IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

I.A. 2777 of 2025
IN
C.P. (IB) No. 915/(MB)/2023

Interlocutory Application under Section 66 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal, Rules 2016

Incorp Restructuring Services LLP,
Resolution Professional of the Corporate Debtor,
Notion Real Estate Private Limited
405-407, Hind Rajasthan Building,
Dadar, Mumbai, Maharashtra – 400 014 **... Applicant**

VERSUS

Amar Arun Vajrekar,
Suspended Director of Notion Real Estate
Private Limited, Residing at C-161 ,
Aadarsh Janseva Mandal, Akurli Road,
Opp Banarsi Hotel, Hanuman Nagar,
Mumbai, Maharashtra – 400 101 **... Respondent No. 1**

Deepak Prasad Mohan Ram Kohli
Suspended Director of Notion Real Estate
Private Limited,
Residing at Navyuvak Sanghathan Mandal,
Akurli Road Hanuman Road, Kandivali East,
Mumbai, Maharashtra – 400 101 **... Respondent No. 2**

Vimal Mahavir Mishra
Past Director of Notion Real Estate
Private Limited,
Residing at B-310, Jonas CHS Ltd, 60 Ft. Cross
Road, Behind Reliance Fresh, Bhayander West
Thane, Maharashtra – 401 101 **... Respondent No. 3**

Satish Rajaram Pol
Past Director of Notion Real Estate
Private Limited,
Residing at B-503, Saraswati Building,

Thakur Village Kandivali East
Mumbai, Maharashtra – 400 101 … **Respondent No. 4**

Madhusudan Ratilal Sanghavi
Past Director of Notion Real Estate
Private Limited,
Residing at 2203/04, Windsor Tower,
Shastri Nagar, Andheri (W),
Mumbai, Maharashtra – 400 053 … **Respondent No. 5**

Parag Madhu Sanghavi
Past Director of Notion Real Estate
Private Limited,
Residing at 2203, Windsor Tower,
Shastri Nagar, Andheri (West),
Mumbai, Maharashtra – 400 053 … **Respondent No. 6**

Aparna Sachin Bhatuse
Past Director of Notion Real Estate
Private Limited,
Residing at 4/11, Mary Velankar Chawl,
Shastri Nagar, Kanjurmarg (East),
Mumbai, Maharashtra – 400 042 … **Respondent No. 7**

Santosh Acharya Krishna
Past Director of Prashul Real Estate
Private Limited,
Residing at 1/21, 3rd Floor, Sharda Co-Op
Hsg. Soc. Ltd. Manisha Nagar, Gate No. 2,
Kalwa (West) Thane, Maharashtra – 400 605 … **Respondent No. 8**

Kyata Advisors Private Limited,
formerly known as Wadhawan Realtors
Private Limited
Having its office at 4th Floor, HDIL Towers,
Anant Kanekar Marg, Bandra - East,
Mumbai, Maharashtra – 400 051 … **Respondent No. 9**

In the matter of:
Omkara Assets Reconstruction Private Limited ... **Financial Creditor**

VERSUS

Notion Real Estate Private Limited ... **Corporate Debtor**

Order delivered on 02.09.2026

CORAM:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Applicant	:	Mr. Ashish Parwani a/w Ms. Dhwani Shah, Ms. Gitika Makhija Advocates i/b Ms. Pranali Gada, Advocate
For the Respondents	:	**None appeared.** Proceeded Ex Parte (vide Order dt. 20.07.2026)

