

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH**  
**COURT-IV**

**I.A. NO. 6492 OF 2023**

**IN**

**COMPANY PETITION (IB) NO. 946/ND/2019**

**IN THE MATTER OF:**

**MR. RADHEY SHYAM YADAV**  
**LIQUIDATOR**  
**1203-1205, VIJAYA BUILDING,**  
**17, BARAKHAMBA ROAD, CONNAUGHT PLACE,**  
**NEW DELHI - 110001**

**...APPLICANT**

**VERSUS**

**MR. RAJEEV KUMAR PRASAD**  
**1502, BEGUR, 1ST CROSS,**  
**MAIN ROAD BEGUR HONGASANDRA,**  
**NEAR CANARA BANK, BANGALORE,**  
**KARNATAKA, INDIA- 560068**

**...RESPONDENT**

**IN THE MATTER OF:**

**MR. SAHIL GARG & ORS.**

**...OPERATIONAL CREDITOR**

**VERSUS**

**WAVE GLOBAL EDUCATIONAL SERVICES PRIVATE LIMITED**

**...CORPORATE DEBTOR**

**ORDER DELIVERED ON: 14.10.2025**

**CORAM:**

**SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,**  
**HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI,**  
**HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

**For the Liquidator : Adv. Varun Goel, Adv. Anuj Pandey**



## ORDER

**PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)**

1. The present application is being filed by the Liquidator of M/s Wave Global Educational Services private limited ('Corporate Debtor') under Section 66 read with Section 25(2)(j) of Insolvency and Bankruptcy Code, 2016 seeking with the following prayers: -
  - a. Allow the present application.
  - b. Pass an order declaring the transactions of Rs.1,42,06,928/- and other amounts to be disclosed by the Respondent under Section 66 of the Insolvency and Bankruptcy Code, 2016 as summarized in this Application entered by the Respondent as Fraudulent transactions with the intention to defraud the creditors of the Corporate Debtor.
  - c. Pass an order directing the Respondent to contribute a sum of Rs.1,42,06,928/- and other amounts to be disclosed by the Respondent and interest @18% pa till full receipt of payment in respect of the transaction covered under Sec 66 of the Code to the Liquidation Account of the Corporate Debtor.
  - d. To punish the Respondent for his criminal acts for violation of Section 66 of I & B Code, 2016.
  - e. Pass such other or further order / order(s) as may be deemed fit and proper by this Hon'ble Adjudicating Authority.
2. Briefly stated the facts of the present case as averred by the Liquidator are:-
  - i. The Corporate Debtor was admitted into CIRP by this Tribunal vide order dated 18.11.2019 in C.P. (IB)-946 (ND)/2019 and was subsequently ordered to be liquidated vide order 11.08.2021, appointing the present applicant as Liquidator.
  - ii. During the course of liquidation, the Applicant came across material showing that the Respondent, while acting as Director and CEO of the Corporate Debtor, had collected large sums of



money from M/s Axis Tutorials Private Limited, one of the debtors of the Corporate Debtor.

- iii. These transactions are evidences through (i) three receipts dated 21.04.2018, 10.07.2018 and 29.08.2018, duly signed by the Respondent, (ii) FIR No. 0215/2020 dated 15.12.2020 filed by of Axis Tutorials Pvt. Ltd., against Respondent in EOW, Delhi, and (iii) Bail order dated 25.07.2023 passed by the Ld. ACMM, Tis Hazari Courts, recording admissions of such collections.
  - iv. Since full details of accounts have not been received owing to non-cooperation by the Directors of CD, forensic audit of CD's accounts has not been carried out. However, collection of huge amount in cash by Respondent on behalf of the CD from Axis Tutorials Pvt. Ltd stands clearly established with the contents of the bail order dated 25 July, 2023 passed by the Addl. Chief Metropolitan Magistrate, Tis Hazari Court, Delhi. The Ledger Account of M/s Axis Tutorials Private Limited from 01.04.2017 to 10.09.2018 maintained by CD as made available by the Chartered Accountant of the CD confirms a debt of 1,08,31,300 on M/s Axis Tutorials Pvt Ltd but does not show any entry of cash received by CD from M/s Axis Tutorials Private Limited.
  - v. The Stakeholders' Consultation Committee in its 5<sup>th</sup> meeting held on 15.11.2023 unanimously resolved to authorize the Liquidator to initiate appropriate action under Section 66 of the Code, leading to the filing of this application.
3. It is relevant to mention that despite sending of multiple notices by the Applicant, the Respondent made no appearance. Further, this Adjudicating Authority vide order dated 02.06.2025 directed the Applicant to serve notice to the Respondent through paper publication. In compliance of order dated 02.06.2025, the Applicant has enclosed newspaper publication namely Business Standard (English) and Vernacular language dated 12.06.2025, which justifies that there has been no default on the part of the Applicant and hence, the said

Respondent was proceeded ex-parte with, by this Adjudicating Authority.

