

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.302 - C.P.(IB)/41(AHM)2026

With

ITEM No.303 – IA/423(AHM)2026

C.P.(IB)/41(AHM)2026

Under Section 7 of IB Code, 2016

IN THE MATTER OF:

Apogee Enterprises Pvt. Ltd

.....Applicant

V/s

Let's Jump Trampoline and Adventure Pvt. Ltd

.....Respondent

IA/423(AHM)2026

Under Section 65 & 75 of IB Code, 2016 r. w. Rule 11 of NCLT Rules, 2016

IN THE MATTER OF:

Let's Jump Trampoline and Adventure Pvt. Ltd

.....Applicant

V/s

Apogee Enterprises Pvt. Ltd

.....Respondent

Order delivered on: 06/04/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT -I, AHMEDABAD**

**CP (IB)/41(AHM)/2026
With
IA/423(AHM)2026**

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the matter of **Let's Jump Trampoline and Adventure Pvt. Ltd.**

Apogee Enterprises Private Limited

Having its Registered Office at:
K-1/12, CR Park, South Delhi,
New Delhi, Delhi, India, 110019

...Applicant/Financial Creditor

VERSUS

Let's Jump Trampoline and Adventure Private Limited,

(CIN: U92410GJ2018PTC104621)

Having its Registered Office at:
234, B, Nr. Decathlon, Dumas Road,
Bhimpore, Taluka-Choryasi, Dist-
Surat, Vesu, Surat, Surat, Gujarat,
India – 395007

...Respondent/Corporate Debtor

WITH

IA/423(AHM)2026

(An application filed under Section 65 & 75 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016)

Let's Jump Trampoline and Adventure Private Limited,



(CIN: U92410GJ2018PTC104621)
Having its Registered Office at:
234, B, Nr. Decathlon, Dummas
Road, Bhimpur, Taluka-Choryasi,
Vesu, District-Surat-395007

... Applicant

VERSUS

Apogee Enterprises Private Limited

Having its Registered Office at:
K/1/12, CR Park, South Delhi,
New Delhi.
Email: apogee2018@gmail.com

...Respondent/Opponent

Order pronounced on: 06.04.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E

For the Applicant/FC : Mr. Rashesh Sanjanwala, Sr. Adv.
a.w. Mr. Arpit Singhvi, Adv.
For the Respondent/CD : Mr. Ravi Pahwa, Adv. a. w.
Ms. Gunjan Aggarwal, Adv.

C O M M O N O R D E R
Per Bench

1. The present common order disposes of the Company Petition bearing No. **CP (IB)/41(AHM)/2026**, filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016") read with Rule 4 of the Insolvency



and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “IB (AAA) Rules, 2016”) filed by the Petitioner, and the Interlocutory Application bearing No. **IA/423(AHM)2026**, filed by the Respondent/Corporate Debtor under Section 65 and 75 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016.

2. The Company Petition CP (IB) No. 41 of 2026 is filed on 03.02.2026 by the Applicant – Apogee Enterprises Private Limited (hereinafter referred to as “**Financial Creditor**”) against the Respondent – Let’s Jump Trampoline & Adventure Private Limited (hereinafter referred to as “**Corporate Debtor**”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (**CIRP**), for having defaulted in re-payment of the Financial Debt of **Rs.6,60,12,740/-** including interest. The date of default is stated to be 25.10.2025.

3. On Perusal of Part-I of the Form-1 revealed that the Financial



Creditor – Apogee Enterprises Private Limited is a private Limited company which was incorporated on 28.06.2011, bearing CIN: U22100DL2011PTC221586 and having its Registered Office at: K-1/12 CR Park, South Delhi, New Delhi, Delhi, India – 110019. Mr. Vishal Virenderkumar Arya, is duly authorized to submit the present Petition on behalf of the Financial Creditor. A copy of the Board Resolution dated 12.01.2026 authorizing Mr. Vishal Virenderkumar Arya to file the present Petition is annexed as **Annexure B (Colly)**.

4. On perusal of Part-II of the Form-1 reveals that the Corporate Debtor– Let’s Jump Trampoline and Adventure Private Limited was incorporated on 05.10.2018 under CIN: U92410GJ2018PTC104621, having its registered office at: 234, B, Nr. Decathlon, Dumas Road, Bhimpore, Ta-Choryasi, Dist-Surat, Vesu, Surat, Surat, Gujarat, India-395007. The Authorized Share Capital of the Company is Rs. 1,50,00,000/- and the Paid-Up Share Capital is Rs. 1,50,00,000/-. The data provided above is as per Company’s MCA master data, Copy of which is attached in the Petition as **Annexure-C**.



5. On perusal of Part-III of the Form-1 reveals that the Financial Creditor has proposed, **Aarsh Resolution Professionals Private Limited**, Registration No.: IBBI/IPE-0115/IPA-1/2024- 25/50078 through its designated Director, IP Mr. Atul Mittal, having Registration No. IBBI/IPA-001/IP-P00439/2017-18/10762, (Email Address: atulmittalip135@gmail.com, contact@aarshrp.com), under Section 13(1)(c) of the Code to act as Interim Resolution Professional (IRP). He has filed his written communication in Form-2 dated 17.01.2026, as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. A copy of Form-2 is attached as **Annexure-D** in the Petition.

6. On perusal of Part-IV of the Form-1 reveals that total defaulted amount dues as claimed by the Financial Creditor is Rs.6,60,12,740/- consisting of amount Rs.6,12,50,000/- being principal, amount of Rs.47,62,740/- being interest as up-to 23.01.2026. The date of default is stated to be 25.10.2025.

7. On perusal of Part-IV and Part-V of Form-1 reveals that the



Financial Creditor has placed the facts through this Petition in the following manner: -

- 7.1 It is submitted that the Corporate Debtor has approached the Financial Creditor seeking the grant of the Financial Loan Facility for the purpose of acquiring equity shares on a preferential basis in a listed company vide Loan Request Letter dated 02.12.2024. A copy of Loan Request dated 02.12.2024 is annexed as Annexure-E.
- 7.2 It is further submitted that pursuant to letter dated 02.12.2024, the Financial Creditor, vide Loan Acceptance Letter dated 03.12.2024 ("Loan Acceptance Letter 1"), sanctioned a sum of INR 3,50,00,000/- (Rupees Three Crores Fifty Lakhs Only), out of which an amount of INR 3,12,50,000/- (Rupees Three Crores Twelve Lakhs Fifty Thousand Only) was duly disbursed into the account of the Corporate Debtor, carrying an interest of 10% per annum. A copy of Loan Acceptance Letter dated 03.12.2024 is annexed as Annexure-F.
- 7.3 It is submitted that the said loan amount was secured by the Corporate Debtor against 100% of the securities of the listed entity acquired by it, to be invoked in the event of default in repayment of the principal amount and the interest accrued thereon. Additionally, the Corporate Debtor, through its representations, assured the Financial Creditor that it would furnish a



comprehensive acquisition plan underscoring the rationale, potential, and viability of the proposed acquisition.

7.4 It is submitted that to the dismay of the Financial Creditor, the Corporate Debtor not only failed to furnish the detailed acquisition plan as assured but also failed to adhere to and comply with the terms and conditions stipulated under Loan Acceptance Letter 1.

7.5 It is submitted that the Corporate Debtor requested the Financial Creditor vide letter 13.07.2025, for the sanction of an extended loan amount of INR 3,00,00,000/- (Rupees Three Crores Only). The copy of Loan Letter dated 13.07.2025 is annexed as Annexure-G. It is further submitted that request of the Corporate Debtor was duly approved by the Financial Creditor vide Loan Acceptance Letter dated 14.07.2025 ("Loan Acceptance Letter 2"), and the same amount was duly disbursed in multiple tranches. The copy of the Loan Acceptance Letter dated 14.07.2025 is annexed as Annexure-H.

7.6 It is submitted that as per the terms of the Loan Acceptance Letter dated 14.07.2025, the Corporate Debtor was obligated to create a lien over the equity shares within 7 (seven) days from the date of allotment. Accordingly, the Financial Creditor had duly directed the Corporate Debtor to obtain the pledge form/booklet from its Depository Participant at the earliest, to facilitate the



pledging process. However, the Corporate Debtor failed to comply with the said directions, thereby demonstrating a clear intent to defraud the Financial Creditor. Such deliberate inaction evidences the Corporate Debtor's breach and noncompliance with the terms of the Loan Acceptance Agreements.

7.7 It is submitted that in accordance with the aforesaid Loan Acceptance Letters dated 03.12.2024 and 14.07.2025, an aggregate amount of INR. 6,12,50,000/- (Rupees Six Crores Twelve Lakhs Fifty Thousand Only) was disbursed and transferred by the Financial Creditor into the bank account of the Corporate Debtor. The above is evidenced by the Bank Statement of the Financial Creditor maintained with Union Bank of India and the Ledger of Corporate Debtor maintained by the Financial Creditor. A copy of the Bank Statements of the Financial Creditor 01.04.2024 to 18.09.2025 along with the Ledger for the period 01.04.2024 to 15.01.2026 are annexed as Annexure I (Colly).

The details of the tranches in which the amounts were disbursed are set forth as under:

Sr. No.	Date of disbursal	Amount (in INR)
1.	03.12.2024	3,12,50,000
2.	15.07.2025	25,00,000
3.	19.07.2025	25,00,000



4.	22.07.2025	25,00,000
5.	24.07.2025	50,00,000
6.	24.07.2025	25,00,000
7.	25.07.2025	50,00,000
8.	28.07.2025	25,00,000
9.	28.07.2025	25,00,000
10.	29.07.2025	50,00,000

7.8 It is submitted that the continued inaction and failure of the Corporate Debtor to create the requisite lien over the equity shares within the stipulated period, despite repeated directions from the Financial Creditor, constitutes a material breach of the agreed terms under the Loan Acceptance Letters. Such deliberate non-compliance evidences a lack of bona fides on the part of the Corporate Debtor and has resulted in a complete erosion of the Financial Creditor's confidence in its ability and intent to honour its obligations. Consequently, the Financial Creditor was constrained to recall the loan amount along with the interest accrued thereon vide Loan Recall notice dated 17.10.2025. A copy of the Loan Recall Notice dated 17.10.2025 is annexed as Annexure J.