O R D E R

Per : CORAM

1) The present Interlocutory Application is filed by the Applicant/Resolution Professional of the Corporate Debtor/Notion Real Estate Private Limited under Section 66 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016, praying for the following Reliefs:

i. *This Hon'ble Adjudicating Authority be pleased to allow the present application;*

ii. *This Hon'ble Adjudicating Authority be pleased to direct the Respondents to co-operate with the Applicant and handover all the* *documents and information, and to transfer any amount/ monies which is an asset of the Corporate Debtor, as and when required by the Applicant, which will be held in trust by the Corporate Debtor for the benefit of the Committee of Creditors of the Corporate Debtor;*

iii. *This Hon'ble Adjudicating Authority be pleased to pass an order declaring the transactions mentioned in para 20 and 21 involving aggregate net amount to the tune Rs. 359,99,00,000/- as fraudulent transactions within the meaning of Sections 66 and 67 of the Code and further pass an order declaring the transactions in the above-mentioned as void and non-est in law;*

iv. *That Hon'ble Adjudicating Authority be pleased to order the Respondent No. 1 to 9 to jointly and severally pay to the Corporate Debtor an aggregate net amount of Rs. 359,99,00,000/- along with further interest at the rate of 18% p.a. from the date of disbursement till payment / or realization, and/ or such other amount as found to be due and outstanding and/ or found to have been fraudulently and wrongfully transferred by them either directly or indirectly, from the account of the Corporate Debtor, which will be held in trust by the Corporate Debtor for the benefit of the committee of creditors of the Corporate Debtor;*

v. *That this Hon'ble Adjudicating Authority be pleased to attach assets and properties (movable and immovable, tangible and intangible) of Respondent No. 1 to 9 and also such assets and properties as maybe disclosed by the Respondent companies on oath and also pass such orders and directions as maybe necessary for tracing all such assets and properties as may have been acquired from the proceeds of fraud, whether in the name of the Respondents or not, and attach the same;*

vi. *That pending the hearing and final disposal of the present Application, the Hon'ble Adjudicating Authority be pleased to:*

i. order and direct the Respondent No. 1 to 9 to disclose on oath full and complete details and particulars of all their assets and properties (movable and immovable, tangible and intangible) along with financial statements from the Financial Years 2018-2023, including all documents, information and particulars in relation to utilization of funds received by them, either directly or indirectly from the Corporate Debtor;

ii. attach assets and properties of Respondent No. 1 to 9 and also such assets and properties as maybe disclosed by the Respondent companies on oath and also pass such orders and directions as may be necessary for tracing all such assets and properties as may have been acquired from the proceeds of fraud, whether in the name of the Respondents or not, and attach the same;

iii. pass an order and direction of temporary injunction restraining and prohibiting all the Respondents, either by themselves or through their agents, employees, servants or any other person acting under or on behalf of them, from removing and/or from in any manner encumbering, transferring, selling, assigning, creating third party rights or parting with possession of any of their assets and properties or any part or parts thereof;

iv. That pending the hearing and final disposal of the present Application, the Adjudicating Authority be pleased to order Respondent No. 1 to 9 to jointly and severally deposit in this Hon'ble Adjudicating Authority an aggregate net sum of Rs.

359,99,00,000/- towards the outstanding principal loan amount till the final hearing of this Application;

vii. *This Hon'ble Adjudicating Authority be pleased to issue appropriate directions to the Respondents to make appropriate contributions to the assets of the Corporate Debtor as it may deem fit in accordance with Sections 66 and 67 of the Code, in relation to the transactions in para number 20 and 21 of this Application;*

viii. *Ad-interim reliefs in terms of prayer clause (f) above;*

ix. *For costs.*

2) The facts leading to the case in hands are as follows:

i. The Corporate Insolvency Resolution Process against the Corporate Debtor was initiated *vide* an Order of the Co-ordinate Bench of this Tribunal (i.e. Court Room No. 6) dt. 09.01.2024 and Mr. Jayesh Natvarlal Sanghrajka was appointed as an Interim Resolution Professional of the Corporate Debtor/ Notion Real Estate Private Limited and later Mr. Jayesh Natvarlal Sanghrajka, with Incorp Restructuring Services LLP was appointed as the Resolution Professional.

ii. **M/s Pipara and Co LLP, Chartered Accountants** was appointed to conduct the Forensic Audit of the Corporate Debtor *vide* Appointment Letter dt. 15.02.2024. On 02.02.2025, the Forensic

