

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

IA (IBC) No. 600/JPR/2024
CP No. (IB)- 75/7/JPR/2022

IN THE MATTER OF:

BANK OF BARODA

...Financial Creditor/ Petitioner

VERSUS

U.N. AUTOMOBILES PVT. LTD.

...Corporate Debtor/ Respondent

MEMO OF PARTIES

IA (IBC) No. 600/JPR/2024

MR. AMIT PRAKASH GUPTA
Suspended Director of M/s U.N.
Automobiles Pvt. Ltd.
 R/o- 512, Panchratna Complex,
 Fatehpura, Udaipur (Raj.)- 313001

... Applicant

VERSUS

SATYENDRA PRASAD KHORANIA
RP of M/s U.N. Automobiles Pvt. Ltd.
 R/o- 402, 4th Floor, OK Plus, DP
 Metro, Opp. Pillar No. 94, New
 Sanganer Road, Jaipur (Raj.)-
 302019

...Respondent No. 1

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IA (IBC) No.- 600/JPR/2024

In

CP (IB) No. 75/7/JPR/2022

BANK OF BARODA

R/o- ROSARB, 13, Airport
Plaza, Durgapura Road, Jaipur
(Raj)- 302018

...Respondent No. 2

For the Applicant : Karan Pratap Singh, Adv.
For the RP : Satyendra Prasad Khorania, In person
Anubha Singh, Adv.
Amol Vyas, Adv.

Order Pronounced On: 26.09.2025

ORDER

Per: Ms. Reeta Kohli, Judicial Member

1. This Interlocutory Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ('IBC'/'Code') R/w Rule 11 of the NCLT Rules, 2016 by the Suspended Board of *M/s U.N. Automobile Private Limited* ('Corporate Debtor') namely *Mr. Amit Prakash Gupta* ('Applicant') against the Interim Resolution Professional ('IRP'/'Non-Applicant No. 1'/'Respondent No. 1') namely *Mr. Satyendra Prasad Khorania* and *Bank of Baroda* ('Non-Applicant No. 2'/'Respondent No. 2'/'Bank') for seeking following prayers:-

- a) *This Hon'ble Tribunal be pleased to pass an order to remove Non-Applicant No.1 as the RP of Corporate Debtor.*
- b) *This Hon'ble Tribunal be pleased to pass an order for quashing and setting aside all the acts of Non-Applicant No.1 which are considered as biased, unfair, motivated and lacking in transparency.*

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- c) *This Hon'ble Tribunal be pleased to pass such orders and/or directions which this Hon'ble Tribunal deems fit and proper given the facts and circumstances.*
- d) *Impose a cost of Rs. 10,00,000/- upon the Non-Applicant No.2 for proposing Non-Applicant No.1 in Part III of the captioned petition and for deliberate concealment of conflict of interest.*
- e) *Any other relief which this Hon'ble Tribunal deems appropriate be passed in favour of the Applicant.*

2. The Applicant has filed the present IA alleging the following set of facts:

2.1. The Applicant is the erstwhile/suspended director of the CD who has approached this Adjudicating Authority being aggrieved by the conduct of the Non-Applicant No.1, inter alia, whereby the Non-Applicant No.1, i.e. the IRP of the CD is conducting the CIRP in a biased and mechanical fashion; and without performing due diligence to ascertain the veracity of claims submitted by the claimants of the CD including Non-Applicant No.2. Resultantly, the Non-Applicant No. 1 has accepted/admitted the inflated claims submitted by the claimants qua the CD, including Non-Applicant No.2 which is not only unethical, highly prejudicial to the interests of the CD; but also, is contrary to the provisions of the IBC, 2016 and the rules made thereunder. The Applicant has also filed a separate application seeking rejection/verification of claims, which duly manifests the unbiased conduct of Non-Applicant No.1. In the light of abovementioned facts and circumstances, the Applicant, being the suspended/erstwhile director of the CD is constrained to file the instant application citing

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lack of transparency, conflict of interest, absolute bias of Non-Applicant No.1 towards the Non-Applicant No.2, inter alia, other acts undertaken by the Non-Applicant No.1, w.r.t. the CIRP of the CD.

- 2.2. The CIRP of the CD was initiated vide order dated 28.08.2024 in pursuance to the same, the Non-Applicant No. 1 issued a public announcement dated 30.08.2024 as per Section 15 of the IBC, 2016 r/w Rule 6 of the IBBI (Insolvency Resolution Process for Corporate Persons), Regulations 2016 and called upon the creditors to submit their claims with proof. The last date for submission of claims was decided to be 12.09.2024.
- 2.3. The Non-Applicant No.1, sent an email dated 28.09.2024, whereby it was informed to the Applicant that the first meeting of Committee of Creditors ('CoC') has been conducted on 27.09.2024 and the minutes of the First COC meeting was also attached with the aforesaid email. It is imperative to mention that Item/Agenda No. 7 of the minutes of the aforesaid meeting of CoC, takes note of disclosure made by Non-Applicant No. 1 under Regulation 7(2)(h) of IBBI (Insolvency Professionals), Regulations, 2016. A bare perusal of the said agenda reveals that the Non-Applicant No. 1 has reproduced Clause 8 and 8A of the Code of Conduct and disclosed that he is an Insolvency Professional (IP) empanelled with Non-Applicant No.2, i.e. Bank of

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Baroda. The Non- Applicant No.2, being the sole CoC member, took note of the same.