4. We have gone through documents on record filed by the applicant and arguments advanced by counsel of the Liquidator.
5. The present application has been filed under Section 66 of Insolvency and Bankruptcy Code, 2016. The Section 66 of the Code envisages certain requirements to be proved by the Applicant. Therefore, Section 66 of the Code are reproduced hereunder for ready reference: -

**“Section 66: Fraudulent trading or wrongful trading.**

*66. (1) If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the Corporate Debtor has been carried on with intent to defraud creditors of the Corporate Debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the Corporate Debtor as it may deem fit.*

*(2) On an application made by a resolution professional during the corporate insolvency resolution process, the Adjudicating Authority may by an order direct that a director or partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if-*

*(a) before the insolvency commencement date, such director or partner knew or ought to have known that there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor, and*

*(b) such director or partner did not exercise due diligence in minimising the potential loss to the creditors of the corporate debtor.*

*Explanation.- For the purposes of this section, a director or partner of the corporate debtor, as the case may be, shall be deemed to have exercised due diligence if such diligence was reasonably expected of a person carrying out the same functions as are carried out by such director or partner, as the case may be, in relation to the corporate debtor.*

6. On perusal of the records, we observe that during the course of liquidation, the Applicant came across material showing that the Respondent, while acting as Director and CEO of the Corporate Debtor, had collected large sums of money from M/s Axis Tutorials Pvt. Ltd., one of the debtors of the Corporate Debtor, aggregating to Rs. 1,42,06,928/- (including cash) which were not reflected in the books of the Corporate Debtor. These transactions are evidenced through (i) three receipts dated 21.04.2018, 10.07.2018 and 29.08.2018, duly signed by the Respondent, (ii) FIR No. 0215/2020 dated 15.12.2020 filed by of Axis Tutorials Pvt. Ltd., against Respondent in EOW, Delhi, and (iii) Bail order dated 25.07.2023 passed by the Ld. ACMM, Tis Hazari Courts, recording admissions of such collections. However, collection of huge amounts in cash by Respondent on behalf of the CD from M/s Axis Tutorials Pvt. Ltd stands clearly established with the contents of the bail order dated 25 July, 2023 passed by the Addl. Chief Metropolitan Magistrate, Tis Hazari Court, Delhi.
7. It demonstrates that the Respondent received substantial cash on behalf of the Corporate Debtor which never entered its accounts. The Respondent, though served with this Application, has failed to file any explanation or rebuttal.
8. The Conduct of the Respondent clearly attracts Section 66(1) of the Code, which provides that persons knowingly party to carrying on the business of the Corporate Debtor with intent to defraud creditors shall be liable to make contribution to the assets of the Corporate Debtor.
9. The evidence before this Tribunal satisfies that the Respondent was knowingly involved in the fraudulent trading and misappropriation of

the Corporate Debtor's funds, resulting in loss to creditors. Further, the Stakeholders' Consultation Committee in its 5<sup>th</sup> meeting held on 15.11.2023 unanimously resolved to authorize the Liquidator to initiate appropriate action under Section 66 of the Code.

10. In view of the above, this Tribunal holds that the acts of the Respondent, Mr. Rajeev Kumar Prasad constitute fraudulent and wrongful trading within the meaning of Section 66 of the Insolvency and Bankruptcy Code, 2016.
11. The Respondent is liable to contribute to the assets of the Corporate Debtor a sum of Rs. 1,42,06,928/- (Rupees One Crore Forty-Two Lakh Six Thousand Nine Hundred Twenty-Eight only). The said amount shall be deposited into the Liquidation Account of the Corporate Debtor maintained by the Liquidator.
12. The Liquidator is authorized to take appropriate steps, including filing for recovery or initiation of criminal proceedings, if necessary.
13. Accordingly, the present **I.A. NO. 6492 OF 2023 stands allowed and disposed of** in terms of the above direction.
14. Let copy of the order be served to the parties.

**Sd/-**

**ATUL CHATURVEDI  
MEMBER (TECHNICAL)**

**Sd/-**

**MANNI SANKARIAH SHANMUGA SUNDARAM  
MEMBER (JUDICIAL)**