Auditor submitted its Report highlighting Multiple Transactions of Fraudulent Diversion of Funds, Wrongful Trading, and abuse of position by the Respondents, attracting provisions of Section 66 of the Insolvency and Bankruptcy Code, 2016.

iii. It is contended that the Forensic audit revealed, diversion of Loan Funds amounting to Rs. 359,99,00,000/- (sanctioned by DHFL, now Omkara ARC) to group/related entities under the guise of investments and unsecured loans without commercial justification, documentation, or board approvals.

iv. The Applicant herein formed an opinion and made a determination under Regulation 35A of the Corporate Insolvency Resolution Process Regulations, 2016, that the Corporate Debtor has done Fraudulent Transactions and wrongful conduct, and that such acts were undertaken with intent to defraud the Creditors.

v. The **Financial Creditor/ Piramal Capital & Housing Finance Limited** had assigned its debt to **Omkara Asset Reconstruction Private Limited vide Assignment Agreement dt. 13.02.2024**. Respondent Nos. 1 & 2 are the Suspended Board of Directors of the Corporate Debtor, Respondent Nos. 3 to 8 are the Past Directors of the Corporate Debtor and the Respondent No. 9 is the

Company to whom the Corporate Debtor made an aggregate payment of Rs. 3,44,58,00,000/- for the acquisition of Equity Shares of Darshan Developers Private Limited.

3) It is contended by the Applicant that the Corporate Debtor was incorporated with main objective to carry on business of builders, developers of real estate, contracts, purchase and sell plots, building, residences and in general to carry out the activities concerned with housing and or infrastructure. The Corporate Debtor is majorly into slump rehabilitation development.

4) Development Rights for the Free Sale FSI of 9444.52 sq. mtrs. CTS No. 439, 439/1 to 2, 440, 440/1 to 6, 441 , 441/1 to 3, 442, 442/1 to 3, 447, 447/1 to 3, 448, 448/1 to 5, 451 , 451/1 to 13, 452, 452/1 to 24, 453, 453/1 to 5, 454A of Village Vile Parle, Taluka Andheri, Mumbai ("Free Sale Area") were assigned by **Sigitia Constructions Private Limited** to the **Corporate Debtor** *vide* Assignment Agreement dt. 20.05.2016. DHFL had sanctioned a project loan in the amount of INR 360,00,00,000/- to the Corporate Debtor, out of which, a sum of INR 359,99,00,000/- was disbursed to the Corporate Debtor by way of Loan Agreement dt. 23.05.2016, wherein, Sigtia Constructions Private Limited is a Confirming Party for creation of exclusive charge by way of a registered mortgage of the development rights on the Free Sale Area vide Mortgage Deed dt. 23.05.2016 in favour of lender.

5) It is contended that while DHFL (at that time) had disbursed a substantial amount of loan on 23.05.2019 under the head of project financing, the ultimate deployment of funds does not reflect a direct correlation with any project execution or infrastructure development aligned with the stated objectives of the loan. A summary of utilization of Rs. 359,99,00,000/- is provided below:

Particulars	Receipt (Amount in Rs.)	Payment (Amount in Rs.	Underlying Transaction
DHFL	359,99,00,000	15,40,40,068	Loan interest and other charges to DHFL
Respondent No. 9 – Kyata (formerly known as Wadhawan Realtors Private Limited)	-	3,44,58,00,000	Purchase of Equity Shares
Bank Charges and others		59,932	Miscellaneous
Total	**359,99,00,000**	**359,99,00,000**	

6) It is contended that though Corporate Debtor entered into development agreements and joint venture agreements for the development of a large tract of land situated at Vile Parle, Mumbai, however, the Corporate