2.4. The Applicant sent an Email dated 07.11.2024 to the Non-Applicant No. 1, whereby the receipt of minutes of the first meeting was duly acknowledged and informed that there is a high possibility that the claimants of the CD would submit highly inflated claims the said information was shared, to assist the Non-Applicant No.1 for ascertaining the veracity of the claims submitted to him.

2.5. Despite sending the aforesaid email dated 07.11.2024, the Non-Applicant No.1 had paid no heed to enquire into the reasons for such apprehensions of the Applicant. Upon enquiry, it came to the knowledge of the Applicant that the Non-Applicant No.2 has submitted a highly inflated and exaggerated claim of Rs. 250,96,59,650/- (Rupees Two Hundred Fifty Crores Ninety-Six Lakh Fifty-Nine Thousand Six Hundred and Fifty Only) and the Non-Applicant No. 1 without conducting any due diligence as mandated by the Code has admitted the claim of the Non-Applicant No. 2.

2.6. The Applicant vide Email dated 26.11.2024 again informed the Non-Applicant No.1 that the claim of Rs. 250.09 Crores submitted by Non-Applicant No.2 has been wrongfully admitted by Non-Applicant No.1 as the said amount is highly inflated and in abject derogation of the order dated 23.05.2023 passed by the Ld. DRT, Jaipur. In the said

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order the Ld. DRT adjudicated upon the quantum at Rs. 26.07 Crore only.

- 2.7. The Non-Applicant No.1, instead of examining the veracity of the admitted claim, blamed the Applicant for not co-operating with the Non-Applicant No.1 and not providing any documents to him and further submitted that as per Regulation 13(2) of the IBBI Regulations the Applicant is not entitled to get the claim documents as sought.
- 2.8. Despite, the request made by the Applicant to take into consideration the order of Ld. DRT wherein the quantum was decided at Rs. 26.07 Crore Only which was furnished by the Applicant, the Non-Applicant No. 1 neither took consideration of the said order nor held discussion in the CoC minutes.
- 2.9. It is apposite to mention that the Applicant has attended the 3rd CoC meeting with the sole purpose to assist the Non-Applicant No.1 however neither any inputs were sought nor any heed was paid to the Applicant in the said CoC meeting.
- 2.10. In addition to that it is submitted that the Non-Applicant No.1, apart from being an Insolvency Professional, is also a director of *Enforcement Affiliates Private Limited*, having CIN No. U74999RJ2016PTC054902 and registered with Registrar of Companies (ROC), Jaipur. The registered address of the aforesaid company is Office No. 402, Ok Plus, DP Metro New Sanganer road,

Jaipur, (Raj.)-302019 and the registered email ID is *skhorania@yahoo.co.in*. A bare perusal of the master data makes it apparent that the Non-Applicant No.1 is the Promoter of *Enforcement Affiliates Pvt. Ltd.* and is the director of the same since its incorporation w.e.f. 11.05.2016.

2.11. The aforesaid entity, i.e. *Enforcement Affiliates Pvt. Ltd.* is engaged in the business of providing recovery and security enforcement services to various Banks and other financial institutions. It is apposite to mention that the aforesaid company is also empanelled by Non-Applicant No.2, i.e. Bank of Baroda, as a recovery agent for various zones, throughout the country.

2.12. A bare perusal of the abovementioned facts makes it apparent that the Non-Applicant No.1 is a promoter/director in an entity, i.e. *Enforcement Affiliates Pvt. Ltd.*, which is directly involved with and empanelled as a recovery agent by Non-Applicant No.2. As such, apart from being the RP of the CD, the Non-Applicant No.1 is entrusted with recovery of dues for Non-Applicant No.2. It is pertinent to mention that the email address of Non-Applicant No.1 is same as that of the registered email address of *Enforcement Affiliates Pvt. Ltd.* and the registered office of *Enforcement Affiliates Pvt. Ltd.* is the same place where the Non-Applicant No.1 is working as an Insolvency Professional and holding meetings of CoC of the Corporate Debtor.