7.9 It is submitted that despite the issuance and due service of the loan recall notice dated 17.10.2025, the Corporate



Debtor failed to respond or take any appropriate steps towards repayment, thereby further demonstrating its willful default and disregard of the contractual and statutory obligations, compelling the Financial Creditor/Petitioner to file the instant Petition for the initiation of CIRP of the Corporate Debtor.

7.10 It is further submitted that the total amount in default due to the Financial Creditor by the Corporate Debtor under the Loan Acceptance Letters dated 03.12.2024 and 14.07.2025, is INR 6,60,12,740/- (Rupees Six Crore Sixty Lakhs Twelve Thousand Seven Hundred and Forty Only) inclusive of principal and interest as under:


- **Principal Amount:**

INR 6,12,50,000/- (Rupees Six Crores Twelve Lakhs Fifty Thousand Only)

- **Interest Due:**

INR 47,62,740/- (Rupees Forty-Seven Lakhs Sixty-Two Thousand Seven Hundred Forty only). The calculation sheet of interest on the outstanding amount of loan upto 23.01.2026 is annexed as **Annexure-K.**

7.11 It is submitted that the Financial Creditor issued a Loan Recall Notice dated 17.10.2025 calling upon the Corporate Debtor to repay the outstanding loan amount advanced under the Loan Acceptance Letters dated 03.12.2024 and 14.07.2025 within 7 days of the aforesaid notice. Despite due receipt of the said recall notice, the Corporate Debtor failed and neglected to



make payment of the demanded amount. Accordingly, the date of default is 25.10.2025.

7.12 It is further submitted that the Corporate Debtor has failed to discharge its obligations under the Loan Agreement Letters and has thereby committed a clear breach of the terms and conditions governing the said financial transaction, necessitating the filing of the present petition by the Financial Creditor and since the date of default, as stated hereinabove, is 25.10.2025, the present petition is well within the period of limitation prescribed under Article 137 of the Limitation Act, 1963, read with Section 238A of the IB Code, 2016.

8. This Tribunal vide order of 05.02.2026 required the Applicant to submit the Board Resolution for advancing the loan and also copy of the Bank Statement duly certified by the Bank for the period relevant to the transaction with the Corporate Debtor. An additional affidavit on behalf of the Applicant/Financial Creditor has been filed on 19.02.2026 vide Inward No. D 1605. Pursuant to order dated 05.02.2026, the Applicant enclosed board resolution dated 03.12.2024 as well as 17.07.2025 authorizing the Applicant to grant loan to the debtor, the same is annexed as **Annexure B (Colly)**.

Further, the loan account statement for the relevant period



being 01.12.2024 to 31.07.2025 duly certified by the bank is annexed as **Annexure-C**.

9. That on issuance of notice in the petition, the Corporate Debtor has appeared and filed its reply/objections on 10.03.2026 vide Inward No. D-1959 (DMS Portal on 02.03.2026), denying various averments made in the Petition. The contentions of the Corporate Debtor are mentioned hereunder: -

9.1 It is submitted that this application preferred by financial creditor, under Section 7 of the Insolvency and Bankruptcy Code, 2016 is wholly misrepresented, misconceived, and not maintainable in law, and is liable to be rejected in limine as the Applicant does not satisfy the statutory requirement of being a "Financial Creditor" within the meaning of Section 5(7) read with Section 5(8) of the IBC.

9.2 It is submitted that the Section 5(7) of the IBC defines a "financial creditor" as a person to whom a financial debt is owed. Section 5(8) defines "financial debt" as a debt disbursed against the consideration for the time value of money. Thus, the existence of a valid and subsisting "financial debt" is a jurisdictional pre-condition for invocation of Section 7 of the IBC.

9.3 It is submitted that the the alleged "loan" was not a



genuine loan transaction but part of a structured arrangement for subscribing to preferential warrants of JHS Svendgaard Group. This fact was initially concealed, and the funds were routed through the Respondent's account merely for convenience at the insistence of Mr. Nikhil Nanda and his associates.

9.4 It is submitted that it neither used nor benefited from the funds, which were merely routed through its account and promptly transferred to JHS Svendgaard Group, making it only a conduit and not a true borrower. As there was no disbursement for its commercial use or consideration for the time value of money, the transaction does not qualify as a "financial debt" under the IBC. Consequently, the Applicant is not a "financial creditor" and lacks standing to file a Section 7 petition. Further, it is submitted that the insolvency proceedings have been initiated fraudulently and maliciously as a pressure tactic in relation to a transaction that does not have the characteristics or commercial effect of a loan.

9.5 In light of the above, it is submitted that the Section 7 application is not maintainable and deserves to be dismissed at the threshold, as no "financial debt" exists and consequently the Applicant does not qualify as a "financial creditor" under law.

9.6 Without prejudice to its earlier objections, the Respondent seeks to place on record the true and correct facts for the consideration of the Tribunal, which are as



under:-

- (a) In 2024, Mr. Nikhil Nanda, MD/Promoter of JHS Svendgaard Group, approached Mr. Rajat Mahindru, MD of the Respondent, to collaborate in the Respondent's game zone business, leading to a business association between them. Subsequently, in December 2024, Mr. Nikhil Nanda requested permission to temporarily route funds from the Applicant's account through the Respondent's account to JHS Svendgaard Group. Based on their business relationship and trust, the Respondent agreed, considering the arrangement to be harmless.
- (b) Mr. Rajat Mahindru was introduced to Ms. Komal Jha, Company Secretary of JHS Svendgaard Group, who was to facilitate the transaction and provide instructions. She obtained necessary documents and bank details from the Respondent and shared a draft request letter to be sent to the Applicant as directed, without any changes. The Respondent had no prior relationship or direct dealings with the Applicant company. The Respondent has annexed supporting documents, including WhatsApp communications between Mr. Rajat Mahindru and Ms. Komal Jha (**Annexure A**), a certificate under Section 65B of the Evidence Act, 1872 (**Annexure A/1**), and relevant extracts from the website of JHS Svendgaard Group (**Annexure B**).



- (c) On 03.12.2024, Rs.3,12,50,000/- were credited to the Respondent's account from the Applicant and, following Ms. Komal Jha's instructions, was immediately transferred to JHS Svendgaard Group at 2:44 pm the same day. After the transfer, the Respondent, acting on Ms. Jha's directions, sent a pre-drafted loan request letter to the Applicant at 6:36 pm. The Applicant subsequently accepted this so-called loan in an email dated 05.12.2024. The Respondent emphasizes that the draft letter—prepared by Ms. Jha and mechanically transmitted—forms the basis of the Applicant's current Section 7 petition. Relevant communications have been annexed as **Annexures C and D**.
- (d) The Respondent sought clarification from Mr. Nikhil Nanda on why the transaction was being documented as a "loan" despite no actual loan existing, and was informed that it was necessary solely for income tax audit purposes.
- (e) Around August 2024, Mr. Nikhil Nanda expressed interest in investing in the Respondent Company, leading to the allotment of 10% equity in one of its Bangalore ventures to his mother, Ms. Sushma Nanda. Subsequently, Rs.2,00,00,000/- was credited to the Respondent's account on 03.04.2025, but following discussions between the parties, the amount was returned to the Applicant on 15.04.2025 and 17.05.2025.



- (f) The 10% equity allotted to Ms. Sushma Nanda in the Respondent's Bangalore venture was reversed around March 2025, and the investment amount was returned; however, Ms. Sushma Nanda has still not returned the share certificate issued in her favor. Subsequently, an additional Rs.3,00,00,000/- needed to be routed for preferential warrants and the same procedure as before was followed. Ms. Komal Jha drafted a second loan request letter dated 13.07.2025, which Mr. Mahindru sent to the Applicant as instructed. The Applicant responded with a loan acceptance letter on 14.07.2025. The draft letter sent by Ms. Jha, forwarded by the Respondent, is the same as that relied upon by the Applicant in the present Section 7 application. Copies of the letters are annexed as **Annexure E**.
- (g) Between April 2025 to July 2025, multiple transactions occurred where funds were transferred from the Applicant's account to the Respondent's account and then promptly routed to JHS Svendgaard Group. At no point did the Respondent retain or use any of these funds, acting solely as a pass-through conduit. A table illustrating the flow of funds from the Applicant to JHS Svendgaard Group via the Respondent's account is provided.

Sr. No.	Date	Payment by Apogee to Lets Jump (in Rs.)	Payment by Lets Jump to JH
1.	03.12.20	3,12,50,000	3,12,50,000



	24		
2.	03.04.20 25	2,00,00,000 (Transaction reversed. 1,00,00,000 paid back to Apogee on 15.04.2025 and 17.05.2025)	
3.	15.07.20 25	25,00,000	
4.	19.07.20 25	25,00,000	25,00,000
5.	22.07.20 25	25,00,000	
6.	24.07.20 25	50,00,000 25,00,000	50,00,000
7.	25.07.20 25	50,00,000	25,00,000
8.	26.07.20 25		50,00,000 50,000 (HDFC) 49,50,000 (HDFC)
9.	28.07.20 25	25,00,000	
10.	28.07.20 25	25,00,000	
11.	29.07.20 25	50,00,000	50,00,000
12.	30.07.20 25		50,00,000
Total:		6,12,50,000	6,12,50,000

However, a copy of the bank statements of the Respondent Company, the same is annexed as **Annexure-F**.

(h) The Respondent later discovered that the transactions were actually structured as a



preferential warrant subscription, a material fact that the Applicant had knowingly concealed when routing funds through the Respondent's account, thereby misleading the Respondent. Following the payments to JHS Svendgaard Group, preferential warrants were issued to the Respondent.

- (i) It is evident that the Respondent was merely used as an instrument in a structured arrangement, with the Applicant and JHS Svendgaard Group concealing material facts and misrepresenting the true nature of the transaction, thereby coercing the Respondent into participation. Further, between October-December 2025, the Respondent allotted 35% equity in a Bangalore venture to PJHS Entertainment Private Limited and Purple Rock Infra Private Limited, both group companies of Mr. Nikhil Nanda. Subsequently, these entities initiated proceedings under Sections 241 and 242 of the Companies Act, ostensibly over managerial disputes, with the apparent intention of pressuring the Respondent.
- (j) Mr. Mahindru, on behalf of the Respondent, sought to exit the transaction, surrender the preferential warrants allotted, and obtain a refund. Multiple telephonic discussions with Mr. Nikhil Nanda and Ms. Komal Jha ensued, during which the Respondent repeatedly requested to withdraw and assured full cooperation, but the Applicant refused. Consequently, the Respondent sent a formal email



on 16.09.2025 to JHS Svendgaard Group seeking exit from the transaction. The Respondent seeks permission to produce the relevant telephonic audio transcripts as evidence. A copy of the email is annexed as **Annexure G**.