Debtor did not declare any revenue from projects from incorporation till Insolvency Commencement Date. It is submitted by the Applicant that the Corporate Debtor made an aggregate payment of Rs. 3,44,58,00,000/- to Respondent No. 09 - Kyata (formerly known as Wadhawan Realtors Private Limited), for the purported acquisition of equity shares of Darshan Developers Private Limited, at a premium value amounting to Rs. 3,44,58,78,928/-. It is further submitted that an entire amount to the tune of Rs. 3,44,58,00,000/- was directly disbursed from the project loan facility sanctioned by DHFL. The summary of the said transactions is as under:

Particulars	**Loan given to Kyata (Amount in Rs.)**	**Investment (Amount in Rs.)**	**Remark**
Out of funds of DHFL	3,44,58,00,000	3,44,58,78,928	Purchase of equity shares in Darshan at premium value.
Unknown Source	78,928		
Total	**3,44,58,78,928**	**3,44,58,78,928**	

7) It is contended that the transactions were executed without board approvals, commercial agreements, or fair consideration. The Corporate

Debtor has failed to produce any supporting documentation such as Valuation Reports, Board Resolutions, Share Purchase Agreements, or Due Diligence Assessments that would justify such a High-Value Transaction. The treatment of these transactions is substantiated by the ledger statements and forensic findings annexed hereto as Exhibit "H".

8) It is averred that the Corporate Debtor, since incorporation, has reported no revenue from business operations. Despite this, it proceeded with a high-value equity transaction, failing to demonstrate any commercial rationale or alignment with project execution, which establishes that the funds were diverted with a premeditated intent, resulting in unjust enrichment of connected entities and unjustified depletion of the assets of the Corporate Debtor. Thus, it is contended that this transaction is emblematic of the larger scheme of asset dissipation and fund diversion orchestrated by the management of the Corporate Debtor, and squarely attracts the provisions of Section 66(1) of the Insolvency and Bankruptcy Code, 2016.

9) Applicant further states that significant portion of the loan proceeds, amounting to Rs. 344,58,00,000/-, was paid to the Respondent No. 9 for the acquisition of Equity Shares of Darshan Developers Private Limited. The remaining Rs. 15,40,40,068/- was paid towards interest and other charges to DHFL and apart from these, nominal sums were expended towards bank charges. The Corporate Debtor has not deployed any amount from the loan proceeds for construction activity, procurement of materials, mobilization, or any other project-linked expenses.

10) The sanction letter issued by DHFL clearly stipulated that the loan proceeds were to be used exclusively for the approved project. Any diversion to third parties, group entities, or related concerns without prior written approval of DHFL was strictly prohibited. However, it is submitted that the Corporate Debtor violated this covenant, misappropriating the entire amount in a manner inconsistent with both legal and contractual obligations.

11) Lastly it is contended that if the impugned transactions highlighted herein were in fact legal transactions, performed as part of usual business activities, without any foul play, then these loans and advances should have been documents with at least **"End-use Certificate"**, duly authorized by registered Chartered Accounts. It is submitted that none of these transactions are evidenced by any **"End-use Certificate".** It is submitted that as per the Audited financial statements for the financial years 2016-17, there were no operating income from the project but still DHFL sanctioned and disbursed entire amount to the tune of **Rs. 359,99,00,000/- to the**

Corporate Debtor. Though the loan was for the Project, after receipt of funds from DHFL, the Corporate Debtor diverted the entire funds to the Respondent No. 9 and did not utilise it for the project.

12) Hence, the present Interlocutory Application is preferred by the Resolution Professional seeking a declaration of the Impugned Transactions as Fraudulent and ultimately seeking recovery of the amount to the tune **Rs. 359,99,00,000/-** from the Respondents jointly and severally, and other consequential directions for attachment of properties and disclosure of assets.

13) The respondents remained absent despite service hence were proceeded ex- parte vide order dt. 20.07.2026.

14) Heard Ld. Counsel for the Applicant/Resolution Professional for a considerable time and perused the material available on record.

15) Regulation 35A of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 obligates the Resolution Professional to investigate into the Financial Transactions conducted by the Corporate Debtor before Insolvency Proceedings and initiate appropriate proceedings for recovery of the amounts if found Preferential, Undervalued, Transactions defrauding the Creditors, Extortionate Transactions, or Fraudulent Wrongful Trading.