2.13. The aforesaid factum has been deliberately concealed by the Non-Applicant No.1 and the Non-Applicant No. 2 has also not disclosed this fact in Part III of the captioned petition, whereby name of Non-Applicant No.1 has been proposed as the IRP. Non-Applicant No.1 has not even disclosed such relation/engagement/empanelment with the Non-Applicant No.2, in his written communication and consent in Form A dated 17.10.2022 which is Annexure-13 to the captioned petition. Additionally, the Non-Applicant No.1, in the first meeting of CoC held on 27.09.2024 has given partial disclosure by merely stating that he is empanelled IP of Non-Applicant No. 2. However, the factum of his directorship in Enforcement Affiliates Pvt. Ltd. and it being a recovery agent for Non-Applicant No.2 has been deliberately concealed.

2.14. Additionally, it is submitted that the Non-Applicants are hand-in-glove with each other and misusing the provisions of the IBC, 2016 as a recovery tool, whereby the same counsel is being engaged by the Non-Applicant No.1 Resolution Professional and Non-Applicant No.2 Bank. It is apposite to mention that Non-Applicant No.1 has engaged the same counsel, who was representing the Non-Applicant No.2 Bank, before this Adjudicating Authority at the time of admission of the captioned petition vide order dated 28.08.2024 and continues to represent the Non-Applicant No.2 Bank in other forums, such as the

Hon'ble High Court and Ld. DRT, Jaipur Bench. As such, it is duly apparent that there is no independence whatsoever between Non-Applicant No.1 and Non-Applicant No.2, which has compromised and vitiated the integrity of the CIRP. The Non-Applicant No.1 and Non-Applicant No.2 are acting like a single entity, whereby same counsels are being engaged by the Non-Applicants, which is against the tenets of independence, ethics and fair play.

- 2.15. The First Schedule of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 encapsulates the Code of Conduct for Insolvency Professionals. The objective for enactment of Code of Conduct is that the Insolvency Professionals, carry out their duties with transparency and fairness, so as to ensure that duties are being performed impartially and independent of any external influences so that their/its decisions are made without presence of any bias, conflict of interest, coercion and/or undue influence from any party, whether or not directly or indirectly connected with the insolvency proceedings or not. Regulation 7(2)(h) of the IP regulations 2016 states that the registration of an IP is subject to the condition that he shall abide by the Code of Conduct specified in the First Schedule. As such, every Insolvency Professional, including Non-Applicant No.1 is mandated under law to follow the Code of Conduct.



- 2.16. The code of conduct not only mandates that in the event of conflict of interest the Insolvency Professional should refrain from undertaking such assignment, but also places a positive obligation of disclosure of its relationship with any of the stakeholders/participants of CIRP, including financial creditors, members of CoC, management of Corporate Debtor etc. Moreover, an Insolvency Professional is also obligated not to conceal any material information to mislead the Board, Adjudicating Authority or any other stakeholder of CIRP.
- 2.17. Existence of conflict of interest and its non-disclosure not only runs contrary to the Code of Conduct as mentioned in the First Schedule of IBBI (Insolvency Professionals) Regulations, 2016 but is also in contravention to rationale behind enacting Regulation 3 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Regulation 3(3) of the aforesaid regulation is being reproduced hereunder:

(3) "An interim resolution professional or a resolution professional who is a director or a partner of an insolvency professional entity, shall not continue as the interim resolution professional or resolution professional, as the case may be, in a corporate insolvency resolution process, if the insolvency professional entity or any other partner or director of such insolvency professional entity represents any other stakeholder in that corporate insolvency resolution process."

As such, the rationale behind enacting the Code of Conduct and Regulation 3(3) of the IBBI Regulations, 2016 is to ensure that the

IRP/RP performs its obligations independently and impartially, free from any oblique motives and extraneous considerations.

2.18. It is a settled law that even if there is a reasonable apprehension of bias in the functioning of an IRP/RP, then such IRP/RP warrants removal and is to be replaced by an independent IRP. However, without prejudice to the above, the present Application has been filed not only on mere apprehension of bias. The bias and impartiality on the part of the Non-Applicant No.1 is duly manifested and writ large by its conduct, whereby inflated claim of approximately Rs. 250 Crores, submitted by Non-Applicant No.2 has been mechanically admitted by Non-Applicant No.1, without taking any measures whatsoever to ascertain the veracity of such amount.

2.19. Therefore, in the light of abovementioned circumstances, it is requested before this Adjudicating Authority that the Non-Applicant No.1 be removed as the Resolution Professional of the CD, as apart from being an apparent conflict of interest, the Non-Applicant No.1 is acting as a recovery agent of Non-Applicant No.2 under the cloak of being a Resolution Professional under IBC, 2016. The aforesaid conduct is not only detrimental to the CD and its other stakeholders but also vitiates the reasons and object of IBC, 2016 and rules made thereunder. It is reiterated that even though replacement of an IRP/RP can be done on an apprehension of bias and partiality. However, in the

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present case, the bias and apprehension are not merely theoretical, but also manifested by the conduct of Non-Applicant No.1, whereby claims of Non-Applicant No.2 is being mechanically accepted. Thus, it is pellucid, that non-applicants are collusively performing recovery of dues, under the garb of resolution of CD, which is impermissible under law and warrants strict action by this Adjudicating Authority.

