



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

ITEM No. 02
C.P (IB) No.51/BB/2025

IN THE MATTER OF:

M/s Krisfo Infotech Solutions Pvt. Ltd. ...Corporate Applicant/Petitioner

Order u/s 10 of the I & B Code, 2016

Order delivered on: 10.03.2026

CORAM:

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

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Mrs. Maitreyi Bhat

ORDER

1. Heard the Ld. Counsel for the Petitioner.
2. **The Company Petition is admitted enjoining the respondent to undergo CIRP, by separate order.**
3. List the matter on **25.05.2026** for RP report.

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)



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

CP (IB) No.51/BB/2025

Application U/s. 10 of the Insolvency & Bankruptcy Code, 2016 read with Rule 7 of the
Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016

IN THE MATTER OF:

KRISFO INFOTECH SOLUTIONS PRIVATE LIMITED

1232/35-3, 2nd Floor, 24th Main,
 JP Nagar, 7th Phase, Puttenahalli,
 Near Brigade Palm Springs,
 Bengaluru, Karnataka-560078.

... Petitioner/Corporate Applicant

Order delivered on: 10.03.2026

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

ORDER

1. The present Petition, CP (IB) No. 51/BB/2025, has been filed on 19.03.25 by Krisfo Infotech Solutions Private Limited ('Petitioner/Corporate Applicant') under section 10 of IBC, 2016 read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for voluntary initiation of Corporate Insolvency Resolution Process as it failed to discharge the obligations to pay **Rs. 8,03,12,328/-** (Rupees Eight Crore Three Lakh Twelve Thousand Three Hundred Twenty-Eight) to the Creditors, out of which the total Financial Debt is Rs.4,30,00,000/- and the Operation Debt is Rs.82,00,000/- besides statutory liabilities of Rs.1,72,00,000.
2. Brief facts of the case leading to the filing of petition are as follows:
 - (i) The Corporate Applicant is a Company incorporated on 23.09.2008 under the provisions of Companies Act, 1956 with CIN U72200KA2008PTC047825, and was engaged in the business of providing their product of self-service Kiosks for Banking and other sectors. The Authorized Share Capital of the Company is INR 1,00,00,000/- and Paid-up Share Capital is INR 87,13,010/-.



- (ii) The Corporate Applicant initially received orders from Bank of India and State Bank of India during 2009–10 and its product of self-service kiosks became well established in the banking sector. Over the next few years, the Corporate Applicant supplied around 6000 kiosks to various banks across India. However, the Corporate Applicant began facing financial difficulties from 2017 onwards, inter alia due to delays in vendor payments following the implementation of GST, as banks withheld payments for about 4–6 months, which adversely impacted the cash flow. During the same period, bank guarantees amounting to approximately ₹3 Crores were also invoked.
- (iii) In the year 2018, the Corporate Applicant had availed a term loan of ₹2.98 Crores from **Hinduja Leyland Finance** under the Loan Against Property scheme against mortgage of immovable property belonging to one of its directors. The Corporate Applicant had also entered into loan arrangements with Canara Bank and Indian Bank between 2017 and 2021. However, due to lack of bank guarantees, the Corporate Applicant was unable to execute several pending orders and had to incur substantial expenditure towards repayment of EMIs, interest to financial creditors, statutory dues and payments to operational creditors.
- (iv) During 2020–21, certain customer banks invoked bank guarantees amounting to nearly four Crores on account of service-related disputes, which further worsened the financial position of the Corporate Applicant. Additionally, a previous loan obtained from Bank of Maharashtra became a Non-Performing Asset (NPA), resulting in initiation of recovery proceedings against the Corporate Applicant and its Directors.
- (v) The Corporate Applicant presently has liabilities of approximately ₹4.30 Crores towards financial creditors, ₹82 Lakhs towards operational creditors and ₹1.72 Crores towards statutory dues, aggregating to about ₹8.03 Crores, while having negligible assets and receivables. The Corporate Applicant has incurred continuous losses in recent years, its net worth has turned negative and it has ceased operations after vacating its premises in July 2024 and laying off all employees. In view of the absence of working capital, inability to raise further funds and failure of all efforts to revive the business, the Corporate Applicant



has filed the present Petition seeking initiation of Corporate Insolvency Resolution Process under Section 10 of the Code.

