UMA REDDY,
Erstwhile Promoter and Director,
M/s. KAVVERI TELECOM INFRASTRUCTURE LIMITED
Plot No. 31 to 36, 1St Main 2nd Stage,
Arkere Mico Layout, Bannergatta Road,
Bangalore-560076 **...Respondent No.3**
4. Mr.ROHIT REDDY
Key Managerial Personnel and Related Party
M/s. KAVVERI TELECOM INFRASTRUCTURE LIMITED
Residing at: No.14, 29th Main Road,
BTM Layout, Second Stage.
Bangalore-560074. **...Respondent No.4**

IN THE MATTER OF -

M/s Dena Bank **...Petitioner**

AND

M/s Kavveri Telecom Infrastructure Limited **...Respondent**

Order delivered on: 20.07.2026

Coram: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

Parties/Counsels Present:

For the Petitioner	:	Ms. Padmashri
Liquidator	:	Mrs. Bhuvaneshwari
For Respondent	:	Mr. Vivekananda

O R D E R

Per RADHAKRISHNA SREEPADA, MEMBER (TECHNICAL):

1. This Application is filed by Ms. Ramanathan Bhuvaneshwari, Liquidator of M/s. Kavveri Telecom Infrastructure Limited (hereinafter referred to as the "Applicant" or "Liquidator"), under Section 66(2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "Code"), seeking the following reliefs:

   (a) the Respondents have acted fraudulently with an intention to defraud the secured creditors;
   (b) direct the Respondents to pay a sum of Rs.23,68,54,948 with interest @ 12 % per annum;
   (c) direct the Respondents to make contribution to the liquidation estate of Corporate Debtor together with subsequent interest and costs
   (d) pass appropriate orders distributing the amounts determined and contributed to the liquidation estate of the Corporate Debtor to the secured creditors and
   (e) pass such other orders which are deemed fit and necessary in the nature and circumstances of the case and thus render justice.

2. Brief relevant facts of the Application are as follows: -

   i. The Corporate Debtor, namely M/s. Kavveri Telecom Infrastructure Limited, was admitted into Corporate Insolvency Resolution Process ("CIRP") pursuant to an application filed under Section 7 of the Code by Dena Bank, now known as Bank of Baroda. Initially, Mr. B. Hariharan was appointed as Interim

Resolution Professional and was subsequently replaced by the present Applicant as Resolution Professional vide order dated 26.08.2019 passed in I.A. No.356/2019.

ii. Thereafter, on an application filed by the Resolution Professional in I.A. No.673/2019, this Tribunal vide order dated 03.02.2022 ordered liquidation of the Corporate Debtor and appointed the Applicant herein as Liquidator.

iii. Pursuant to her appointment, the Applicant issued a public announcement in Form B on 09.02.2022 inviting claims from stakeholders and thereafter finalized the list of stakeholders in accordance with the applicable provisions of the Code and the Liquidation Process Regulations.

iv. The Applicant, while discharging her duties under the Code and the Regulations, perused the books of accounts of the Corporate Debtor and formed an opinion that certain transactions had caused loss to the Corporate Debtor. Accordingly, the Applicant appointed Mr. Ramamoorthi Srinivasan, Chartered Accountant, vide engagement letter dated 21.04.2022 to conduct a transaction audit of the accounts of the Corporate Debtor for the period from 01.04.2017 to 31.03.2019. The transaction auditor thereafter submitted his report.

v. It is in these circumstances that the present Application has been filed under Section 66(2) of the Code.