3. The Respondent No. 1 filed its reply, vide Dairy No. 56/2025 dated 07.01.2025 wherein stated the following:

3.1. In the present matter Non-Applicant No. 1 Resolution Professional has processed the claims based on documents/information furnished to him by the Financial Creditor. It is also pertinent to mention that the Applicant is levelling false and frivolous allegations against the Non-Applicant No. 1 Resolution Professional to stall the Corporate Insolvency Resolution Process (hereinafter referred as "CIRP") of the Corporate Debtor going on under the supervision of this Adjudicating Authority.

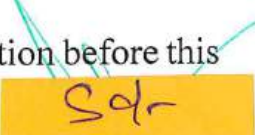
3.2. The Applicant, Suspended Director was informed vide e-mail dated 21.09.2024 that the 1st Meeting of Committee of Creditors was scheduled on 27.09.2024. It is pertinent to mention that the Non-Applicant No. 1 Resolution Professional *vide* Agenda No. 4 of the minutes of the meeting has informed about the claims received in the matter and after verifying the same the Non-Applicant No. 1

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Resolution Professional has provisionally admitted the claims of Financial Creditor Bank of Baroda. It is also pertinent to mention that the details of the claim are available on the website of IBBI. It is also pertinent to mention the Non-Applicant No. 1 Resolution Professional has acted as per rules and guidelines formulated by the IBBI.

- 3.3. It is submitted that even after multiple reminders from Non-Applicant No. 1 Resolution Professional the Applicant Suspended Director has not furnished any sort of information requested by the Non-Applicant No. 1 Resolution Professional. The Applicant Suspended Director has till date failed to provide the Books of Account of Corporate Debtor to the Non-Applicant No. 1 Resolution Professional, the assets of the Corporate Debtor has also not been handed over to the Non-Applicant No. 1 Resolution Professional. Resultantly, the Non-Applicant No. 1 Resolution Professional was forced to file an application under section 19(2) of Insolvency & Bankruptcy Code, 2016. However, the Applicant Suspended Director has till date not provided all the required information, Books of Accounts and has not handed over the assets Corporate Debtor to the Non-Applicant No. 1 Resolution Professional. As a result of the same Non-Applicant No. 1 Resolution Professional was forced to file an application before this

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Adjudicating Authority seeking directions to be given to the local police authorities to ensure the taking of peaceful possession of the properties of the Corporate Debtor by the Non-Applicant No. 1 Resolution Professional. The Applicant Suspended Director himself chose not to attend the 1st and 2nd meeting of Committee of Creditors during which the claims of creditors were discussed and examined. However, in the 3rd meeting of Committee of Creditors dated 26.11.2024 the Applicant Suspended Director was provided with the list of creditors. This fact is also minitized in the minutes of 3rd Meeting of Committee of Creditors. It is also pertinent to mention that the Non-Applicant No. 1 Resolution Professional has admitted the claims of Financial Creditor Bank of Baroda on the basis of documents and information provided to the Non-Applicant No. 1 Resolution Professional. Moreover, the provisionally admitted claim of the Respondent No. 2 could not be verified from the Books of Accounts of Corporate Debtor since the Applicant Suspended Director has intentionally not shared the Books of Accounts and other information pertaining to the Corporate Debtor with the Non-Applicant No. 1 Resolution Professional.

- 3.4. It is pertinent to mention that the proceeding before Ld. Debt Recovery Tribunal, Jaipur have no significance in the current proceedings. Moreover, the order dated 23.05.2023 passed by the



Ld. Debt Recovery Tribunal, Jaipur has already been stayed by the Hon'ble Rajasthan High Court, Jaipur Bench vide its order dated 02.06.2023.

3.5. The Non-Applicant No. 1 Resolution Professional has always discharged his duty as IRP/RP in an unbiased dignified manner while following all the provisions, rules and regulations as mandated by law. The Non-Applicant No. 1 Resolution Professional has an unblemished track record and has always performed his duty to the best of his abilities and has maintained highest professional standards while discharging his duties. It is evident from the disclosure made by the Resolution Professional which is also minitized in the minutes of the 1st meeting of Committee of Creditors that the Non-Applicant No. 1 Resolution Professional is an insolvency professional empanelled with Financial Creditor Bank of Baroda. It is also stated that the Non-Applicant No. 1 Resolution Professional is associated with various banks and has undertaken various recovery/insolvency/liquidation assignments from various banks. Moreover, the Resolution Professional is duty bound to inform the Committee of Creditors regarding his affiliation or past affiliation with any of the stakeholders (if any). It is pertinent to mention that the Non-Applicant No. 1 Resolution Professional has made full disclosure