3. **CMS IT Services Private Limited**, Creditor No. 11 has filed objections dated 02/07/2025 & 22/07/2025 contending that: -

- i. The Petitioner and the Creditor No.11 had entered into a Service Agreement dated 01.02.2016 whereby latter was engaged to provide certain IT-related services for a period of three (3) years. Upon completion of work, invoices amounting to Rs. 23,88,893.57/- were raised. However, the payments were not made on a regular basis and despite repeated demands by Creditor No. 11, the Petitioner failed to clear the dues in full. As a result, there remains an outstanding amount of ₹19,87,390/-.
- ii. Creditor No. 11 had filed a petition before the Hon'ble NCLT, Bengaluru Bench, vide **C.P. (IB) No. 127/BB/2020** under the Insolvency and Bankruptcy Code, 2016 due to the default of payment. While the matter was pending, the Petitioner proposed an out-of-court settlement and offered to pay a sum of ₹15,00,000/- in six instalments towards full and final settlement of the claim. This proposal was accepted by Creditor No. 11, and a Settlement Agreement was executed on 10/09/2020, pursuant to the agreement dated 08/09/2020.
- iii. Pursuant to the Settlement Agreement, the first tranche of Rs.2,50,000/- was paid on 11/09/2020, and the second tranche of ₹2,50,000/-, along with interest at 18% amounting to Rs .2,342/- was paid on 20/10/2020 through RTGS. Apart from these two tranches no further amount was paid, despite sending several email reminders. Consequently, the Petitioner defaulted in complying with the settlement terms, resulting in the failure of the said settlement. Therefore, the outstanding liability reverted to **Rs. 14,87,390/-** which continues to be due and payable by the Petitioner.
- iv. It is further submitted that in the Petition, the Petitioner has annexed a document titled "*List of Operational Creditors*" at Annexure K, wherein this Respondent has been shown as Creditor No. 11, with an outstanding amount of only ₹10,00,000/- and does not reflect the actual liability owed to the Creditor.
- v. From the foregoing, it is evident that the present petition has been filed with the intent to affect the winding up of the company without discharging its legitimate debts. The Petitioner, in an apparent attempt to circumvent these financial obligations, has initiated the present proceedings. In view of the above facts and



circumstances, it is respectfully submitted that the present petition ought to be amended to reflect the correct and original amount payable to this Respondent, who has been listed as Creditor No. 11.

4. The Petitioner has filed rejoinder dated 01.08.2025 stating as follows:

- i. The Corporate Applicant started facing a financial crisis due to the introduction of GST in India, as a result, the Corporate Applicant could not make payments on a regular basis and despite best efforts, for an outstanding amount of Rs. 19,87,390/-. Subsequently, during the pendency of CP (IB) No. 127/BB/2020, a settlement was arrived at wherein Corporate Applicant proposed an out-of-court settlement to the pay a sum of Rs. 15,00,000/- in six instalments towards full and final settlement of the aforesaid claim.
- ii. The Corporate Applicant made 2 part-payments. However, due to financial constraints and business unviability, on 29.11.2020 it had issued an email to the Creditor No. 11 requesting for some more time and consideration in order to make the balance payment of Rs. 10,00,000/-.
- iii. Further, the Corporate Applicant does not dispute the outstanding amount of Rs. 14,87,390/- the actual liability owed by the Corporate Applicant towards the Creditor No. 11. It is submitted that the Corporate Applicant had filed an addendum to the main Petition whereby the outstanding liability towards the Creditor No. 11 was revised to be Rs. 14,87,390/-.
- iv. The Creditor No. 11 is well within their rights by law to raise their claims before a Resolution Professional upon admission of the main Petition. As such, the averment that *'the present Petition has been filed with the intent to affect the winding up of the company without discharging its legitimate debts'* is incorrect, untrue and baseless. It is further denied that the Corporate Applicant is attempting to circumvent its financial obligations and liabilities. In fact, the confirmation by the objecting Creditor of the dues owed to it by the Corporate Applicant, would support the contention of the Petitioner that the Petition must be admitted since there are dues which the Corporate Applicant is unable to discharge.

