

# FRL resolution professional moves NCLT against Kishore Biyani and family alleging fraudulent transaction

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The Resolution Professional (RP) of Future Retail Ltd (FRL) has filed an application before the NCLT against Kishore Biyani, his brother Rakesh Biyani and eight other entities alleging their involvement in a "fraudulent transaction" in the company.

This application "has been filed pursuant to the findings in the report received from Nangia & Co. LLP, which was appointed as 'Transaction Review Auditor' by the RP," said a regulatory filing from Future Retail Ltd (FRL).

The Transaction Review Auditor was to assist RP in his du-

ties and the determination, wherein a transaction has been reported under Section 66 of the Code for adjudication by the NCLT.

"RP of FRL has filed an application before National Company Law Tribunal, Mumbai, against certain persons, to seek avoidance of transaction under the applicable provisions of the Insolvency & Bankruptcy Code 2016," it said.

As per the disclosure, the estimated amount involved is Rs 40.53 lakh. The report has also named one entity Koinonia Coffee Pvt Ltd. RP of Future Retail Ltd has also approached NCLT, seeking a third extension till September 15 to complete CIRP.

# Future Retail RP moves NCLT against Biyani

*Biyani's kin are also under the radar for involvement in fraudulent transaction*

**NEW DELHI:** The Resolution Professional (RP) of Future Retail Ltd (FRL) has filed an application before the NCLT against Kishore Biyani, his brother Rakesh Biyani and eight other entities alleging their involvement in a "fraudulent transaction" in the company.

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Under IBC, avoidance transactions are transactions undertaken by the corporate debtor prior to the initiation of the Corporate Insolvency Resolution Process (CIRP) to defraud its creditors or to benefit related parties as well as its own management.

RP has moved an application



**Kishore Biyani**

under section 66(1) of the Insolvency & Bankruptcy Code (IBC).

The provision says if, during CIRP or a liquidation process, it is found that any business of the corporate debtor has been carried on

with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, NCLT may on the application of RP pass an order to any persons to make such contributions to the assets of the corporate debtor as it may deem fit.

RP of Future Retail Ltd has also approached NCLT, seeking a third extension till September 15 to complete CIRP. CIRP was initiated against FRL by NCLT on July 20, 2022, following a loan default.

As per Section 12(1) of the Code, CIRP shall be completed within a period of 180 days from the date of initiation. However, NCLT may grant a one-time extension of 90 days. The maximum time within which CIRP must be completed, including any extension or litigation period, is 330 days.

Earlier, FRL had said it had received six bids from prospective buyers by May 15, which was the last date for submission of resolution plans. The deadline for submission of resolution plans was May 15, 2023, for 48 companies, which were in the final list of 'Eligible Prospective Resolution Applicants'.