- (k) JHS Svendgaard Group replied to the Respondent's email on 06.10.2025, stating that the consideration paid by the Respondent was non-refundable and that no refund or cancellation would be allowed. A copy of this email is annexed as **Annexure H**.
- (l) After the Respondent sought reversal and refund of the transaction, the Applicant, in collusion with JHS Svendgaard Group, issued a purported loan recall notice dated 17.10.2025, falsely alleging a breach of obligations under an alleged loan and demanding Rs.6,45,14,178 as outstanding. This notice and the subsequent Section 7 proceedings are claimed to be retaliatory and a mala fide attempt to transform a structured equity transaction into a fabricated debt. A copy of the notice is annexed as **Annexure I**.
- (m) On 06.01.2026, the Respondent sent an email to JHS Svendgaard Group formally communicating its decision to exit the structured transaction, citing detailed concerns about the transaction's structuring and regulatory implications. Despite this clear communication, the Applicant neither acted on the exit request nor responded. A copy of the email is annexed as **Annexure J**.



- (n) Due to JHS Svendgaard Group's continued refusal to permit the Respondent's exit, accept surrender of the preferential warrants, and refund the consideration paid, the Respondent sent a further email on 20.01.2026 formally requesting reversal of the transaction and refund. A copy of this email is annexed as **Annexure K**.
- (o) Thereafter, the Applicant filed a Section 7 application under the IBC, 2016 before this Tribunal, based on completely misconceived grounds.

9.7 In light of the foregoing facts, the Section 7 application under the IBC, 2016, should not be entertained for the following reasons:

- (a) It is submitted that the transaction portrayed as a "loan" is a sham, structured solely to create a false appearance of indebtedness. The Respondent never benefited commercially from the funds, which were routed only to JHS Svendgaard Group, making the Respondent merely a conduit. Such artificial structuring cannot constitute a financial debt. The Tribunal is empowered to look at the substance over form, and lifting the corporate veil reveals no disbursement against consideration for the time value of money or any borrowing effect in the Respondent's hands. Therefore, the alleged debt is illusory, the Applicant is not a financial creditor



under Section 5(7), and the Section 7 petition is liable to be dismissed at the threshold.

- (b) It is submitted that the Applicant and JHS Svendgaard Group are related entities with overlapping management, and the transaction was a pre-planned intra-group arrangement falsely presented as a loan. The Respondent acted only as a conduit, and no real financial debt arose. Related party disclosures are annexed as **Annexure L colly**.
- (c) It is submitted that the bank statements and fund flow clearly show that the monies from the Applicant were never meant for its use. All amounts were promptly transferred to JHS Svendgaard Group, with no retention or commercial use by the Respondent, demonstrating that it acted only as a pass-through conduit. Such transactions lack the characteristics or commercial effect of a loan.
- (d) It is submitted that the alleged loan was artificial. The draft request letter dated 02.12.2024 was prepared by Ms. Komal Jha, not the Respondent. On 03.12.2024, Rs.3,12,50,000 was credited to the Respondent's account and immediately transferred to JHS Svendgaard Group, before the pre-drafted loan request letter was sent to the Applicant. This reversed sequence shows the loan documentation was created after the funds were routed, merely to manufacture a paper trail, while the transaction was in substance a pre-structured transfer to JHS



Svendgaard Group.

(e) Suppression of material facts and evidences as follows:-

(i) **Suppression and misrepresentation qua the**

Respondent – It is submitted that the Applicant and JHS Svendgaard Group acted in collusion from the outset, deliberately concealing that the transaction was a structured preferential warrant subscription. The Respondent was misled to believe the arrangement was temporary and reversible, while it was later portrayed as a loan, making the Respondent a mere conduit under a false and suppressed premise.

(ii) **Suppression of material facts before this**

Hon'ble Tribunal – It is submitted that the Applicant has acted with unclean hands by deliberately suppressing vital documents and material facts. The Applicant failed to disclose that between October–December 2025, the Respondent transferred 35% equity in a Bangalore venture to PJHS Entertainment Pvt. Ltd. and Purple Rock Infra Pvt. Ltd., group companies of Mr. Nikhil Nanda, leading to serious disputes and proceedings under Sections 241 and 242 of the Companies Act, 2013. The Applicant also withheld the actual email communications corresponding to the



letters dated 02.12.2024 and 03.12.2024, creating a false impression that the letters were issued and acted upon on those dates, thereby attempting to misrepresent the existence of a contemporaneous loan transaction.

9.8 It is submitted that the Applicant has deliberately withheld emails and WhatsApp communications showing the Respondent's repeated requests to exit the transaction and that JHS Svendgaard Group orchestrated it. The Applicant also misrepresented the funds, which were immediately routed to JHS Svendgaard Group, as an independent loan.

9.9 It is further submitted that the Applicant's selective disclosure and misrepresentation amount to abuse of the Tribunal's jurisdiction. The WhatsApp messages and fund movements show that the transaction was entirely structured and controlled by JHS Svendgaard Group, with the Respondent merely acting as a pass-through conduit. The Respondent did not negotiate, receive, or use the funds commercially, and the pre-drafted loan letters were mechanically forwarded. Therefore, the transaction lacks the essential characteristics of a loan and does not qualify as a financial debt under Section 5(8) of the IBC.

9.10 It is further submitted that it never intended to borrow from the Applicant. All actions were carried out strictly



as per instructions from Ms. Komal Jha and Mr. Nikhil Nanda, with no independent role in structuring the transaction. WhatsApp exchanges confirm that the alleged "loan request letters" were pre-drafted by JHS Svendgaard Group and merely forwarded by the Respondent under their directions.

9.11 It is submitted that the, it received no commercial or economic benefit from the transaction, as all funds were immediately and mechanically transferred to JHS Svendgaard Group. The Respondent neither retained nor used the money for its operations, so the transaction lacked the essential characteristics of a loan and had no commercial effect of borrowing.

9.12 The Respondent repeatedly sought clarification and reversal of the transaction, expressing discomfort with its structuring, and was pressured to continue despite unwillingness. Lacking free consent and independent intent to borrow, the transaction cannot be treated as a "financial debt" under Section 5(8) of the IBC, 2016. Consequently, the Applicant does not qualify as a "financial creditor" under Section 5(7), rendering the Section 7 petition legally untenable.

9.13 It is submitted that the present Section 7 application is a misuse of the IBC, filed with ulterior motives to convert an equity structuring dispute into an insolvency proceeding and exert pressure on the Respondent in pending Section 241/242 matters. The Applicant's



reliance on loan letters and ledger entries is misleading, as the real nature of the transaction shows that the funds were routed solely to facilitate a preferential warrant subscription, with the Respondent acting only as a conduit. The transaction was an internal group arrangement between the Applicant and JHS Svendgaard Group, and does not constitute a genuine financial debt.

9.14 The transaction was deliberately structured to appear as a loan, but in reality, it only involved routing funds to facilitate a preferential warrant subscription. Moreover, the Respondent Company is financially sound, commercially viable, and has committed no default, as no actual financial debt exists.


9.15 Without prejudice to the foregoing, the Section 7 petition is not maintainable, as there exist pre-existing disputes between the parties. Moreover, in a bid to coerce and pressure the Respondent, Mr. Nanda, through his aforementioned group companies, has initiated frivolous litigations against the Respondent, the details of which are set out below:

- (i) Commercial Original Suit No. 58 of 2026, between Purple Rock Infra Pvt. Ltd. v. Rajat Mahindru & Ors. before the Addl. District and Sessions Judge Commercial Court), Bangalore;
- (ii) Company Petition No. 7 of 2026 between PJHS Entertainment Pvt. Ltd. and Purple Rock Infra Pvt. Ltd., v. Woop Amusement Pvt. Ltd. & Ors.,



before the NCLT, Ahmedabad.

- 9.16 In light of the above facts and legal position, the Applicant does not qualify as a “Financial Creditor” under the IBC, 2016, and has approached the Tribunal with unclean hands, deliberately suppressing material facts to mislead the Court. Accordingly, the petition is an abuse of process and deserves to be dismissed outright, with exemplary costs imposed on the Applicant for filing a frivolous and vexatious claim.
- 10.** A rejoinder on behalf of the Applicant/Financial Creditor has been filed on 11.03.2026 vide Inward No. D 2192 which is reproduced as under:-
- 10.1 The Applicant denies all allegations in the Respondent’s Reply, asserting that claims of misrepresentation, coercion, and fund “routing” are baseless and fabricated to avoid liability for an undisputed financial debt. The Applicant intends to respond to each paragraph of the Respondent’s Reply individually.
- 10.2 It is submitted that paragraph 1 of the Respondent’s Reply is formal and requires no response, and that its current Reply is complete and sufficient, requesting no further opportunity for additional replies. Paragraph 2 of the Reply is denied entirely as misconceived, self-contradictory, and an attempt to raise irrelevant disputes; the Respondent’s preliminary objections lack merit and do not dispute the admitted existence of



financial debt and default.

10.3 The Applicant denies the contents of sub-paragraphs 2.1, 2.2, and 4.12 of the Respondent's Reply as false, frivolous, and contrary to the record. It is submitted that the present Petition is duly maintainable under Section 7 of the Insolvency and Bankruptcy Code, 2016, as the Applicant qualifies as a Financial Creditor within the meaning of Section 5(7) read with Section 5(8) of the Code thereof.

- Section 5(7) and 5(8) of the IBC define a Financial Creditor as a person to whom a financial debt—disbursed for consideration of the time value of money—is owed. In this case, the Respondent owes a financial debt to the Applicant under the loan transaction, with its consent and intent to borrow evident from WhatsApp communications and the Loan Request Letter. The transaction meets all criteria of a financial accommodation, making the Applicant a Financial Creditor and rendering the Section 7 petition fully maintainable.