3. **<u>Submissions of the Applicant</u>**:

The case of the Applicant, as set out in the Application, is as follows:

i. The The Applicant submits that while discharging her duties as Liquidator, she examined the books of accounts and records of the Corporate Debtor and formed an opinion that certain transactions undertaken during the period from 01.04.2017 to

31.03.2019 had resulted in loss to the Corporate Debtor and were prejudicial to the interests of its creditors. Accordingly, a transaction audit was conducted and the report submitted by the transaction auditor forms the basis of the present Application.

ii. The Applicant submits that the transaction auditor sought information and supporting records from the erstwhile management in relation to various transactions under scrutiny. According to the Applicant, adequate explanations and supporting documents were not furnished in respect of several transactions and the working papers prepared by the earlier auditor appointed by the erstwhile management were also not made available.

iii. The Applicant contends that various payments aggregating to Rs.3,68,54,948/- were reflected in the books of accounts without corresponding vouchers, work orders, supporting documents or adequate narration explaining the nature of the expenditure. It is alleged that certain vouchers did not disclose the nature of expenditure and that sufficient documentary evidence was not available to establish the business purpose of such transactions.

iv. The Applicant further alleges that entries relating to Crescent Hotel reflected reversal of amounts earlier recognized as receivables towards electricity and DG charges. According to the Applicant, although such income had been recognized in earlier years, the same was reversed during the financial year 2018-19 without adequate explanation or supporting records. The Applicant contends that the persons in charge of the affairs of the Corporate Debtor failed to exercise due diligence in relation to such transactions.

v. It is further alleged that payments were reflected in favour of Annapoorna Builders towards redesign and renovation of sites without supporting documents establishing the nature of work undertaken or the basis of such expenditure. Likewise, amounts shown as paid to one Saraswathy towards professional services were not supported by records explaining the nature of services rendered. According to the Applicant, these transactions collectively caused loss to the Corporate Debtor to the extent of Rs.3,68,54,948/-.

vi. The Applicant further submits that Respondents No.1 and 2 were associated with a company known as Nextgen Electronics Private Limited, which was subsequently struck off from the Register of Companies. According to the Applicant, the records available with the Ministry of Corporate Affairs did not enable verification of the genuineness of transactions involving the said entity. The Applicant further alleges that certain persons associated with Nextgen Electronics Private Limited were employees or persons connected with the Corporate Debtor, thereby raising concerns regarding the nature of the transactions involving the said entity.

vii. The Applicant further alleges that a book adjustment entry of Rs.20 Crores was passed in favour of M/s. Kavveri Telecom Products Limited, stated to be a related party of the Corporate Debtor. According to the Applicant, the said entry had the effect of reducing the receivables due to the Corporate Debtor from M/s. Kavveri Telecom Products Limited to the extent of approximately Rs.19.71 Crores.

viii. The Applicant contends that the said adjustment entry was not supported by any underlying business transaction and was passed through the account of Nextgen Electronics Private

Limited, a company which had already been struck off from the Register of Companies. It is alleged that the transaction was undertaken during a period when the Financial Creditor had initiated recovery proceedings and proceedings under Section 7 of the Code were also pending against the Corporate Debtor.

ix. According to the Applicant, the effect of the said adjustment was to reduce the assets available to the Corporate Debtor and consequently diminish the value available to creditors. The Applicant therefore contends that the Respondents failed to exercise due diligence in preserving the assets of the Corporate Debtor and minimizing losses to creditors.

x. The Applicant submits that the transaction audit report identified transactions aggregating to Rs.23,68,54,948/- as falling within the ambit of Section 66 of the Code. It is therefore contended that the Respondents, being persons in charge of the management and affairs of the Corporate Debtor during the relevant period, acted in a manner prejudicial to the interests of creditors and failed to exercise due diligence in minimizing potential losses to the Corporate Debtor and its creditors.

xi. On the aforesaid grounds, the Applicant submits that the Respondents are liable to contribute a sum of Rs.23,68,54,948/- to the liquidation estate of the Corporate Debtor together with interest and costs under Section 66(2) of the Code, 2016.