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regarding his empanelment with Financial Creditor Bank of Baroda and the members of Committee of Creditors are fully aware of the assignments undertaken by the Non-Applicant No. 1 Resolution Professional and his affiliation with various banks. It is also pertinent to mention that professional affiliation of a professional is not a bar for appointment of a professional except as provided in Regulation 27 of the Insolvency Regulation Process for Corporate Person's Regulation, 2016. It is also pertinent to mention that the Applicant Suspended Director has himself acted against the mandate of law by not cooperating with the Non-Applicant No. 1 Resolution Professional and has intentionally failed to provide the required information, Books of Account of Corporate Debtor and has intentionally not handed over the assets of the Corporate Debtor to the Non-Applicant No. 1 Resolution Professional. The present application by the Applicant Suspended Director is an attempt by the Applicant Suspended Director to create undue pressure on the Non-Applicant No. 1 Resolution Professional and the Committee of Creditors to restrict him from discharging his duties provided under the Insolvency and Bankruptcy Code, 2016.

- 3.6. The Non-Applicant No. 1 Resolution Professional has followed all the Regulations and there is no conflict of interest. It is also pertinent to mention that the Non-Applicant No. 1 Resolution

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Professional has been working in an unbiased manner as per the mandate of the Insolvency and Bankruptcy Code, 2016 and applicable Rules/Regulations. It is pertinent to mention that while examining the veracity of claims the Resolution Professional is duty bound to examine the claims submitted by the claimants diligently on the basis of the documents/information made available to the Resolution Professional. In the present matter Non-Applicant No. 1 Resolution Professional has processed the claims on the basis of documents/information furnished to him. It is also pertinent to mention that the Applicant Suspended Director is levelling false and frivolous allegations against the Non-Applicant No. 1 Resolution Professional to stall the CIRP proceedings of the Corporate Debtor.

- 3.7. The answering Respondent has filed its additional affidavit wherein it is stated that as per the Code of Conduct for Insolvency Professionals under Regulation 7(2)(h) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 "An insolvency professional must disclose the details of any conflict of interests to the stakeholders, whenever he comes across such conflict of interest during an assignment". In lieu of the said Regulation the RP has made full disclosure regarding its empanelment with the Financial Creditor Bank of Baroda before

the initiation of CIRP and during the first meeting of Committee of Creditors.

3.8. Additionally, the Applicant Suspended Director has alleged that Non-Applicant No. 1 and Non-Applicant No. 2 are acting like a single entity by engaging same counsel against the tenets of independence, ethics and fair play. In this context it is needless to remind that the objective of the Code is successful resolution of the Corporate Debtor and in pursuance of this objective the Non-Applicant No.1 Resolution Professional has worked very hard which has resulted in submission of Resolution Plan by seven Resolution Applicants for successful resolution of the Corporate Debtor. In pursuance to that the Non-Applicant No.1 Resolution Professional has engaged other professionals also as provided under Regulation 27 of the IBBI (Corporate Insolvency Resolution Process for Corporate Debtor) Regulation, 2016.

3.9. In the present matter the Non-Applicant No.1 Resolution Professional has never acted as a recovery agent of the Bank in the matter of U.N. Automotive Private Limited. Moreover, after the Non-Applicant No. 1 Resolution Professional got himself registered as an Insolvency Professional, he has not undertaken any assignment as an Advocate in the Securitization proceedings of the Bank.

4. The Respondent No. 1 has also filed its Written Submissions vide Diary No. 1050/2025 dated 14.05.2025, wherein stated the following:

4.1 The first allegation in the Application is that the RP is conducting the CIRP of the Corporate Debtor as a recovery proceeding. In this regard, attention of this Adjudicating Authority is invited to the fact that after issuance of Form No. G by the RP as many as seven Resolution Plans have been received by the RP as the same were considered by the Committee of Creditors and the Resolution Plans have been put to voting. Therefore, the allegation is without any basis and only to derail the CIRP of the Corporate Debtor after the Hon'ble NCLAT refused to interfere with the admission of CIRP order.

4.2 The next allegation by the Applicant Suspended Director is that the RP has not made proper disclosure to the COC under Regulation 7(2)(h) of IBBI (Insolvency Professional) Regulations, 2016. The points-wise allegations are responded hereunder: -

a) *The RP is a director of M/s Enforcement Affiliates Private Limited, which is engaged in the business of Recovery and Security Enforcement Services to the Bank of Baroda and many other financial institutions. In this regard, it is submitted that the Enforcement Affiliates Private Limited has not undertaken any assignment from Bank of Baroda qua the Corporate Debtor.*

In fact, the documents which has been annexed by the Suspended Director in its Application showing the name of the RP appearing before the District Magistrate for the proceedings under section 14 of the SARFEASI Act, 2002 as Advocate are prior to the incorporation date i.e. 11.12.2016 of the *Enforcement Affiliates Private Limited*. It is submitted that the *Enforcement Affiliates Private Limited* was incorporated on 11.12.2016 whereas SARFAESI proceedings against the Corporate Debtor was conducted in the year 2013. Furthermore, Bank of Baroda has never given any work/ assignment to *Enforcement Affiliates Private Limited* qua the Corporate Debtor, therefore no such document has been placed on record by the Applicant Suspended Director. The RP is not a recovery agent for Bank of Baroda, although *Enforcement Affiliates Private Limited*, a Company in which the RP is a director, is empanelled with various Banks to conduct recovery proceedings under the SARFEASI Act, 2002 including Bank of Baroda. It is pertinent to mention that *Enforcement Affiliates Private Limited* was never involved in any recovery proceedings against the Corporate Debtor.