10.4 Sub-paragraph 2.3 of the Reply is denied as baseless. The transaction was a bona fide loan, initiated by the Respondent's own loan request letters and accepted via corresponding letters, with disbursement through traceable RTGS. Claims of a "structured arrangement" for JHS Retail warrants or withheld facts are unsubstantiated, as no contemporaneous evidence



exists. The funds were transferred at the Respondent's request for business purposes, not under coercion, and the Respondent must prove any alleged withheld information or pressure.

10.5 The contents of sub-paragraphs 2.4, 3.11, and 4.10 of the Reply are denied as incorrect, self-serving, and contrary to the record. The Respondent's claim of deriving "no deployment, utilisation, or commercial benefit" from the funds is demonstrably false.

- The Respondent's claim of deriving no commercial benefit is false. Preferential warrants of JHS Retail were issued in its favor, which it continues to hold, evidencing a commercial interest. The Respondent's own loan request letters confirm that the funds were sought to enhance operations, expand market presence, and drive growth. The funds were credited to the Respondent's account and used for its commercial purposes, making it untenable to claim it merely acted as a conduit. Its subsequent dealings with the funds or securities do not negate its repayment obligation to the Applicant.

10.6 The contents of sub-paragraphs 2.5, 2.6, and 4.13 of the Reply are denied as baseless and mala fide. The Applicant submitted that the Section 7 petition is a legitimate statutory remedy arising from the Respondent's admitted default. Invocation of Section 7 is



lawful and not coercive, consistent with Section 3(12) of the IBC. The Supreme Court in ***Swiss Ribbons Pvt. Ltd. v. Union of India [AIR (2019) 4 SCC 17]*** recognized the IBC as a beneficial legislation for time-bound debt recovery. In the absence of evidence of fabrication or collusion, the petition cannot be dismissed as a “pressure tactic.”

10.7 The contents of sub-paragraphs 3.1 to 3.3 of Reply are denied in toto as extraneous averments unrelated to the core dispute under Section 7 of the IBC, comprising a convoluted narrative of pre-transaction background designed to obfuscate the admitted financial debt and default rather than negate them.

- The Applicant submitted that the Respondent’s Managing Director, Mr. Rajat Mahindru, proactively requested the loan during business interactions and sought to acquire JHS Retail shares for commercial purposes. The Respondent’s claim that the funds were merely “routed” is implausible, as the loan could have been directly invested without involving the Respondent. The formal loan request, coupled with no contemporaneous objection in WhatsApp exchanges, confirms a genuine debtor-creditor relationship. The “routing” defence is a belated, untenable attempt to evade liability and should be rejected.

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- 10.8 The Applicant denies sub-paragraphs 3.4, 3.5, 3.10, 4.8, and 4.9, asserting that the Respondent's attempt to re-characterize the loan as a "pass-through" arrangement is misconceived. The documents only show routine assistance by Ms. Komal Jha in processing loan paperwork and do not evidence any structured routing. Such facilitation is standard in inter-corporate lending and does not change the transaction's nature as a bona fide loan.
- 10.9 The Applicant denies sub-paragraphs 3.6, 3.7, 3.9, and 3.14, asserting that they contain extraneous facts unrelated to the financial debt or default, the sole issues under Section 7, and therefore should be disregarded.
- 10.10 The Applicant submitted that Rs. 2,00,00,000/- reversed from the Respondent to the Applicant (sub-paragraph 3.8) is unrelated to the alleged loan, having been a temporary transfer for an independent purpose, and was later returned by the Respondent. An email dated 08.04.2025 evidencing this is annexed as **Annexure R3**.
- 10.11 The contents of sub-paragraphs 3.12 and 4.4 are denied as false, self-serving, and contradicted by the Respondent's own documents; the claim that awareness arose only after the preferential warrants allotment is a belated, untenable defense raised post-default.
- The Respondent's own annexures and WhatsApp communications show it was fully aware of and actively engaged in the transaction prior to the



first disbursement on December 3, 2024. Its formal loan requests further confirm that the funds were voluntarily borrowed and utilised for business purposes, and no evidence supports the claim of belated awareness, rendering the plea baseless.

10.12 The Respondent used the funds from the Applicant for its own commercial investment in JHS Retail, later seeking conversion or surrender, but failed to create any security in favor of the Applicant; these dealings are irrelevant to the present proceedings and do not relieve the Respondent of its repayment obligation.

10.13 The contents of sub-paragraph 3.17 of the Reply are denied in toto as baseless and mala fide. The Respondent's allegation that the Loan Recall Notice dated October 17, 2025, was issued in "connivance" with JHS Retail or as a "retaliatory" measure is wholly unsupported by the record.

- The recall notice was a lawful enforcement of the Applicant's contractual rights due to the Respondent's breach, unchallenged in receipt, with no payment made, constituting a default under Section 3(12) of the IBC; allegations of connivance are baseless, and the Respondent's dealings with JHS Retail do not affect its repayment obligation.

10.14 Paragraphs 3.18 to 3.20 of the Reply are denied as false, misconceived, and afterthoughts; the Respondent's



reliance on emails of January 6 and 20, 2026, claiming an “exit” from a structured transaction, is irrelevant to the present proceedings.

- The communications cited by the Respondent were sent after the loan disbursement and Loan Recall Notice, representing a belated attempt to evade repayment. The financial debt and repayment obligation had already crystallized, and any dealings with third parties, including JHS Retail or surrender of preferential warrants, are extraneous and do not affect the Respondent’s independent obligation to repay the loan.

10.15 The Respondent’s claims in paragraphs 4.1 and 4.3 alleging the loan was a “sham”, “Colourable device” and “pass-through” are baseless and unsupported, directly contradicted by its own loan request and acceptance letters and bank statements showing direct disbursement into the Respondent’s account.

- The Respondent’s claims of a “sham,” “collusion,” or lack of commercial benefit are belated, unsupported, and contradicted by its own records, including loan requests, WhatsApp communications, and bank statements showing voluntary participation, fund utilisation, and investment in JHS Retail. No evidence of a “pass-through” arrangement exists, and the loan meets all criteria of a financial debt under Section 5(8) of



the IBC. The Respondent is put to strict proof, and its defence is an attempt to evade admitted default.

10.16 That the contents of paragraphs 4.2 and 4.14 of the Reply are denied in toto as baseless and misleading. The Respondent's claim that the Applicant and JHS Svendgaard are "group entities" acting "in concert" is baseless and unsupported by evidence, with no holding-sub subsidiary, common control, or related-party nexus; it is a contrived attempt to mischaracterize the admitted loan as an intragroup arrangement to evade repayment.

- The Respondent's claims of "deep structural and managerial linkages" between the Applicant and JHS entities are baseless, unsupported by evidence, and misconstrue professional roles. The cited directorships of Mr. Ashish Goel and Mr. Nikhil Nanda were brief, ceased long before the transaction, and do not establish control, related-party status, or collusion; historical or professional associations cannot convert independent companies into connected entities.

10.17 Paragraph 4.5 of the Reply, including sub-paragraphs 4.5.1 and 4.5.2, is denied as baseless and misconceived; allegations of "suppression of material facts" and "unclean hands" are vague, unsupported, and appear aimed at deflecting from the Respondent's admitted financial liability. The Petition was filed with full



disclosure of all relevant documents, including loan requests, acceptance letters, and bank records.

- Sub-paragraphs 4.5.1 and 4.5.2 are denied as unfounded and irrelevant. Allegations of “connivance” with JHS Svendgaard or inducement on a false premise lack evidence, while claims regarding equity transfers or withheld emails are extraneous and unsupported. The Respondent itself sought the funds for business purposes, and no material information was suppressed.

10.18 Paragraphs 4.6 and 4.7 are denied as incorrect. The Respondent’s claim that the Applicant suppressed emails seeking reversal or refund is untenable, as the communications were solely between the Respondent and JHS Svendgaard Group, in which the Applicant was neither a recipient nor participant.

- The WhatsApp communications cited were only between the Respondent and Ms. Komal Jha of JHS Svendgaard Group, with no involvement of the Applicant. The allegation of suppressed fund routing is baseless, as the Applicant’s role ended upon disbursing the loan, and any subsequent use of funds would be reflected in the Respondent’s own bank records.

10.19 Paragraph 4.15 of the Reply are denied as false and misconceived. The Respondent’s claim that the transaction was merely a routing arrangement is



baseless; if routing were intended, the Applicant could have directly invested in JHS Retail, so the Respondent's involvement reinforces that a genuine debtor-creditor relationship existed.

10.20 Paragraphs 4.16, 4.17, and 5 of the Reply are denied as false and legally irrelevant; the Respondent's alleged financial soundness is immaterial, as Section 7 of the IBC hinges solely on the existence of a financial debt and default, not the debtor's commercial viability.

- The Respondent's claim of "pre-existing disputes" is misconceived, as this concept applies only to Section 9 (operational creditors) and not Section 7 proceedings. Allegations of arm-twisting or frivolous litigation are baseless, and unrelated civil or company proceedings do not affect the maintainability of the present Petition.

11. An additional affidavit on behalf of the Corporate Debtor has been filed on 17.03.2026 vide Inward No. D 2274 (DMS Portal on 16.03.2026) stated therein that, as per the agreed terms, in the event of default, the shares of JHS Group were to constitute full and final settlement of the alleged loan. It is stated that 25,00,000 preferential warrants were allotted and later converted into 8,00,000 preference shares, currently held by the Corporate Debtor and subject to a lock-in period



until 02.07.2026. The Corporate Debtor expresses willingness to transfer these shares to the Petitioner post lock-in. Accordingly, it is contended that no default exists since the settlement mechanism was share transfer, and the petition deserves dismissal.

12. Further, reply affidavit on behalf of the Financial Creditor to the additional affidavit filed by the Respondent/Corporate Debtor has been filed on 24.03.2026, vide Inward No. D 2605 (DMS Portal on 23.03.2026) which is reproduced as under: -

12.1 It is stated that the Respondent has failed to present complete and accurate facts and has mischaracterized the transaction. It is further stated that the terms of the Request Letters and Acceptance Letters clearly record the true nature and understanding of the arrangement between the parties:

“100% of the equity shares of the acquired listed entity will be provided as collateral for this loan. In the event of default, these shares may be forfeited as full and final settlement of both the principal and interest.”

12.2 It is stated that the shares were pledged only as security for the loan, establishing the secured nature of the transaction and consequences upon default; any contrary claim is denied. The Respondent applied for



25,00,000 warrants and paid ₹3.125 crore (25% upfront at ₹50 per warrant), with warrants allotted on December 3, 2024, and was required as per regulation 169 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to pay the remaining 75% within 18 months for conversion into equity shares.