4. **SUBMISSIONS OF THE RESPONDENTS**:

The Respondents have filed a detailed Statement of Objections opposing the present Application, and their case, as set out therein, is as follows:

i. The Respondents contend that the Application is based on false, baseless and unsubstantiated allegations and is liable to be dismissed. According to them, the Application is not maintainable either in law or on facts and the Applicant has failed to establish the ingredients necessary for invoking Section 66(2) of the Code.

ii. **<u>Role of Respondents:</u>** The Respondents dispute the description and status of certain parties arrayed in the Application. It is contended that only Respondent No.1 was involved in the management of the affairs of the Corporate Debtor, whereas Respondent No.3 had resigned from the Company on 17.08.2017 and had no further role in its affairs. It is further contended that Respondent No.4 was never a director, key managerial personnel, shareholder or person involved in the management of the Corporate Debtor and has been unnecessarily impleaded in the present proceedings.

iii. **<u>Alleged Non-Cooperation</u>**: The Respondents deny the allegation that they failed to cooperate with the Resolution Professional, Liquidator or Transaction Auditor. According to them, all available books of accounts, vouchers, statutory records and other documents were handed over to the Resolution Professional during June and July 2022. It is contended that the transaction auditor himself recorded that documents were obtained from the Liquidator and therefore the allegation that records were withheld by the Respondents is incorrect.

iv. **<u>Challenge to Transaction Audit Report:</u>** The Respondents challenge the credibility and reliability of the transaction audit report. It is contended that there were two versions of the report containing different findings and figures and that the revised report was prepared at the instance of the Liquidator. Reliance is placed upon email correspondence exchanged between the Liquidator and the transaction auditor to contend that corrections and modifications were suggested by the Liquidator before finalization of the report. According to the Respondents, the report is not an independent audit report and cannot be relied upon.

v. **Transactions Aggregating to Rs.3,68,54,948/-:**The Respondents contend that the transaction auditor has incorrectly treated several accounting entries as actual payments. According to them, a substantial portion of the amount consists of opening balances, provisions made in earlier years, reversal of provisions, inventory entries and expenditure relating to prior periods. It is contended that these entries do not represent actual outflow of funds during the relevant period.

vi. The Respondents further submit that adequate explanations and supporting documents exist in relation to the entries questioned by the transaction auditor. According to them, payments relating to Jinesh Consultancy pertained to adjustment of advances paid in earlier years; reversals relating to Crescent Hotel represented reversal of provisions previously created in the books; expenditure incurred towards site renovation and redesign constituted normal business expenditure; and payments towards professional services and travel expenses were supported by invoices and vouchers. It is therefore contended that no loss was caused to the Corporate Debtor on account of such transactions.

vii. Nextgen Electronics Private Limited: The Respondents contend that Respondents No.1 and 3 had ceased to be associated with Nextgen Electronics Private Limited in the year 2008 after transferring their shareholding and resigning from the Board of Directors. According to the Respondents, they had no control over the said entity thereafter and cannot be held responsible for its subsequent affairs or statutory compliances.

viii. **<u>Adjustment Entry of Rs.20 Crores</u>**: The Respondents deny the allegation that the adjustment entry of Rs.20 Crores passed in favour of M/s. Kavveri Telecom Products Limited was without commercial justification. It is contended that the Corporate Debtor owed substantial amounts to Nextgen Electronics Private Limited and that the impugned adjustment was effected pursuant to a request made by Nextgen Electronics Private Limited in order to adjust outstanding liabilities between the concerned entities.

ix. According to the Respondents, the transaction represented a legitimate business adjustment undertaken in the ordinary course and did not result in any loss to the Corporate Debtor. It is therefore contended that the allegation of wrongful conduct or failure to exercise due diligence is without basis.

x. **Applicability of Section 66**: The Respondents further contend that the present Application has been filed under Section 66(2) of the Code whereas the transaction audit report allegedly refers to transactions falling under Section 66(1) of the Code. According to the Respondents, the Application fails to establish either fraudulent trading or wrongful trading as contemplated under Section 66 of the Code.

xi. On the aforesaid grounds, the Respondents submit that no fraudulent or wrongful conduct has been established against them, no loss has been caused to the Corporate Debtor, and the requirements of Section 66 of the Code are not satisfied. The Respondents therefore pray that the Application be dismissed with costs.