5. **Hinduja Leyland Finance Ltd.**, Creditor No. 6 has filed objections dated 17.07.2025 contending that:



- i. The Corporate Debtor has deliberately suppressed the fact that this Creditor had issued a demand notice under Section 13(2) of the SARFAESI Act and already taken possession of the secured asset under Section 13(4). Reliance is placed on the decision of Hon'ble NCLAT in *Unigreen Global Pvt. Ltd. v. Punjab National Bank & Ors., Company Appeal (AT) (Insolvency) No. 81 of 2017*, wherein it was held: "*The Adjudicating Authority must be satisfied that the corporate applicant has not concealed any facts and has acted in a bonafide manner.*"
- ii. The acts of the Debtor constitute a "strategic default." Despite receiving the loan amount, Director of the Corporate Debtor, executed a registered sale deed dated 31.01.2022 (Document No. BNS-1-16397-2021-22) conveying the mortgaged property originally received via Gift Deed from his father to third parties.
- iii. Subsequently, the said Gift Deed was cancelled by the donor through another registered document dated 30.10.2023 (Document No. BNS-1-16166-2023-24), further complicating the title of the mortgaged property which is under lien. These fraudulent transactions, executed during the pendency of the SARFAESI proceedings, have effectively restrained this Creditor from enforcing possession of the asset, despite securing orders under Section 14 of the SARFAESI Act.
- iv. As per the second proviso to Section 10 of the IBC, an application under Section 10 is not maintainable if any action has been taken under Section 13(4) of the SARFAESI Act. Since this Respondent has already invoked Section 13(4), the petition is barred by law. Filing the present application during the pendency of recovery actions under SARFAESI amounts to a clear abuse of the process and misuse of judicial resources.
- v. The Applicant has approached this Tribunal with ulterior motives-primarily to secure a moratorium under Section 14 and thereby obstruct proceedings under SARFAESI and other laws. The secured asset in question is not owned by the Corporate Debtor but by its director. The Corporate Applicant is using the IBC route to indirectly protect personal property and deflect potential criminal proceedings under the guise of CIRP.
- vi. The Applicant has neither annexed any proposed resolution plan nor disclosed any viable business operations. Thus, there is no possibility of revival, rendering this invocation of Section 10 mechanical and futile.



6. The Petitioner has filed rejoinder dated 06.10.2025 replying to above objections, as follows:

- i. The Corporate Applicant has disclosed the notice received under SARFEASI from the Objector, and the same can be found in the Petition as Annexure AB, Annexure L, Annexure M and N.
- ii. The alleged transactions detailed by Hinduja appear to be between one director of the Corporate Applicant of his own personal property and does not pertain to any immovable property owned or held by the Corporate Applicant. Hinduja admits in para 4.2 of the objections that the secured asset is not even owned by the Corporate Applicant and therefore these proceedings would not come in the way of any steps that Hinduja might want to take against the said asset.
- iii. It is also submitted that the Corporate Applicant is not even a party to the Memorandum of Deposit of Title Deeds dated 16.11.2018 which has been produced as Document No. 2 (Page -16) along-with the Objections filed by the Creditor No. 6/Hinduja. The law is well settled that only the assets of the corporate debtor are relevant for the insolvency resolution process under Section 10 of the IBC, and proceedings against third-party assets, including those of directors or guarantors, have no bearing on the maintainability of the present petition.
- iv. It is submitted that the correct legal position has been posited by the Hon'ble National Company Law Appellate Tribunal in *M/s. Unigreen Global Private Limited v. Punjab National Bank and Ors. [CA(AT)(Insolvency) No. 81 of 2017]* as follows:

“22. Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the information as required to be submitted in Form 6 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 subject to ineligibility prescribed under Section 11. If all informations are provided by an applicant as required under Section 10 and Form 6 and if the Corporate Applicant is otherwise not ineligible under Section 11, the Adjudicating Authority is bound to admit the application and cannot reject the application on any other ground. 25. Similarly, if any action has been taken by a 'Financial Creditor' under Section 13(4) of the SARFAESI Act, 2002 against the Corporate Debtor or a suit is pending against Corporate Debtor under Section 19 of DRT Act, 1993 before a Debt Recovery Tribunal or appeal pending before the Debt Recovery Appellate Tribunal cannot be a ground to reject an application under Section 10, if the application is complete.”



7. Heard Learned Counsels for the Corporate Applicant & Creditors and carefully perused the material on record besides examining the relevant legal proposition.
8. Vide order dated 25.03.2025 the Corporate Applicant was directed to serve notice on all Creditors along with a copy of petition and other material documents through email as well as by speed post. In compliance of the same, the Corporate Applicant has filed proof of service vide affidavit dated 09.05.2025.
9. The present Petition has been filed by the Corporate Applicant under Section 10 of the Code, from the material placed on record, it is observed that the Corporate Applicant has stated that it has defaulted in repayment of its liabilities amounting to Rs.8,03,12,328/-. It is further stated that the Corporate Applicant has ceased operations, vacated its godown premises, laid off all employees and has no working capital or viable business operations to continue its business.
10. Creditor No. 11 has objected to the present Petition on the ground that the outstanding amount payable to it has been incorrectly reflected in the list of operational creditors. The Corporate Applicant, in its rejoinder, has submitted that an addendum has been filed revising the said liability. In any event, as the total default exceeds the threshold of ₹1 crore prescribed under the Insolvency and Bankruptcy Code, 2016, the said objection does not affect the maintainability of the present Petition. The creditor is at liberty to file its claim before the Resolution Professional upon admission of the Petition.
11. Creditor No. 6 has objected to the maintainability of the Petition on the ground that proceedings under Section 13(4) of the SARFAESI Act, 2002 have already been initiated and possession of the secured asset has been taken, alleging suppression of material facts and that the Petition has been filed to obtain the benefit of moratorium. The Corporate Applicant has submitted that the SARFAESI notice has been duly disclosed and that the secured asset pertains to the personal property of a director and not the Corporate Applicant. It is further contended, relying on *Unigreen Global Private Limited v. Punjab National Bank & Ors. (supra)*, that pendency of proceedings under the SARFAESI Act or the DRT Act does not bar admission of an application under Section 10 if the application is otherwise complete.
12. As per Section 10 of Insolvency and Bankruptcy Code, 2016, a Corporate Applicant can file an application before the Adjudicating Authority, seeking voluntary initiation of
CP (IB) No.51/BB/2025



Corporate Insolvency Resolution Process for having committed a default, in a prescribed form by enclosing the following:

- a. The information relating to its books of account and such other documents for such period as may be specified;
- b. The information relating to the resolution professional proposed to be appointed as an interim resolution professional; and
- c. The Special resolution passed by shareholders of the Corporate Applicant or the resolution passed by at least three-fourth of the total number of partners of the Corporate Applicant, as the case may be, approving filing of the application.

Further, as per sub-section 4 of Section 10 the Adjudicating Authority can admit an application if the same is complete and no disciplinary proceedings are pending against the proposed Resolution Professional.