12.3 It is stated that the Respondent sought an additional loan of ₹3 crores on July 13, 2025 for conversion of warrants into equity shares; however, despite availing the funds, the Respondent utilized the amount only for partial conversion of 8,00,000 warrants.

12.4 It is further stated that the Respondent's right to convert the remaining 17,00,000 warrants is valid only until June 2, 2026, after which they will lapse in accordance with Regulation 162 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Further, the 8,00,000 equity shares already allotted upon partial conversion are subject to a statutory lock-in and cannot be transferred until December 31, 2026.

12.5 It is stated that although all 25,00,000 shares were agreed to be provided as collateral, the Respondent is now wrongly attempting to limit its obligation to only 8,00,000 shares. This is contrary to the agreed terms, which provided that upon default, forfeiture of the entire 25,00,000 shares would constitute full and final settlement. The Respondent cannot unilaterally restrict the security or claim that partial forfeiture satisfies its



obligations.

12.6 It is stated that the Respondent is attempting to evade its financial obligations, particularly in light of the decline in share value from ₹50/- to approximately ₹20/- per share. The Respondent is taking inconsistent positions to avoid repayment and shift the financial burden onto the Financial Creditor, as evidenced by current market data (**Annexure A**).

12.7 It is stated that the Respondent's Additional Affidavit is mala fide, lacks merit, and is liable to be rejected. The Respondent cannot be allowed to renege on its contractual obligations or exploit adverse market conditions to defeat the Financial Creditor's legitimate rights. Except for those facts expressly admitted herein, all other averments, submissions, and allegations in the Additional Affidavit are denied as false, incorrect, and wholly misconceived.

13. Further, list of dates and written submissions on behalf of the Applicant/Financial Creditor has been filed on 25.03.2026 vide Inward No. D 2663 (DMS Portal on 24.03.2026). Another written submission is filed by the Petitioner on 30.03.2026. A written submission by the Respondent is filed on 27.03.2026.

14. Summary of Facts as placed through **Interlocutory Application** bearing No. **IA/423(AHM)2026**, filed on



16.03.2026, under Section 65 and 75 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016, filed by the Corporate Debtor with the following prayers are as under: -

- a. *This Hon'ble Adjudicating Authority may be pleased to allow this application;*
- b. *This Hon'ble Adjudicating Authority may be pleased to dismiss CP (IB) No. 41 of 2026 as having been filed with fraudulent and malicious intent, in the interest of justice;*
- c. *This Hon'ble Adjudicating Authority may be pleased to impose penalty/fine of Rs.1 Crore on the opponent under the provisions of Section 65 and/or Section 75 of the Insolvency and Bankruptcy Code, 2016;*
- d. *That this Hon'ble Tribunal may be pleased to grant such other and further reliefs as may be deemed fit and proper by this Hon'ble Tribunal, in the interest of justice.*

15 The Applicant/Corporate Debtor has placed the facts through the I.A. are as produced hereunder: -

15.1 In 2024, JHS Svendgaard Group, through its Managing Director Mr. Nikhil Nanda, expressed interest in the Applicant's game zone business, leading to a business association. Based on trust with Mr. Nanda, the Applicant allowed temporary use of its account to route funds from the opponent to JHS Svendgaard Group, with the transaction to be managed by Ms. Komal Jha, Company Secretary of JHS Svendgaard Group.



- 15.2 It is submitted that on 27.09.2024, Ms. Komal Jha requested certain details and documents for the proposed preferential allotment in JHS Svendgaard Group, which were provided. On 02.12.2024, she asked for the Applicant's bank details and statements and shared a draft Request Letter addressed to the opponent via email. Copies of the draft letter and the WhatsApp communication with Ms. Jha, along with a Section 65B affidavit, are annexed as **Annexures A and B**, respectively.
- 15.3 It is submitted that, although unfamiliar with the Opponent before 02.12.2024, the Opponent credited ₹3.125 Crores to the Applicant's account on 03.12.2024, which was immediately transferred to JHS Svendgaard Group the same day. As per the Draft Request Letter shared by Ms. Komal Jha, the Applicant had assured the Opponent that 100% of the acquired equity shares would serve as collateral, forfeitable in case of default as full and final settlement of principal and interest. The Applicant sent the signed Draft Letter on 03.12.2024, and the Opponent, via email dated 05.12.2024, enclosed a letter dated 03.12.2024 accepting the loan request of up to ₹3.5 Crores and agreeing that the pledged shares would constitute full and final settlement. Copies are annexed as **Annexure-C Colly**.
- 15.4 It is submitted that the Opponent credited Rs.2 Crores into the Applicant's account on 03.04.2025, which was



subsequently returned in two installments on 15.04.2025 and 17.04.2025. Thereafter, the Applicant, via letter dated 13.07.2025, requested the Opponent to sanction an extended loan of Rs.3 Crores to be routed to JHS Svendgaard Group as per their prior understanding. The letter also confirmed that the acquired shares would be pledged in favor of the Opponent and forfeited as full and final settlement of both principal and interest, with no further liability on the Applicant or its directors. A copy of this letter is annexed as **Annexure-D**.

15.5 It is submitted that in response to its letter dated 13.07.2025, the Opponent sent a letter dated 14.07.2025 accepting the proposal, subject to the Applicant submitting a duly filled and signed pledge form in favor of the Opponent and completing the pledging process, including verification of the pledged shares and supporting documents. A copy of this letter is annexed as **Annexure-E**.

15.6 It is submitted that on 14.07.2025, the Opponent credited Rs.3 Crores into the Applicant's account, which was immediately transferred to JHS Svendgaard Group. A copy of the Applicant's bank statement for 03.12.2024 to 30.07.2025 reflecting this transaction is annexed as **Annexure-F**.

15.7 The Applicant submitted that thus, from the above facts and documents, it is clear that :-

(a) The Applicant submitted that no duly filled or



signed pledge form was ever submitted to the Opponent, and the pledging process was never completed. Therefore, there was no justification for the Opponent to disburse the aggregate amount of Rs.6.125 Crores. The fact that the Opponent advanced funds without any security demonstrates that the entire transaction was fraudulent and malicious.

- (b) Moreover, even as per the extension letter dated 13.7.2025, the shares were agreed to constitute full and final settlement of both principal and interest. In the present case, the Applicant has not pledged any shares; therefore, no amount is due or payable by the Applicant to the Respondent, and accordingly, no default has occurred.
- (c) At no time did the Applicant use or retain any of the funds disbursed by the Opponent. Despite this, the Opponent filed a false and vexatious insolvency petition under Section 7 of the IBC claiming Rs. 6.125 Crores as due, whereas the Applicant merely acted as a conduit to route the funds to JHS Svendgaard Group.

15.8 The Applicant submitted that JHS Svendgaard Group acted contrary to their understanding, using routed funds for preferential warrants without the Applicant's knowledge. Upon realizing this, the Applicant sought to exit the arrangement, surrender the allotted warrants,



and recover the funds, as communicated via email dated 16.9.2025 (**Annexure-G**).

15.9 The Applicant submitted that JHS Svendgaard Group, via email dated 6.10.2025 (**Annexure-H**), refused to reverse the transaction or refund the amount, stating that no claim for cancellation or refund was permissible.

15.10 The Applicant submitted that upon inquiry, the Applicant has learnt that JHS Svendgaard Group and the opponent company are related parties and have deep structural and managerial link and were acting in concert in structuring the subject transaction. This fact is corroborated from the following aspects: -

- (i) One of the present directors of opponent viz. Ashish Goel was a Key Managerial Personnel (KMP) in JHS Svendgaard Group and also served as CFO & CEO of opponent immediately prior to the subject transaction.
- (ii) The entire transaction was executed under the representation and guidance of Mr. Nikhil Nanda. The applicant was shocked to learn that Mr. Nanda had served as a Director of opponent company;
- (iii) The related party disclosures of JHS Svendgaard Group for September 2019 and 10th June 2022 depicts that the opponent was controlled by KMP of JHS Svendgaard Group and the transaction was a colourable pre-structure intra group



arrangement in the garb of a loan.

- (iv) Therefore, there is no genuine financial debt disbursed by opponent in favour of applicant. However, the opponent fraudulently filed insolvency resolution proceedings with malicious intent for purposes other than the resolution of the applicant.
- (v) The opponent and JHS Svendgaard Group have played fraud on the Applicant.

15.11 The Applicant submitted that instead of allowing an exit, the Opponent issued a Loan Recall Notice dated 17.10.2025, supporting the Applicant's claim of possible collusion with JHS Svendgaard Group. The Applicant again communicated its decision to exit the structured transaction via email dated 6.1.2026 to JHS Svendgaard Group, but the request was ignored (**Annexure-I**).

15.12 The Applicant submitted that, given the above facts, it is compelled to approach this Hon'ble Adjudicating Authority seeking appropriate orders against the Opponent for fraudulently initiating insolvency proceedings with malicious intent, aimed not at resolution but at extracting money by abusing the legal process.

16. The Respondent/Financial Creditor filed reply to the IA on 17.03.2026/25.03.2026. The Applicant/Corporate Debtor filed a Rejoinder in its IA on 24.03.2026. The facts and



contentions raised are repetitive of that discussed above for the Petition.

17. We have heard the Ld. Counsel for the Financial Creditor, Ld Counsel for the Corporate Debtor and considered the petition, the IA, replies, rejoinder and written submissions of the Financial Creditor and the respondent and perused the material on record for both CP (IB) 41 of 2026 and IA 423 of 2026.
18. This Adjudicating Authority has considered the legal framework under Section 7 of the IBC, which requires the establishment of a financial debt and a default by the Corporate Debtor. The Hon'ble Supreme Court in ***Innoventive Industries Limited vs. ICICI Bank Limited & Anr. (2017) ibclaw.in 02 SC***, clarified that the Adjudicating Authority must ascertain the existence of a debt that is due and a default that has occurred.
19. The view taken in the case of ***Innoventive Industries*** has been followed by the Supreme Court in the case of ***E S Krishnamurthy & Ors. Vs. M/s Bharath Hi Tech Builders Pvt. Ltd. (2021) ibclaw.in 173 SC***.