5. We have heard the Learned Counsel appearing for the Applicant and the Learned Counsel appearing for the Respondents and perused the material available on record, produced by the parties.

6. **ANALYSIS**:

The present Application has been filed under Section 66(2) of the Code, 2016 alleging that the Respondents, being erstwhile directors and persons in charge of the affairs of the Corporate Debtor, had carried on the business of the Corporate Debtor in a fraudulent manner and caused loss to the creditors of the Corporate Debtor to the extent of Rs.23,68,54,948/-.

6.1 The principal allegations of the Applicant are twofold, namely:

(i) Various payments amounting to Rs.3,68,54,948/- were unsupported by vouchers or supporting documentation and were therefore fraudulent in nature; and

(ii) an adjustment entry of Rs.20 Crores involving M/s. Kavveri Telecom Products Ltd. and M/s. Nextgen Electronics Pvt. Ltd. was made without any genuine underlying transaction and with an intention to defeat the interests of creditors.

6.2. The Applicant has primarily relied upon the transaction audit report submitted by the auditor appointed during liquidation proceedings. The Applicant further contends that the impugned transactions were undertaken during a period when the Corporate Debtor was facing significant financial distress and recovery proceedings initiated by its Financial Creditor were already pending. According to the Applicant, the Respondents, being persons responsible for the management of the affairs of the Corporate Debtor, were fully aware of the financial position of the Corporate Debtor and the likelihood of insolvency proceedings being initiated against it.

6.2.1. It is the specific case of the Applicant that instead of preserving the assets and receivables of the Corporate Debtor for the benefit of its creditors, the Respondents permitted transactions which resulted in diminution of the assets available to the Corporate Debtor, failed to maintain adequate records supporting various expenditures, and thereby failed to exercise due diligence in minimising potential losses to creditors. On this basis, the Applicant seeks to invoke the provisions of Section 66(2) of the Code and hold the Respondents liable to contribute to the liquidation estate.

6.3. At the outset, it is necessary to examine the scope and ingredients of Section 66 of the Code. Section 66(2) contemplates a situation where directors or persons responsible for the conduct of the business of the Corporate Debtor knew or ought to have known that there was no reasonable prospect of avoiding the commencement of CIRP and yet failed to exercise due diligence in minimizing the potential loss to creditors. Likewise, Section 66(1) requires a finding that the business of the Corporate Debtor was carried on with intent to defraud creditors or for fraudulent purposes.

Therefore, mere suspicion, accounting irregularities, inadequacy of records, or absence of supporting documents by themselves would not automatically satisfy the requirements of Section 66 unless fraudulent intent, wrongful conduct, or deliberate acts prejudicial to creditors are established by cogent evidence.

7. **Evidentiary Value of the Transaction Audit Report:**

7.1. In the present case, this Tribunal notices that the Applicant has substantially relied upon the transaction audit report to establish the allegations. However, the Respondents have specifically contended that there existed two versions of the transaction audit report, one referring to alleged transactions amounting to Rs.43,99,62,992/- and another referring to Rs.23,68,54,948/-. The Respondents have further produced email correspondence exchanged between the Liquidator and the transaction auditor wherein corrections and modifications to the report were suggested by the Liquidator. The said correspondence includes communication requesting modifications, corrections, summary insertion and rectification of contents before finalization of the report. Though the Applicant contends that such corrections were merely clerical in nature, the existence of multiple versions of the report coupled with such correspondence does raise concerns regarding the conclusiveness and independence of the report to some extent.

7.2. This Tribunal further notices that the transaction auditor himself has recorded that the documents and records were obtained from the Liquidator. The Respondents have produced material indicating that books of accounts, vouchers, files and records had earlier been handed over to the Resolution Professional. In such circumstances, the allegation of non-cooperation by the Respondents cannot be accepted.