- b) *The Applicant Suspended Director has alleged that the RP has concealed his relationship with the Non-Applicant No.2 while*

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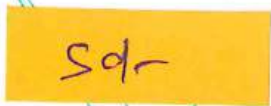
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*not making proper disclosures. In this regard, it is submitted that while giving the consent in Form No. A (at the time of filing Section 7 Petition) to the Bank of Baroda, the RP has given a letter dated 15.10.2022 giving a declaration of his relationship with the Bank of Baroda. A bare perusal of the said letter clearly shows that the RP has disclosed to Bank of Baroda that he is an empanelled insolvency professional with the bank and is handling few cases as RP/ Liquidator in which the Bank of Baroda is also one of the members of the CoC. Furthermore, the RP has declared that *Enforcement Affiliates Private Limited* is also empanelled as Enforcement/Recovery Agent, wherein he is a director. The said declaration also records that *Enforcement Affiliates Private Limited* has not taken any fees from the Bank of Baroda against the account of the Corporate Debtor nor the RP is interested party in the account of the Corporate Debtor. The RP is empanelled as Insolvency Professional with various financial institutions, but such empanelment is done only with a purpose to streamline deserving candidates having ample experience in the field. Therefore, the allegation made by the Applicant Suspended Director of not giving proper disclosure is without any basis.*



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c) *The Applicant Suspended Director has alleged that the RP has violated the Code of Conduct as mentioned in the First Schedule of IBBI (Insolvency Professionals) Regulations, 2016. In this regard, it is submitted that Regulation 7(2)(h) mandate the RP to abide by the Code of Conduct as specified in the First Schedule. It is pertinent to note that the disclosure as per the First Schedule has to be made only in respect of the Corporate Debtor and this is very much clear from a bare perusal of Point No.7 of First Schedule, which reads as under:-*

"An insolvency professional shall not take up an assignment under the Code if he any of his relatives, any of the partners or directors of the insolvency professional entity of which he is a partner or director, or the insolvency professional entity of which he is a partner or director is not independent, in terms of the Regulations related to the processes under the Code, in relation to the corporate person/ debtor and its related parties.

A bare perusal of the aforesaid clause clearly shows that the disclosure by an Insolvency Professional is mandatory if he or his Insolvency Professional Entity has any relation with the Corporate Person/Debtor. Moreover, the RP is not a partner/director of any IPE.

d) Further, Clause-8 of the First Schedule provides that an insolvency professional is required to disclose the existence of any pecuniary or professional relationship with any stakeholder entitled to distribution

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by making a declaration of the same to the Committee of the Creditor and the person proposing the appointment as applicable. In the instant case, the Applicant at whose instance CIRP was initiated against the Corporate Debtor was Bank of Baroda who is also a sole member of CoC. As, it is submitted that the RP has already given a letter dated 15.10.2022 at the time of giving his consent. Therefore, the Clause No. 8 of the First Schedule has been duly complied with by the RP.

- e) Clause-8A provides disclosure by Insolvency Professional with regard to his employment or empanelment with any financial creditor to the CoC. In the instant case it has already been submitted that, the Bank of Baroda is the sole member of the CoC and the disclosure of the empanelment of RP with Bank of Baroda has already been made through letter dated 15.10.2022 as well as during the first meeting of the CoC.
- f) Clause-8B requires the Insolvency Professional to disclose his relationship, if any with the Corporate Debtor/other professionals engaged by the Corporate Debtor, Financial Creditor. In this regard, it is submitted that the meaning of relationship has been further explained in the explanation attached thereto. The said explanation reads as under: -

"Explanation: For the purposes of clause 8B and 8C above, 'relationship' shall mean any one or more of the following four

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kinds of relationships at any time or during the three years preceding the appointment of other professionals"

From the above it is clear that the time limit prescribed for any assignment taken is 3 years prior to the initiation of the CIRP. The CIRP of the Corporate Debtor was initiated on 28.08.2024. It is submitted that no assignment whatsoever of Corporate Debtor was taken by the RP, three years preceding the CIRP initiation date therefore, the said clause is not at all applicable.