20. The Hon'ble Supreme Court in its judgment of 18.02.2026 in the case of ***Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan IRP of Hiranmaye Energy Ltd. and Ors., (2026) ibclaw.in 87 SC*** in paragraph 34 of the judgment reiterated that "The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more. The legislative intent behind such prompt and summary intervention is *"to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation.*

21. It is noted that the present Company Petition has been filed under Section 7 of the Insolvency and Bankruptcy code, 2016 by the Apogee Enterprises Private Limited, the Financial Creditor, seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against Let's Jump Trampoline and Adventure Private Limited, the Corporate Debtor, on account of default in repayment of the financial facilities availed.

22. Analyzing the prayers in the Petition under section 7 of the IBC, 2016 filed by the Petitioner and IA 423 of 2026 filed by



the Respondent and submission of the parties, we consider that a decision on the following issues is required to be given by this Adjudicating Authority:

- (i) **Issue No.1:** Whether the Petitioner has established the existence of a financial debt?
- (ii) **Issue No.2:** Whether the Corporate Debtor has defaulted in the payment of the debt due?
- (iii) **Issue No.3:** Whether there is any substance in the contention of the Corporate Debtor that the transaction is not a “financial debt” and is a sham transaction which attracts the ingredient of Section 65 of the IBC and therefore the petition is not maintainable?
- (iv) **Issue No.4:** Whether the Application is complete in all respects as required under Section 7(3) of the Code and Rule 4 of the IB (AAA) Rules, 2016?
- (v) **Issue No.5:** Whether the stipulation regarding forfeiture/transfer of shares constitutes a valid discharge of liability and negates the occurrence of default?

Below, we deal with the each of the identified issues.

23. Findings on Issue No.1: Whether the Petitioner has established the existence of a financial debt?

23.1 We refer to the information provided in the Petition.

Page 36 of the Petition is a copy of letter dated 02.12.2024 from Rajat Mahindru, Director of Let's Jump Trampoline and Adventure Private Limited (the Corporate Debtor/LTAPL) to the Director Apogee Enterprises Private Limited (AEPL) on the subject: **Request for Loan Acquisition.** The letter states that,



“we formally seek financial assistance amounting to Rs 3.5 crores. This funding is intended to support the acquisition of equity shares on a preferential allotment basis in a listed company currently in its growth phase. The acquisition aligns with our strategic objective to enhance operational capabilities, expand our market presence, and drive long term growth. To facilitate this acquisition, we propose seeking a loan from Apogee Enterprise Private Limited under the following repayment terms:

1. An annual interest rate of 10%, or
2. 10% of the net profit generated by the acquired company, which ever is higher.

Additionally, we are prepared to offer 100% of the equity shares of the listed entity being acquired as a collateral. In the unlikely event of the default, these shares may be forfeited as full and final settlement, including both principal and interest.

This arrangement is designed to ensure mutual benefit while aligning our interests with those of the Apogee Enterprises Private Limited. Upon your acceptance of this Request, we will provide a comprehensive acquisition plan, which includes detailed financial projections, risk assessments, and synergy analysis. This plan underscores the potential and viability of the proposed acquisition. Thank you for considering our request. We are optimistic about the opportunity to




collaborate with Apogee Enterprises Private Limited and believe this partnership will yield significant value for both parties.”

23.2 Page 37 of the Petition is a copy of letter dated 03.12.2024 from Sohan Lal Sharma, Director of Apogee Enterprises Private Limited to the Director of Let's Jump Trampoline and Adventure Private Limited on the subject: Acceptance of Loan for Acquisition and note that, “ We are pleased to formally acknowledge and approve financial assistance of up to Rs 3.5 crores to Let's Jump Trampoline and Adventure Private Limited for the purpose of acquisition, in accordance with the terms previously discussed. The repayment conditions for this loan are outlined below:

1. An annual interest rate of 10%, or
2. 10% net profit generated by the acquired company, whichever is higher. Furthermore, we understand that 100% of the equity shares of the acquired listed entity will be provided as collateral for this loan. In the event of default, these shares may be forfeited as full and final settlement of both the principal and interest.

23.3 Page 38 of the Petition is a copy of letter dated 13.07.2025 from the Director of Let's Jump Trampoline and Adventure Private Limited to the Director Apogee Enterprises Private Limited on the subject: Request for further Loan Facility of up to Rs 3 crores secured by pledge of listed equity shares. The content of the letter is



similar to that discussed of 02.12.2024 with similar terms and conditions except that interest rate was 8% and net profit share was also 8%.

23.4 Page 39 of the Petition is a copy of letter from Apogee Enterprises Private Limited to Let's Jump Trampoline and Adventure Private Limited on the subject: Response to Additional Loan Facility. The relevant portion of the letter is extracted below:

Let's Jump Trampoline and Adventure Private Limited

Subject: Response to Request for Additional Loan Facility

Dear Sir,

We acknowledge receipt of your letter requesting a further loan facility of ₹3,00,00,000 (Rupees Three Crores only), proposed to be disbursed in one or more tranches and secured by a pledge of listed equity shares of the acquired company.

We value our continued relationship and thank you for your proposal. Based on the terms outlined, we are open to considering the request, subject to compliance with the following conditions:

1. Submission of the duly filled and signed pledge form in favor of our company, which is necessary for creating the pledge against the equity shares.
2. Completion of Pledge process, including verification of the pledged shares and supporting documentation.

You shall be legally bound to provide/ create lien within 7 days from the date of allotment of equity shares. In the meantime, kindly get the pledge form/ booklet issued from your DP i.e Goldmine Stocks Pvt Ltd at the earliest so that the process of pledge can be initiated simultaneously.

Should you have any questions or need assistance with the pledge documentation, feel free to reach out.

23.5 The Petitioner disbursed the loan amount of Rs 6,12,50,000 on various dates as noted on paragraph 8.7 of this order. A copy of bank statement of the Petitioner with Union Bank of India appears on pages 40 to 56 of the Petition showing disbursement of the amount.



- 23.6 On being directed by this Tribunal, the Petitioner on 19.02.2026 filed copies of Board Resolutions dated 03.12.2024 and 14.07.2025, authorising the Petitioner to grant loan to the Corporate Debtor, and a copy of statement of account of the Petitioner with Union Bank of India for the relevant period 01.12.2024 to 31.07.2025 certified by the Bank.
- 23.7 The documents submitted establish that the money was disbursed to the Corporate Debtor. This fact of receiving money and issue of letters being request for loan for acquisition are not disputed by the Corporate Debtor.
- 23.8 Pages 58 to 63 of the Petition is a loan recall notice dated 17.10.2025 issued by Apogee Enterprises Private Limited to Let's Jump Trampoline and Adventure Private Limited. The relevant part of the notice is extracted below:



2. That despite the disbursement of two loans for financial assistance amounting to an aggregate sum of INR 6,12,50,000/- extended for the stated purpose of acquisition, You have failed to comply with the fundamental admitted obligations (from your own loan request letters) under the loan arrangement, which are:
- i. You have not submitted any 'comprehensive acquisition plan' detailing the financial projections, risk assessments etc., as mentioned in Your loan request letter dated 02.12.2024.
 - ii. You have not created the collateral security by way of pledge of acquired equity shares as stipulated in the correspondence dated 03.12.2024, 05.12.2024, 13.07.2025 and 14.07.2025
 - iii. Further, our communication dated 14.07.2025 explicitly directed You to provide the pledge form/booklet issued from your DP i.e., Goldmine Stocks Pvt. Ltd. so that the process of creation of pledge may be initiated, yet no such compliance has been effected to date.



3. Your continued inaction constitutes a material breach of the terms agreed upon and has resulted in a complete erosion of Apogee's faith in your ability to fulfill your obligations. The aforesaid persistent lack of response and ongoing non-cooperation has compelled the Apogee, the Financial Creditor, to recall the loan amount, together with the due interest payable. Consequently, the entire outstanding sum, including the accrued interest at the agreed-upon rate(s), has now become immediately due and payable.
4. In consequence of the foregoing defaults and breaches outlined in paragraphs 2 and 3 above, you are hereby called upon to forthwith repay to Apogee, the Financial Creditor, the entire debt in default, together with all accrued interest payable under the loan arrangement. The liability is absolute and immediately due, and your failure to discharge the same within the stipulated period shall compel Apogee to initiate appropriate proceedings under the applicable law, at your sole cost and consequence.

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23.9 The Loan Recall Notice has also worked out an interest of Rs 32,64,178 till 16.10.2025. The total outstanding amount in default as on 16.10.2025 is given at Rs 6,45,14,178. The Corporate Debtor was demanded to pay Rs 6,45,14,178 within seven days of the receipt of the notice. The difference between the amount claimed in the Petition and the amount stated in the recall notice is on account of further accrual of interest up to the date of filing of the Petition.



23.10 The Petition states that despite the issuance and due service of the loan recall notice dated 17.10.2025, the Corporate Debtor failed to respond or take any appropriate steps towards repayment, thereby further demonstrating its willful default.

23.11 The Corporate Debtor has not disputed the issue of loan request letters, receipt of loan, fact of non-compliance with the terms and condition of the loan, receipt of loan recall letter and non-payment of the amount demanded. Its only defense on the issue is that there was no disbursement against consideration for the time value of money and therefore the transaction was not a “financial debt”. We have framed this contention as a separate issue for our determination and decided later in this order. As far as the issue of “existence of financial debt” is concerned, we are of the view that the petitioner has sufficiently established the same.

24. Findings on Issue No.2: Whether the Corporate Debtor has defaulted in the payment of the debt due?

24.1 As noted above, the Corporate Debtor did not pledge the warrants and preference shares as security with the Petitioner as was the condition of the grant of financial assistance. Petitioner had issued a loan recall notice on 17.10.2025 and the Corporate Debtor was demanded to pay the entire outstanding amount within seven days of the receipt of the notice. It has been submitted that the demanded amount has not been paid. The Date of



Default as per Part IV of the Form No.1 is 25.10.2025. The Corporate Debtor in its reply has not disputed the default in payment and date of default noted in the Application.

24.2 The non-payment of the amount due despite recall notice constitutes a 'default' within the meaning of Section 3(12) of the Code. Based on the documents on record, we are of the view that the Corporate Debtor has defaulted in the payment of amount demanded.

25. Findings on Issue No.3: Whether there is any substance in the contention of the Corporate Debtor that the transaction is not a "financial debt" and is a sham transaction which attracts the ingredient of Section 65 of the IBC and therefore the petition is not maintainable?