8. **Transactions Aggregating to Rs.3,68,54,948/- :**

8.1. This Tribunal notices that several entries referred to in the audit report pertain to opening balances, provisions, reversals, inventory entries, and adjustments relating to prior years. This is evident from the Pages 39 to 52 of the application.

8.2. The Respondents have specifically explained that certain amounts relating to Jinesh Consultancy pertained to advances and invoices originating from earlier financial years and not actual fund outflow during the relevant audit period.

8.3. Similarly, reversals relating to Crescent Hotel were explained as reversal of provisions made in earlier years due to non-receipt of invoices. The Respondents have also produced ledger extracts, invoices and accounting explanations in support of such contentions. These are at Pages 22 to 23 of the Dy. no 26 filed on 02.01.2023.

8.4. Likewise, with regard to inventory entries, the Respondents have explained that spare parts and materials were maintained at multiple telecom sites across the country for operational purposes.

8.5. Though the Applicant disputes the adequacy of such explanation, no material has been placed before this Tribunal to conclusively establish that the said inventory was fictitious or that the amounts were siphoned away by the Respondents for personal benefit.

8.6. Similarly, in relation to payments allegedly made without adequate support, the Respondents have produced certain invoices, ledger extracts and explanations regarding professional services, travelling expenses, site expenses and maintenance expenses. These are filed at Pages 30 to 32 of the Dy. no 26 filed on 02.01.2023.

It is true that certain deficiencies and inadequacies in maintenance of records are evident from the material placed on record. However, mere absence of complete supporting documentation or inadequacy of narration in books of account would not by itself establish **fraudulent trading or wrongful conduct** within the meaning of Section 66 of the Code.

9. **Adjustment Entry of Rs.20 Crores :**

Substantial allegation pertains to the adjustment entry of Rs.20 Crores involving M/s. Nextgen Electronics Pvt. Ltd. and M/s. Kavveri Telecom Products Ltd. According to the Applicant, the said transaction was a sham transaction intended to nullify dues receivable by the Corporate Debtor and thereby defeat the claims of creditors. The Applicant further contends that Nextgen Electronics Pvt. Ltd. was a struck off company allegedly connected to the Respondents.

9.1. The Respondents have specifically contended that there existed longstanding business transactions between the entities and that the Corporate Debtor owed substantial amounts to M/s. Nextgen Electronics Pvt. Ltd. from earlier years, while M/s. Kavveri Telecom Products Ltd. owed amounts to the Corporate Debtor.

Page no 33 to 51 of the Dy no 26 filed on 02.01.2023 is the Ledger account of Nextgen Electronics Pvt Ltd from 2008 to 2013. As per this, the Company Nextgen has supplied material worth Rs and the amount receivable by it was Rs 39 Cr.

It is also mentioned that Nextgen had to pay Rs 20 Cr to M/s KAVVERI Telecom Industries, a sister concern of the CD, which in turn had to pay the same amount to the CD.

According to the Respondents, the impugned adjustment entry was passed pursuant to instructions received from M/s. Nextgen Electronics Pvt. Ltd. in order to adjust inter se receivables and liabilities among the entities.

Ledger extracts and statements of accounts have also been produced in support of the said contention. These are at Page no 33 to 51 of the Dy no 26 filed on 02.01.2023.

9.2. The Applicant has alleged that the transaction lacked genuine commercial basis. However, When the Ledger accounts furnished are examined, the claim made by the Applicant does not appear to be based on any substance.

9.3. In fact all that happened appears to be

a. The CD has made a book entry to the effect that the amount of Rs 20 Cr has been paid by it to Nextgen**.** Thus reducing its Liability toward the supplier of Goods by that amount.

b. At the same time **Nextgen** has reduced the Receivable amount from CD and passed a book entry to the effect that the same amount has been paid to **M/S KAVVERI INDUSTRIES**. Thus, squaring up its account with KAVVERI INDUSTRIES.

c. M/s KAVVERI Industries in turn, squared up the account of Nextgen and passed a book adjustment to show that it has paid off the CD squaring up the account with the CD.

d. **In totality, no outflow of Cash from the Bank Account of the CD and the entire transaction is Cash neutral**.

