Where a suspended director, while aware of ongoing CIRP, conceals true asset-related transactions of the corporate debtor, furnishes forged leave and license documents to the RP, and diverts rental income from properties owned by the corporate debtor into his personal account, such conduct constitutes intention to defraud creditors, warranting a contribution direction under Section 66(1) of the IBC

The **Mumbai Bench of the National Company Law Tribunal (NCLT)** in the case of **Ganesh Venkata Siva Rama Krishna Remani vs Puneet P. Bhatia [IA 4016 of 2025] dated April 29, 2026**, has observed that where a director/suspended management, while aware of impending or ongoing CIRP, conceals true asset-related transactions of the corporate debtor, furnishes forged leave and license documents to the RP, and diverts rental income from properties owned by the corporate debtor into his personal account or a connected account, such conduct constitutes carrying on the business of the corporate debtor for a fraudulent purpose with intent to defraud creditors, warranting a contribution direction under Section 66(1) of the IBC.

The Tribunal directed Respondent No. 1 to contribute the amounts already received from Respondent Nos. 3 and 4, as well as any further amounts received under the leave and license arrangements, to the assets of the corporate debtor within 30 days, together with interest at 12% per annum from the date of receipt until payment. The Tribunal further held that, given the concealment, diversion of funds, and obstruction in relation to the corporate debtor's assets during CIRP, the matter merited referral to the IBBI for appropriate action under Sections 70, 72, 73 and 74 of the IBC.

The Tribunal observed that Respondent No. 1 was fully aware of his obligation to disclose details of all assets of the corporate debtor to the RP, but instead furnished forged documents, thereby concealing the genuine nature of the transactions and the rental income that should have accrued to the corporate debtor.

The Tribunal noted that Respondent Nos. 3 and 4 had paid Rs. 9.67 lakhs and Rs. 40.68 lakhs respectively until discovery of the fraud. It also noted that the ledger statement of M/s BNT Connections showed payments linked to Mr. Puneet Bhatia, and that the leave and license agreement dated 04.01.2024 with Respondent No. 3 was entered into by Respondent No. 1 in his personal name. On that basis, the Tribunal found that rentals in respect of properties owned by the corporate debtor were received by Respondent No. 1 personally or in the account of M/s BNT Connections.

The Tribunal expressly held that the amounts ought to have accrued to the corporate debtor but were siphoned away at the behest of Respondent No. 1 to the prejudice of creditors. It found that these facts clearly established fraudulent intent and demonstrated carrying on the business of the corporate debtor in relation to these properties for a fraudulent purpose with intent to defraud creditors. The Tribunal also considered it appropriate to refer the matter to the IBBI for action against Respondent No. 1, treating him as an officer of the corporate debtor for the purposes of Sections 70, 72, 73 and 74 of the IBC.