g) *The next allegation by the Applicant is that Bank of Baroda while initiating the proceedings under the SARFAESI has appointed M/s. Rajvanshi & Associates as its Enforcement Agent vide Letter dated 22.05.2013 in which the RP has interest as the address given for M/s. Rajvanshi & Associates is that of RP.* In this respect it is clarified that the address at which Bank of Baroda has sent the communication of appointment of Rajvanshi & Associates as an Enforcement Agent is H-15, Chitranjan Marg, C-Scheme, Jaipur and not the address of the office of the RP, reference can be made to Annexure-1 of the Affidavit in Rebuttal.

h) *M/s. Rajvanshi & Associates* was appointed by Bank of Baroda as Enforcement Agent for Corporate Debtor is a Partnership Firm registered under the Indian Partnership Act, 1932 and was constituted on 1 April-1991 for carrying on the profession of chartered

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accountancy at Jaipur in the name and style of *M/s. Rajvanshi & Associates*. RP is not a Chartered Accountant and was never a partner in the said firm *M/s. Rajvanshi & Associates*. In 2005, a company was incorporated in the name of *Rajvanshi and Associates Enforcement Consultants Private Limited*, the registered office of was at H-15, Chitrangan Marg, C-Scheme, Jaipur. It is therefore clarified that *M/s. Rajvanshi and Associates*, Chartered Accountant and *Rajvanshi and Associates Enforcement Consultants Private Limited* are separate legal entities. It is further to be noted that *Rajvanshi and Associates Enforcement Consultants Private Limited* was never given any kind of assignment by the Bank of Baroda qua the Corporate Debtor. Therefore, by alleging that the RP has acted as the Recovery Agent being a Director of the *Rajvanshi and Associates Enforcement Consultants Private Limited* is preposterous and devoid of any merit.

- i) It is also pertinent to note that even though *Rajvanshi and Associates Enforcement Consultants Private Limited* have never been given any kind of work contract by the Bank of Baroda qua the Corporate Debtor however, it is relevant to note that the RP resigned from the Directorship of the Company on 31.05.2020 and thereafter, he has no connection with the said company.




j) *M/s Rajvanshi and Associates Enforcement Consultants Private Limited* did not have any branch-office, therefore, the address of the RP given on the website of Bank of Baroda is only a technical error.

4.3 *The Applicant has also alleged violation of Regulation 3(3) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.* It is pertinent to mention that this regulation is in relation to an Insolvency Professional Entity and RP is an individual and not an Insolvency Professional Entity. Thus, this regulation holds no relevance in the present matter.

5. The Respondent No. 2 has filed its reply vide Diary No. 177/2025 dated 22.01.2025 wherein stated the following:

5.1 It is submitted that the Applicant has no locus to file the present IA being barred by limitation as the Applicant has approached this Adjudicating Authority after the Non-Applicant No. 1 invited the Resolution Plans from the general public. The present IA is clearly an afterthought filed with the sole intent to delay, stall and frustrate the Corporate Insolvency Resolution Process ("CIRP") initiated against the Corporate Debtor. It is also submitted that the answering Non-Applicant No. 2 has filed its claims on the basis of the books of account/loan account statement of the Corporate Debtor maintained with the answering Non-Applicant No. 2 and the same is without prejudice to the rights of Applicant herein. It is pertinent to submit that

the claim submitted by the Non-Applicant No. 2 is in accordance with the Amended Recovery Certificate dated 30.03.2016, bearing RC No. 24/2016. Therefore, the claim submitted by the Non-Applicant No. 1 is not inflated in any sense whatsoever. The Applicant has failed to point out any discrepancy of the provisions of the Code of 2016 and the rules made thereunder or any other statute that is purportedly committed by the answering Non-Applicant No. 2.

- 5.2 It is pertinent to submit that the Non-Applicant No. 2 has submitted ample documents before the Non-Applicant No. 1 that has substantiated its claim. Admittedly, the Non-Applicant No. 1 being the Interim Resolution Professional has found the claim of Non-Applicant No. 2 reasonable based on the documentary evidence along with its claims. It is further submitted that Applicant is trying to mislead this Adjudicating Authority by presenting half-baked truth in order to obtain a relief which he is otherwise not entitled to. It is relevant to submit that the aggrieved from the order dated 23.05.2023 passed by the Ld. Debts Recovery Tribunal, Jaipur. ("Ld. DRT), the Non-Applicant No. 2 assailed the aforesaid order dated 21.05.2023 and filed a S.B. Civil Writ Petition bearing no. 8690/2023 titled "*Bank of Baroda U.N. Automobiles Pvt. Ltd.* (Writ Petition) before the Hon'ble Rajasthan High Court, Jaipur Bench Hon'ble High Court). The Hon'ble

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High Court vide its order dated 02.06.2023 was pleased to stay the operation of the order dated 23.05.2023 passed by the Ld. DRT.