9.3.1. No material has been brought on record to establish diversion of funds to the Respondents personally by siphoning of assets or fictitious banking transactions or wrongful gain obtained by the Respondents out of the said adjustment. When there is no real Outflow of Cash from the CD, it does not appeal to logic as to how the Respondents could have been benefited in any manner either directly or remotely on account of such Book adjustment.

9.4. The Applicant has not produced any forensic tracing of funds or evidence conclusively demonstrating that the said transaction was a sham transaction undertaken solely with intent to defraud creditors.

10. We are of the view that, for any transaction to be hit by the provisions of Section 66 there are certain criteria to be met as laid down by the provisions of IBC.

10.1. **<u>To be Considered under Section 66(1)</u>**:

a. any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or
b. any business of the corporate debtor has been carried for any fraudulent purpose.

Hence, to be hit by Section 66(1), the Transactions have to be conclusively established to be **Fraudulent and the Intention is to Defraud the Creditors.**

10.2. **<u>To be Considered under Section 66(2)</u>**:

Before the insolvency commencement date, a director or partner knew or ought to have known that the there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor and such director or partner did not exercise due diligence in minimising the potential loss to the creditors of the corporate debtor

Whereas, to be hit by Section 66(2), it has to be established that

a. There was Knowledge regarding likely Commencement of Corporate Insolvency Resolution Process.
b. There is no reasonable Prospect of avoiding the same
c. There is negligence on part of the Director in entering into a particular transaction because of which the Potential loss to the Creditors was not minimised.

11. This Tribunal is therefore of the considered view that while certain transactions and accounting practices of the Corporate Debtor may legitimately invite scrutiny and may reflect deficiencies in corporate governance and maintenance of records, the material placed on record falls short of conclusively establishing the ingredients required under Section 66(1) or Section 66(2) of the Code.

11.1. This Tribunal is also unable to overlook the inconsistency pointed out by the Respondents that while the present Application has been filed under Section 66(2) of the Code whereas the transaction audit report itself repeatedly refers to Section 66(1) of the Code. Though such discrepancy may not by itself be fatal, it does indicate lack of clarity regarding the precise nature of allegations sought to be established.

11.2. Insofar as Respondent No.4 is concerned, it was specifically contended that Respondent No.4 was neither director nor key managerial personnel nor shareholder of the Corporate Debtor and had no role in the management of the affairs of the Company. The Applicant has made general allegations against Respondent no 4, but no substantive material has been placed before this Tribunal establishing the role of Respondent No.4 in the alleged transactions.

12. The law is well settled that allegations of fraudulent trading and wrongful conduct under Section 66 carry serious civil consequences and therefore require strict proof supported by cogent and reliable

evidence. Suspicion, however strong, cannot substitute proof. The transaction audit report may give a list of transactions. However, the findings need to be supported and corroborated with strong material and non-rebuttable Cogent evidence. Failing which, the Transaction Audit Report by itself, cannot be considered as conclusive proof of fraudulent intent or wrongful trading.

12.1. In the Present case, the Applicant has failed to substantiate the Allegations and to bring Cogent and strong evidence on record to prove that the transactions are hit by Section 66.

13. **DECISION**: Under these Circumstances, this Tribunal is of the considered opinion that the Applicant has failed to establish that the Criteria stipulated under Section 66 have been satisfied to the effect that

13.1. the Respondents carried on the business of the Corporate Debtor with intent to defraud creditors or

13.2. the Respondents failed to exercise due diligence.

On account of this conclusion, the Application made is DISMISSED.

No Order as to Costs.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA **MEMBER (TECHNICAL)**	**SUNIL KUMAR AGGARWAL** **MEMBER (JUDICIAL)**