16) The Resolution Professional conducted the Forensic Audit of the Corporate Debtor through M/s. Pipara & Company LLP, Chartered Accountants who submitted the Report on 02/02/2025 which is placed on record at Exhibit -E, pursuant to which the present Interlocutory Application is filed under Section 66 & 67 of the Insolvency & Bankruptcy Code, 2016.

17) The Resolution Professional has specifically pleaded that considering the nature of Transactions by the Corporate Debtor the provisions of Section 66 are attracted in the present case. The Respondents were put on Notice, however, the Respondents did not appear in spite of service of Notice and therefore, they were set ex parte vide Order of this Bench dt. 20.07.2026. Hence, there is no contest from the Respondents to this Interlocutory Application.

18) The Corporate Debtor was incorporated with main objective to carry on business of Builders, Developers of the Real Estate, Contracts, Purchase and Sale Plots, Buildings, Residences and in general to carry out the activities concerned with Housing & Infrastructure. The Corporate Debtor is majorly into Slum Rehabilitation Development.

19) The Development Rights for the Sale FSI of 9444.52 Sq. Mtrs. out of various CTS Numbers at Village, Ville Parle, Taluka, Andheri, Mumbai, Maharashtra, were assigned by Sigtia Constructions Private Limited to the Corporate Debtor vide Assignment Agreement dt. 20.05.2016.

20) It revealed that DHFL had duly sanctioned the Project Loan to the tune of Rs. 360 Crores to the Corporate Debtor, out of which a sum of Rs. 399,99,00,000/- was disburbsed to the Corporate Debtor vide Loan Agreement dt. 23.05.2016, wherein Sigtia Constructions Private Limited is a confirming party and has created exclusive charge by way of Registered Mortgaged of the Development Rights of the Free Sale Area vide Mortgage Deed dt. 23.05.2016. The said Loan Agreement is at Exhibit F.

21) It is the case of the Applicant that whole DHFL had disbursed the substantial amount under the Head of Project Financing, the ultimate deployment of funds does not reflect a direct co-relation with any project execution or Infrastructure Development aligned with the stated objects of the Loan. It revealed that an amount of Rs. 15,40,40,068/- was paid towards Loan Interest and another charges to DHFL. An amount of Rs. 344,58,00,000/- was utilised for purchase of Equity Shares of the Respondent No. 9 on 23.5.2019 and 24.05.2019 itself , Rs. 59,932/- was spent towards Miscellaneous expenses.

22) It is contended by the Resolution Professional that though the Corporate Debtor had entered into the Development Agreement and Joint Venture

Agreements for development of large tract of Land situated at Ville Parle, the Corporate Debtor did not declare any revenue from the Project from the Incorporation till the Insolvency Commencement Date which is evident from the ledger account Exh. H. The Corporate Debtor had made an aggregate payment of Rs. 344,58,00,000/- to the Respondent No. 9 (Formerly known as Wadhavan Realty Pvt. Ltd.) for the purported acquisition of Equity Shares of Darshan Developers Private Limited. It was directly disbursed from the Project Loan Facility. The Transactions were executed without Board approvals, Commercial Agreements, or Fair Considerations. The Corporate Debtor had failed to produce any documents, such as Valuation Report, Board Resolution, Share Purchase Agreement or Due Diligence Assessment that would justify such a high-value transaction. Exhibit - H gives the details about the treatment of these Transactions, which are the Ledger Statements and Forensic Findings.

23) The Forensic Audit Report reveals that the Corporate Debtor had failed to apply even a portion of the said funds towards the actual project execution. The Forensic Auditor and the Resolution Professional found that there is deliberate absence of documents such as Share Subscription Agreements, Pricing Justifications, Due Diligence Report or Fair Valuation Certificate together with the Routing of Funds towards Related Party Entity and a lack of return or revenue which reflects conscious design to manipulate mis-appropriate Public Fund and impair the interest of the Creditors.