25.1 Based on our decision on issue nos. 1 and 2, we are of the view that the core conditions of section 7 read with section 4 of the IBC, 2016 are satisfied in this case. The scope of enquiry under section 7 of the Code is limited and summary in nature. The Respondent has attempted to bring in a third party namely JHS Svendgaard and its managing director Mr. Nikhil Nanda in its reply and the IA filed by it. We are of the view that such claims are extraneous to the case but as its contentions are based on the transactions with these third parties, we consider appropriate to deal with the contention of the Corporate Debtor that the transaction is a sham and not a "financial debt" for the sake of completeness of the



matter.

25.2 The Corporate Debtor has contended that:

- a. The said transaction is not a loan in substance and formed part of a structured arrangement relating to subscription of preferential warrants of a group entity namely JHS Svendgaard Group. The funds were routed through the bank account of the Respondent merely as a matter of convenience and at the insistence of one Mr. Nikhil Nanda and his associates.
- b. The Respondent did not deploy, utilize or commercially benefit from the said funds. The funds received were transferred onward to JHS Svendgaard Group immediately or in a short span of time.
- c. The routing of funds was only a pass-through mechanism and not a genuine disbursement for the Respondent's commercial use. The Respondent was never the true beneficiary of the funds and derived no commercial benefit. The respondent was merely imposed as a conduit in a transaction between group entities.
- d. The Respondent was a conduit in a larger transaction between the Applicant and JHS Svendgaard Group and not a borrower in substance.
- e. Therefore, there was no disbursement against consideration for the time value of money in favour



of the Respondent and the alleged debt is illusory and does not fall within section 5(8) of the IBC, 2016.

- f. Applicant and JHS Svendgaard Group are related and group entities having structural and managerial linkages.
- g. As there was no financial debt, the Applicant was not a financial creditor (section 5(7)) and therefore lacks the locus standi to maintain a petition under section 7 of the IBC against the Respondent and the present petition is liable to be rejected.

Facts as provided by the Respondent (Reply filed on 02.03.2026)

- h. In the year 2024, Mr. Nikhil Nanda, MD/Promoter of the JHS Svendgaard Group approached Mr. Rajat Mahindru, MD of the Respondent Company, with a proposal to associate and participate in the game zone business being carried on by the Respondent Company. A business association came to be established between the two.
- i. In December 2024, Mr. Nanda approached Mr. Mahindru requesting to temporarily use the account of the Respondent company to route funds from the Applicant to the accounts of JHS Svendgaard Group.
- j. Ms. Komal Jha, a company secretary of JHS Svebdgaard Group was introduced to Mr. Mahindru



and Ms. Jha sought certain particulars and documents in relation to the proposed preferential allotment in JHS Svendgaard Group. Ms. Jha requested bank details and bank statements of the Respondent Company. Ms. Jha forwarded to Mr. Mahindru a draft request letter addressed to the Applicant Company, along with email ID to which the same was required to be sent and instructed him to forward said communication when indicated by her. None from the Respondent Company had any prior acquaintance with any one from the Applicant Company.

- k. Draft loan request letter prepared and forwarded by Ms. Jha which was transmitted by the Respondent to the Applicant.
- l. In August 2024, Mr. Nanda showed interest to invest some amount in the Respondent Company. Accordingly, 10% of the equity shares held by Mr. Mahindru, in one of its ventures located in Bangalore were allotted to Ms. Sushma Nanda, mother of Mr. Nikhil Nanda. The allotment of 10% equity to Ms. Sushma Nanda was reversed around March 2025 and the amount of equity participation was paid back. However, Ms. Nanda has failed to return the share certificates issued in her favour.
- m. For additional Rs 3,00,00,000 (on 13.07.2025 and 14.07.2025) similar documentation was done as was



for previous transaction. During the period April 2025 to July 2025, money was transferred from the account of the Applicant to the account of the Respondent which was transferred to the account of JHS Svendgaard Group.

- n. Mr. Ashish Goel, who served as CFO/CEO of the Applicant immediately prior to the transaction was until 16.10.2023 was a key managerial person of JHS Group. Mr. Nikhil Nanda, MD and promoter of JHS Group has historically served as a Director of the Applicant Company. The impugned transaction was not an arm's length transaction but a colourable and pre-structured intra-group arrangement wrongly projected as a loan.
- o. Subsequently the Respondent became aware that the transaction and against payment transferred to JHS Svendgaard Group, preferential warrants of JHS Svendgaard Group were issued to the Respondent.
- p. During October-December 2025, the Respondent allotted 25% equity in one of the ventures located in Bengaluru to PJHS Entertainment Private Limited and Purple Rock Infra Private Limited, which are group companies of Mr. Nanda. These two companies have initiated proceedings under sections 241 and 242 of the Companies Act, 2013.
- q. The Respondent approached the Applicant seeking to exit the arrangement, surrender preferential



warrants of JHS Svendgaard Group allotted to it and obtain a refund of the amount paid so as to reverse the transaction.

- r. Several telephonic discussions took place between Mr. Mahindru, Mr. Nanda, and Ms. Jha seeking permission to withdraw from the structured transaction, however, the Applicant failed and refused to allow the Respondent to exit the transaction.
- s. Respondent addressed an email dated 16.09.2025 to JHS Svendgaard Group formally seeking exit from the said transaction. The JHS Svendgaard Group responded vide email dated 06.10.2025 claiming that the consideration paid is non-refundable and therefore no claim of refund or cancellation is permissible.
- t. The Applicant acting in connivance with the JHS Group issued the loan recall notice dated 17.10.2025 to the Respondent. It was a clear act of retaliation and malafide attempt to convert a structured equity transaction into a colourable debt claim.
- u. Respondent issued an email on 06.01.2026 to JHS Svendgaard Group communicating its decision to exit from the structured transaction.
- v. Respondent issued another email on 20.01.2026 to JHS seeking a reversal of the transaction and refund



of the consideration paid towards the preferential warrants.

- w. Pages 20 to 34 of the Reply show WhatsApp messages between Mahindru and Komal Company Secretary for the period 27 September 2024 to 12 December 2024. The same concerns issue of preference shares by JHS and payments by Let's Jump. The transaction undertaken is captured on page 33 which is an email intimating the NSE that Let's Jump Trampoline and Adventures Pvt. Ltd. has acquired 25,00,000 fully convertible warrants convertible into equivalent number of equity shares of the Target Company on December 03,2024 by way of preferential issue. This document is extracted below:

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SUBJECT: Disclosure as per regulation 29(1) for JHS Svengaard Retail Ventures Limited.

Dear Sir/ Madam,

In compliance with Regulation 29(1) of the SEBI Takeover Regulations, I hereby notify that we, Let's Jump Trampoline and Adventures Pvt Ltd have acquired 25,00,000 Fully convertible warrants convertible into equivalent number of Equity shares of the Target Company on December 03, 2024 by way of preferential issue. Accordingly, the requisite report in the prescribed format

- x. Page 101 of the Reply is an email dated 6.10.2025 from JHS to Let's Jump and provide information on the transaction of preferential allotment, payments, conversion to some warrants into equity shares and payment of consideration. The email is extracted below:



Surrender of Preferential Warrants of JHS Svendgaard Retail Ventures Limited & Request for Refund

CS JHSRETAIL <cs@jhsretail.com>
To: LETSJUMP Woop <letsjumpwoop@gmail.com>

6 October 2025 at 10:26

Dear Sir,

This communication is in regard to the 25,00,000 preferential warrants allotted to *Let's Jump Trampoline & Adventure Private Limited* (for short, "Let's Jump") on 03rd December 2024, and your communication dated 16th September 2025 for cancellation of the warrants.

At the outset, it is clarified that any loan, financing, or other arrangement Let's Jump may have entered into with any entity was at its own accord, and we bear no responsibility in respect thereof.

With regard to the Warrants allotted to Let's Jump, please note that a total of 25,00,000 (Twenty-Five Lakh) Warrants, at a price of ₹50 per Warrant, were allotted on 03rd December 2024, for an aggregate consideration of ₹12,50,00,000 (Rupees Twelve Crore Fifty Lakh Only). Let's Jump paid 25% of the consideration (i.e., ₹3,12,50,000) at the time of subscription. Further, you have applied for the conversion of 8,00,000 Warrants into Equity Shares and paid an additional amount of ₹3,00,00,000 towards the same.

As far as the Warrants are concerned, your attention is drawn to the governing provisions of Regulation 169 under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (for short, "ICDR"), specifically, Regulation 169 (3).

Accordingly, as per law, the partial consideration paid by you is non-refundable, and no claim for cancellation or refund is permissible.

Thanks & Regards

- y. Page 107 of the Reply is an email dated 06.01.2026 from Let's Jump to JHS on the subject: Surrender of Preferential Warrants of JHS Svendgaard Retail Ventures Limited and Request for Refund. It seeks cancellation of preferential warrants and refund of Rs 6,12,50,000. It notes that, "Our request is not



driven by any financing arrangement in isolation, but arises from serious governance, compliance, and risk consideration that have emerged upon a detailed internal and external review of overall transaction structure.”

- z. Pages 110 to 131 of the Reply are documents to establish the relationship of Apogee with JHS.

Additional Affidavit filed by the Respondent (Let's Jump) on 16.03.2026.

aa. This Affidavit states that as per request letters and acceptance letters, in the unlikely event of default, the shares acquired of the listed company was to be forfeited as full and final settlement including both principal and interest. The Corporate Debtor is ready and willing to transfer these 8,00,000 preference shares of JHS Group to the Petitioner after the lock in period.

25.3 The Respondent based on the information provided has claimed that the Petitioner used the Corporate Debtor to invest in JHS Group and the present transaction is a sham transaction, and a simple routing of funds cannot be termed as a financial debt as defined u/s 5(8) of the Code. The Respondent has claimed to have neither utilized nor retained a single penny from the funds disbursed by the Petitioner.