13. After a careful examination of the facts of the case it clearly shows that the objecting creditors themselves have acknowledged that amounts are due and payable by the Corporate Applicant. The existence of debt and default is therefore established. The objections raised do not render the present application defective or non-maintainable. There was a debt due beyond threshold and there was a default in payment of the same. It is also observed that the Petitioner was not earning sufficient profits to repay its debts. Further, the Petition was supported with the special resolution passed by the shareholders of the Corporate Applicant in its EGM dated 25.01.2025. Minutes of said EGM are attached at Pg. no. 56 of the Petition.
14. The audited financials for the year 2022-2023, 2023-2024 were attached with the petition besides the provisional financials for year 2023-2024 till 25.01.2025. It is seen that the Corporate Applicant was having substantial losses.
15. The Corporate Applicant satisfies the conditions for initiating an Application U/s 10 of the Code viz., there is an existence of debt, there is a default and the Corporate Applicant is not disqualified U/s 11 of the Code. The Shareholders of the Corporate Applicant passed a Special Resolution dated 25.01.2025 for initiation of CIRP in respect of the Corporate Applicant. The affidavit dated 04.02.2025 under Section 11 is attached at Pg. no.164 of the Petition.



16. In view of the above facts and circumstances of the case, and the settled position of law on the issue, **CP (IB) 51/BB/2025 is hereby allowed and Corporate Insolvency Resolution Process is initiated in respect of Corporate Applicant, Krisfo Infotech Solutions Private Limited**, thereby triggering Moratorium under Section 14(1) of the Code, in following terms for compliance by all concerned: -
- a. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b. Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
 - c. Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
17. The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 as the case may be.
18. As proposed by the Applicant, **Ms. Anuja Sudhir Bhate**, Registration No. IBBI/IPA-002/IP-N01212/2022-2023/14077, who has given her written Consent in Form-2 dated 04/02/2025, email id: **culanuz@yahoo.co.in**, Mobile No. **9082219830**, address: 8241, Prestige Lakeside Habitat, SH 35, Opp. HP Petrol Pump, Gunjur, Bengaluru- 560087, is appointed as the Interim Resolution Professional with the following directions: -
- a. The term of appointment shall be in accordance with the provisions of Section 16(5) of the Code;
 - b. In terms of Section 17 of the Code, from the date of appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest in the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who is enjoined to exercise all powers as are vested with Interim



Resolution Professional and strictly perform the duties as such under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights, recorded in the balance sheet of the Corporate Debtor etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of inventories of assets of the Corporate Debtor;

- c. The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing her profession and as an Insolvency Professional with high standards of ethics and morals.
- d. The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor.
- e. It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;
- f. The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a committee of creditors and shall file a report, certifying of the committee to this Authority on or before the expiry of thirty days from the date of her appointment, and shall convene first meeting of the committee within seven days of filing the report of constitution of the committee; and
- g. The petitioner shall deposit a sum of **Rs 2,00,000/-** (Rupees Two Lakhs Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses shall be subject to approval by the Committee of Creditors.



- h. The IRP shall separately & individually intimate the concerned PF Department, Employee State Insurance Corporation, Income Tax Department, Inspector of Factories, GST/VAT authorities, Registrar of Companies, Karnataka and other relevant statutory authorities about the commencement of CIRP of the Corporate Debtor and specify the date of service of intimation to abovementioned statutory authorities in 2nd progress report.
- i. The Interim Resolution Professional is directed to submit *monthly* progress reports to this Authority regularly, along with inside & outside photographs of office, warehouse, installations, equipment etc. of the Corporate Debtor. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and particulars including contact details of IRP/RP to enable stakeholders to make enquiry and/or to lodge their claims, if any, within specified timelines.
19. A copy of this order be communicated to all the parties. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. **The Registry shall also immediately forward a soft copy of this order to the Interim Resolution Professional, at her email id: *culanuz@yahoo.co.in*.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)