

## Learning Curve-1026

February 28, 2024

**The fact that CIRP admission application is affirmed by the Appellate Tribunal does not denude the jurisdiction of AA to examine the allegations made u/s 65.**

CASE TITLE	Ashmeet Singh Bhatia Vs. Pragati Impex India Private Limited & Anr.
CASE CITATION	Company Appeal (AT) (Insolvency) No. 1413 of 2023
DATE OF ORDER	February 02, 2024
COURT/ TRIBUNAL	NCLAT, New Delhi

### BRIEF FACTS:

The Appellant filed an application citing instances of round-tripping of funds between related entities, fraudulent financial transactions, and intentional concealment of facts to push the CD into insolvency proceedings. The Appellant prayed for dismissal of admission of CD into CIRP.

The AA rejected the application citing reasons that the admission order having been affirmed by the Appellate Tribunal and cannot be questioned.

### DECISION:

The Hon'ble NCLAT, New Delhi held that,

*“While exercising jurisdiction under Section 65, the Adjudicating Authority is also fully entitled to close CIRP process and pass all consequential order. The mere fact that Section 7 Application has been admitted does not denude the jurisdiction of the Adjudicating Authority to examine the application under Section 65 of the Code. The observations of the Adjudicating Authority are that the Appellant is opposing the admission of the proceeding which admission has been affirmed by the Appellate Tribunal. The above does not denude the jurisdiction of the Adjudicating Authority to examine the allegations made in the Section 65 Application even after admission of the proceedings under Section 7.*

*We thus are of the view that the Adjudicating Authority committed error in rejecting the Application without considering the Application on its merit. In result, the Order dated 01.09.2023 is set aside, the Application I.A. No. 4654 of 2023 is revived before the Adjudicating Authority to be considered and decided in accordance with law.”*