25.4 We have considered the facts placed on the record.



Based on such facts we note that there has been business relationship between Mr. Rajat Mahindru, Managing Director of Let's Jump Trampoline and Adventure Private Limited and Mr. Nikhil Nanda of JHS Svendgaard Group. There have been cross holdings/investments in the entities of the two groups. Let's Jump had allotted 10% equity in one of its ventures to Ms. Sushma Nanda, mother of Mr. Nikhil Nanda. Further, during October-December 2025, the Respondent allotted 35% equity in a Bangalore venture to PJHS Entertainment Private Limited and Purple Rock Infra Private Limited, both group companies of Mr. Nikhil Nanda. This transaction happened after the recall notice issued by the Petitioner on 17.10.2025 indicating that the recall notice issued by the Petitioner did not have any adverse effect on the business and investment relationships between two groups. Additionally, JHS Svendgaard allotted 25,00,000 fully convertible warrants (preference shares) to Let's Jump on account of payment of money to JHS that was sourced from the Petitioner. These investments in each other entity shows cross-investments and relationship independent of the transaction with the Petitioner. If the loan recall was connected to the transaction with Mr. Nanda Group then the Respondent should have answered the obvious question why did it allot shares of its entity to Nanda's entities after receipt of loan recall notice. These facts contradicts the claims of the Respondent. The



communication between Mr. Mahindru and Ms. Jha concerns the preferential allotment, related financial transaction, and documentation. The communication shows that money received from the Petitioner was invested in the preference warrants issued by JHS, of which part was later converted into preference shares after payment of Rs 3,00,00,000. The Respondent is the managing director of Let's Jump and was fully aware of the transaction and acquisition of preferential warrants and conversion of such warrants into preference shares. The reason for seeking the cancellation of transaction in the email of 06.01.2026 are different from what are being cited now. Therefore, the claim that it did not utilise the funds received is contrary to the facts. The WhatsApp messages between Mr. Mahindru and Ms. Jha evidence communication between two and do not disclose any communication involving the Petitioner.

25.5 We are of the view that accepting a loan by the Respondent from the Petitioner is one transaction. Subsequent utilization of the same for acquisition of preference warrants is another transaction with a third party and nowhere in the correspondence between the Petitioner and the Respondent (seeking loan and granting loan) this second transaction is mentioned or that both transactions were part of a structured transaction. The other transaction with JHS (cross holding of between the Groups) is independent and



distinct transaction between two groups unconnected with the transaction of the Respondent with the Petitioner. The Respondent made investment of loan received on its own account and the investment in preferential warrants and part converted preference shares it continues to hold. The respondent has stated the reasons for seeking cancellation of transaction by email of 06.01.2016 extracted that are different from what is being claimed in the present proceedings. We note that the alleged relationship of the Apogee and JHS, as group entities, is not reflected in any original correspondence between parties. No document is submitted to demonstrate the interconnectedness of the transaction of loan and the investment in preferential warrants or involvement of the Petitioner with JHS or vice-versa. We do not intend to enquire being summary jurisdiction on the relationship issue based on some information provided which is strongly contested by the Petitioner considering that the matter needs to be decided based on the scope of the enquiry required in the summary jurisdiction of this Tribunal. It is suffice to state that neither the relationship is reflected in the contemporaneous communication, nor any communication demonstrate that the funding for warrant shares of JHS will be out of loans received from the Petitioner. We do not agree with the contention of “pass through” transaction, or collusive arrangement, or no commercial benefit in the transaction because



documents do not support these claims. The Loan request letter notes the purpose of loan to enhance operational capabilities and expand Corporate Debtor market presence. The loan has been used to acquire convertible preferential warrants eligible to be converted into equity having potential to be owner of the investee company. Even otherwise, the transaction has the commercial effect of borrowing, as the Corporate Debtor assumed an obligation to repay with consideration, irrespective of subsequent utilization of funds.

25.6 The Respondent's claim that it has been used a tool to route the funds from the Petitioner to JHS Group belies logic and is contrary to the facts on record. If that was the case, then the Petitioner could have directly subscribed to the preferential warrants. Part of the allotted convertible warrants were converted to the preference shares and continues to be in the possession of the Respondent and have not been pledged with the Petitioner as was the condition of providing the financial assistance. The claim of the Respondent is not supported by the facts of it seeking cancellation of warrants/shares and refunds of money.

25.7 Facts indicate that as far as the Petitioner is concerned its transaction with the Corporate Debtor is independent and there is no linkage of the Petitioner with the second type of transactions that were between the Respondent and third party namely JHS Svendgaard. Any alleged



dispute between the Respondent and the JHS Svendgaard Group pertain to distinct and separate transactions involving cross holding/investments between these two parties and we do not see any reason that such a dispute affects the transaction under consideration. The Respondent has raised a contention regarding pre-existing dispute. First there is no dispute between the Petitioner and the Respondent and second even if there is a dispute that does not affect the proceedings under section 7 of the Code.

25.8 Further, it is settled law that the concept of 'pre-existing dispute' is relevant only in proceedings under Section 9 of the Code and has no application to proceedings under Section 7. Accordingly, the contention of the Corporate Debtor is legally untenable.

25.9 Based on the facts discussed above, we are not persuaded to agree to the contention of the Respondent that the transaction is not a "financial debt". The granting of loan with interest meets the requirement of debt disbursed against the consideration for the time value of money. The financial debt is owed to the Petitioner and accordingly it satisfies the definition of Section 5(7) of the Code.

25.10 Section 65 of the Code requires clear and cogent evidence of initiation of proceedings fraudulently or with malicious intent for purposes other than insolvency resolution. Mere allegations, without substantiation by



credible material, do not meet the statutory threshold.

25.11 In the present case, the Corporate Debtor has failed to demonstrate any element of fraud, collusion, or abuse of process. The Petition is founded on documented disbursement and admitted default. Accordingly, the requirements of Section 65 and Section 75 are not satisfied

25.12 The stipulation of interest @10.00% per annum and alternative return linked to net profits clearly establishes consideration for time value of money. The disbursement, coupled with agreed returns, satisfies the essential ingredients of 'financial debt' under Section 5(8) of the Code. The Hon'ble Supreme Court in ***Pioneer Urban Land and Infrastructure Ltd. & Anr. v. Union of India & Ors., (2019) ibclaw.in 13 SC*** has held that any transaction having the commercial effect of borrowing, coupled with an obligation to repay with consideration, constitutes a financial debt. The present transaction clearly satisfies this test.

25.13 The contention of the Corporate Debtor that transfer of shares constitutes full and final settlement is misconceived. The said clause is contingent upon creation and enforcement of security interest, which admittedly was never perfected. In absence of such compliance, the primary obligation to repay the financial debt remains unaffected.

25.14 The Corporate Debtor has filed an additional affidavit on



16.03.2026 in which the CD has without prejudice to its contention of sham transaction submitted that it is ready and willing to transfer 8,00,000 preference shares of JHS Group to the petitioner after the lock in period for the full and final settlement of the so-called loan. We desist from giving any comments on this proposal as the same is within the domain of the Petitioner and the Respondent and unconnected to the proceedings under consideration.

26. Findings on Issue No.4: Whether the Application is complete in all respects as required under Section 7(3) of the Code and Rule 4 of the IB (AAA) Rules, 2016?

26.1 The existence of debt and default is established. The amount of default is more than Rs 1,00,00,000. The application is within the time limitation as per the provisions of the Limitation Act, 1963.

26.2 Section 7(5)(a) of the IBC allows admission of a petition if debt and default are established, and procedural requirements are met. The petition satisfies Section 7's substantive requirements. The present Petition is complete in terms of Section 7(5)(a) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is of more than rupees one crore, which meets the threshold limit as per



section 4 of the Code and is well within the limitation for filing the present Petition, which is supported by comprehensive documentation.

27. Findings on Issue No.5: Whether the stipulation regarding forfeiture/transfer of shares constitutes a valid discharge of liability and negates the occurrence of default?”

27.1 This Adjudicating Authority notes that the stipulation regarding forfeiture of shares is contingent upon valid creation and enforcement of security interest. In the present case, no pledge or security interest was perfected in accordance with applicable law.

27.2 Further, such a clause does not automatically extinguish the liability unless acted upon in accordance with law. The Corporate Debtor has neither transferred nor enabled enforcement of such security.

27.3 Accordingly, the contention that transfer of shares constitutes full and final settlement is rejected. The liability to repay the financial debt subsists.

28. In terms of Section 7(5)(a) of the Code, once the Adjudicating Authority is satisfied that a default has occurred and the application is complete, it is bound to admit the application. In light of the above findings, this Adjudicating Authority is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Debtor's default justifies the admission of the petition and the initiation of CIRP under the Code. Hence, the



Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of the corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.

29. Accordingly, in light of the above facts and circumstances, it is **hereby ordered** that: -

- (i) The Respondent/Corporate Debtor – **Let's Jump Trampoline and Adventure Private Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.
- (ii) As a consequence thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.
 - a. *The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, 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.*
- e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor. The moratorium does not apply to transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.*
- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the corporate debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) As proposed by the Financial Creditor, we appoint **Aarsh Resolution Professionals Private Limited**, Registration No.: IBBI/IPE-0115/IPA-1/2024- 25/50078 through its designated Director, IP Mr. Atul Mittal, having Registration No. IBBI/IPA-001/IP-P00439/2017-18/10762, (Email Address: atulmittalip135@gmail.com,



contact@aarshrp.com), under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

- (vi) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.



- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever within seven days of this order. He is also free to take police assistance in this regard, and the concerned jurisdictional police authorities shall extend necessary assistance to the IRP, if so requested.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of the obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the Financial Creditor to pay IRP a sum of **Rs.5,00,000/-** (Rupees Five Lakh Only) in advance exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 subject to ratification by the Committee of Creditors. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any



excess refundable to the Financial Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.

- (xii) The Registry is directed to communicate this order to the Financial Creditor, Corporate Debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update the Corporate Debtor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registrar, NCLT, within 14 working days.
- (xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Debtor's registered office (Gujarat) and on the Corporate Debtor's website, if any, as per Form A of the said Regulations.



(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

30. Accordingly, Company Petition being **CP(IB)/41/7/AHM/2026** is hereby **admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

31. Based on the reasoning given in this order, we hold that Let's Jump has failed to establish any case of fraud or malicious intent on part of the Petitioner in seeking initiation of insolvency proceedings for purposes other than resolution of insolvency and the Petition does not contain any false information or facts. Therefore, Interlocutory Application being **IA/423(AHM)2026** filed by the Respondent/Corporate Debtor is **dismissed** and the prayer for imposition of penalty under Section 65 and/or Section 75 is also rejected.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sweta Steno

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)