24) The sanctioned letter issued by DHFL clearly stipulates that the Loan Proceeds were to be used exclusively for the approved project and any diversion to Third-parties, Group Entities or Related Parties without prior return approval of DHFL was strictly prohibited. The Corporate Debtor violated these norms, therefore, the transactions outlined in the Forensic Audit Report unsupported by Agreements, lacking beneficial outcome and conducted without requisite approval clearly establish an intent to defraud the Creditors and mis-appropriate Assets and therefore, this Transaction squarely falls under Section 66(2) of the Insolvency and Bankruptcy Code, 2016, as the Corporate Debtor was used merely as a conduit to avail loan facility from one of DHFL group company and pay the same to another DHFL group company (some of Wadhwan family members had ceased to be director thereof just prior to this transaction, however Rajesh Dheeraj Wadhawan was appointed as director on 21.3.2018 and ceased to be director on 27.3.2018) for purported acquisition of shares of one Darshan Developers Pvt. Ltd., which in turn is a company closely related to Sigtia Construction Pvt. Ltd as per MCA records.

25) The Respondents have failed to substantiate the genuineness of these Transactions, even the End use Certificate duly authorised by Registered Chartered Accountants were not produced.

26) It is the case of the Applicant that as per the Audited Financial Statements for the Year 2016-17 there were no operating income from the Project, but, still DHFL sanctioned and disbursed the entire amount of Rs. 359,99,00,000/- to the Corporate Debtor and although the Loan was for project; after receipts of funds by DHFL, the Corporate Debtor diverted entire funds to the Respondent No. 9 and did not utilise it for the Project.

27) The above contentions of the Resolution Professional have been substantiated with the Forensic Auditor's Report which shows that the DHFL sanctioned and disbursed the above said Loan to the Corporate Debtor for the Projects of Development, however, the Transaction Audit Report of the Corporate Debtor reveals that almost the entire amount of the Loan disbursed was utilised to purchase Equity Shares of Darshan Developers and was transferred to the Respondent No. 9. The Forensic Audit Report is substantiated with Ledger entries to that effect. There is nothing found in the Ledgers about generating income from the execution of projects for which the disbursal of the Loan was made to the Corporate Debtor.

28) It is also pertinent to note that the DHFL had granted Loan to the Corporate Debtor and the Corporate Debtor in turn has made payment to the Respondent No. 9 for Purchase of shares of one Darshan Developers, which is a Group Company of DHFL itself. In a way it is a Circular Transaction. However, the Resolution Professional has specifically pleaded in the Application that due to non-availability of complete information, the Applicant is not in a position to determine the ultimate beneficiaries of these funds.

29) It also follows from the facts that the Lender (predecessor of Creditor), DHFL, had intentionally chosen not to monitor the utilisation of Funds by the Corporate Debtor. Therefore, it is evident that the funds were transferred by the Corporate Debtor after having obtained Loan from DHFL to the Respondent No. 9 to purchase the Shares of Darshan which is the group Company of DHFL without utilising the funds for the Project for which they were sanctioned.

30) The Respondent Nos. 3, 4 & 9 have not justified these transactions which are evident from the books of accounts of the Corporate Debtor, in any manner. Disbursing the Loans to the Corporate Debtor and immediately transferring those Funds, almost the entire disbursed amounts, to Respondent No. 9 for Purchase of Equity Shares of One Darshan is eloquent of the Fraudulent purpose for which the Business of the Corporate Debtor was carried out.

31) It is pertinent to note that DHFL is also under the CIRP. The Corporate Debtor is also facing the CIRP, therefore, it was well within their knowledge, (considering the affairs of the company) that it would land in the CIRP and in spite of that, huge amount of Loan is disbursed to the Corporate Debtor for the Development Purposes of the Project in hands.

32) It is noted that the Respondent Nos. 3 & 4 were directors of the corporate debtor at the relevant time i.e. when the loan was availed and utilised on 23/24.5.2019. Respondent Nos. 5 to 8 had already ceased to be directed when the said transaction took place and the Respondent Nos. 1 & 2 were appointed Directors after the impugned Transaction had already taken place. Accordingly, Respondent Nos. 3 & 4 were only in charge of the affairs of the Corporate Debtor at the relevant time and can only be said to be parties to carrying on of the business of the Corporate Debtor for Fraudulent purposes.

33) However, it is observed that the Darshan Developers Pvt. Ltd. was also related to DHFL Group, though exact relationship could not be ascertained in the absence of complete particulars available on record, it is probable that the said transaction took place in complicity of DHFL and Darshan

Developers Pvt. Ltd. Further, it is also relevant to note that the said transaction took place on 23.05.2019 and the assignment of Mortgaged Development rights in favour of the Corporate Debtor took place on 20.05.2019 by Sigtia Constructions Pvt. Ltd., who is related party of the Corporate Debtor as per MCA Records, accordingly, the complicity of Sigtia Constructions Pvt. Ltd. can also not be ruled out. These facts clearly demonstrate that the complicity of DHFL in these transactions cannot lead to a conclusion that the said transaction was carried out with an intent to defraud Creditors of the Corporate Debtor in the Business affairs of the Corporate Debtor, however, it can certainly be said that these transactions were carried out in a Fraudulent Manner.

34) The material on record further establishes that Respondent Nos. 3, 4 & 9 along with DHFL and Sigtia were responsible for knowingly participating in the decision and acts by which the aforesaid loan proceeds were diverted. No evidence has been brought on record to demonstrate that the diversion of the aforesaid Loan Amount sanctioned by DHFL was authorised by the lender or was otherwise permissible under the terms of the loan facility. In the absence of any rebuttal, the documentary evidence placed by the Applicant remains unrebutted.

35) We, therefore, hold that the ingredients of Section 66 of the Insolvency and Bankruptcy Code, 2016 stand satisfied in respect of Respondents.

36) The diversion of Funds for purchasing the Equity Shares of some Group Company which is nothing but a planned modus to siphon of the Funds by using corporate debtor as a conduit and therefore it's a classic case of Fraudulent Transactions & Trading by the Corporate Debtor and therefore, Respondent Nos. 3, 4 & 9 are responsible for contribution of these amounts, jointly and severally to the Corporate Debtor along with an interest of 12% p.a. from the date of disbursal of payment till the realisation. No order can be passed against DHFL, as it has already gone CIRP process under IBC.

37) In view of the foregoing discussion and findings, the Application filed by the Resolution Professional under Section 66 of the Insolvency and Bankruptcy Code, 2016 is **allowed** and accordingly, we pass the following Order:

- **i.** It is hereby declared that the diversion and utilisation of the loan amount sanctioned by **DHFL** for the specific purpose of **development of the project**, for purchase of equity shares, constituted the conduct falling within the ambit of **Fraudulent trading under Section 66 of the Insolvency and Bankruptcy Code, 2016**.

ii. Respondent Nos. 3, 4 & 9, having been found to be knowingly parties to the aforesaid conduct, are hereby directed to, jointly or severally, **contribute an amount of Rs.** 344,58,00,000/- **to the assets of the Corporate Debtor**, jointly and severally, being the amount attributable to the aforesaid fraudulent conduct of diversion of funds.

iii. The aforesaid amount shall be deposited with the **Resolution Professional, within Thirty days from the date of this Order**, for being dealt with in accordance with the provisions of the Code.

iv. The Resolution Professional shall take all necessary steps for recovery of the aforesaid amount in the account of the Corporate Debtor and to utilise the same in accordance with the provisions of the Code.

38) In view of the above, the Interlocutory Application bearing IA No. 2777 of 2025, is disposed of.

39) Ordered Accordingly.

Sd/- **Sd/-**

PRABHAT KUMAR
MEMBER (TECHNICAL)

SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Vedant Kedare
(Stenographer)