- 5.3 It is humbly submitted that as per Regulation 13(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") the Applicant is not entitled to claim the documents from Non-Applicant No. 1 as a matter of right. It is reiterated that the Non-Applicant No. 2 has submitted appropriate relevant documents in support of its claim of Rs. 250, 96,59,650/-, and the Non-Applicant No. 1 upon considering the aforesaid documents, have rightly admitted the claim of Non-Applicant No. 2. The Applicant has failed to establish any bias on part of the Non-Applicant No. 1. Further, it is humbly submitted that the Applicant, in contravention of Section 19 of the Code of 2016 is not co-operating with Non-Applicant No. 1 being the Resolution Professional of the Corporate Debtor. Pursuant to the aforesaid, the Non-Applicant No. 1 was constrained to file an application under Section 19(2) of the Code of 2016 against the Applicant. However, the Applicant has till date not filed its reply to the aforesaid application and is shying away from arguing the same before this Adjudicating Authority. Instead, the Applicant has preferred the present IA which absolutely frivolous, unsubstantiated, vague, without basis and *mala fide*. Further, the Applicant did not attend the first and second meeting of committee of

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creditors. The aforesaid clearly portrays the lackadaisical behaviour, *mala fide* and ulterior motives of the Applicant.

5.4 It is true that the Non-Applicant No. 1 is a director of Enforcement Affiliates Private Limited and the Non-Applicant No. 2 is well aware regarding the aforesaid fact. However, Enforcement Affiliates Private Limited is not any way affiliated to/ related to the recovery proceedings of the Corporate Debtor. It is humbly submitted that Non-Applicant No. 2 has ensured to maintain an arm's distance between the recovery proceedings of the Corporate Debtor and the CIRP of the Corporate Debtor. In this regard, a copy of the declaration dated 15.10.2022 has also been given the by Non-Applicant No. 1. Further, the Applicant has miserably failed to establish any link of Enforcement Affiliates Private Limited with the recovery process of the Corporate Debtor. The Applicant is trying to divert the attention of this Adjudicating Authority from the CIRP. Therefore, there is no conflict of interest of Non-Applicant No. 1 and Non-Applicant No. 2 as alleged by the Applicant.

5.5 It is humbly submitted that Part-III in Form-1 of the Code of 2016 only mandates the Financial Creditor to disclose the name, address, emails address and registration number of the proposed Interim Resolution Professional and nothing more, and the same was duly disclosed by Non-Applicant No. 2 in Company Petition without fail. Therefore, the

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present IA deserves to be dismissed being misleading, misplaced, vexatious, meritless and *mala fide*.

Analysis and Findings:

6. We have perused the Application, Replies, Additional Affidavits, and Written Submissions, along with the documents annexed therewith.
7. The case of the Applicant in a nutshell is that the IRP/RP has conducted the CIRP of the Corporate Debtor in a biased, unfair, and motivated manner. It has been contended that the IRP/RP had a professional relationship with Bank of Baroda, the sole CoC Member and the same has not been disclosed by the IRP/RP since the very beginning of the CIRP proceedings. Thus, it has been urged that the IRP/RP has failed to adhere to the model conduct as prescribed for a professional under the Code.
8. On the other hand, the IRP/RP has contended that he has conducted the CIRP proceedings in an utmost transparent manner and has complied with all the provisions of the Code and has made all the required disclosures. Moreover, it was urged that the Suspended Board of the Corporate Debtor has failed to extend relevant assistance to the IRP/RP in discharging his functions as provided under the Code. Non-Applicant No. 2, Bank of Baroda, has seconded the contentions made by the Resolution Professional and has prayed for dismissal of the instant Application.
9. Given the facts and circumstances of the case, the primary issue for our consideration is 'Whether the Non-Applicant No. 1/Interim Resolution

Professional namely, Mr. Satyendra Prasad Khorania, has performed its duties in a manner envisaged under the Insolvency and Bankruptcy Code, 2016?’

10. For adjudicating upon the aforementioned issue, it is incumbent to refer to relevant provisions of the Code and the Regulations thereunder. For the sake of convenience, the same are reproduced hereunder: -

Part-II Insolvency Resolution and Liquidation for Corporate Persons

Chapter-II Corporate Insolvency Resolution Process

Section 18: Duties of interim resolution professional.

18. (1) *The interim resolution professional shall perform the following duties, namely:—*

(a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to—

(i) business operations for the previous two years;

(ii) financial and operational payments for the previous two years;

(iii) list of assets and liabilities as on the initiation date; and

(iv) such other matters as may be specified;

(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;

(c) constitute a committee of creditors;

(d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;

(e) file information collected with the information utility, if necessary; and

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including—

- (i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;
- (ii) assets that may or may not be in possession of the corporate debtor;
- (iii) tangible assets, whether movable or immovable;
- (iv) intangible assets including intellectual property;
- (v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;
- (vi) assets subject to the determination of ownership by a court or authority;
- (g) to perform such other duties as may be specified by the Board.

Explanation.—For the purposes of this [section], the term “assets” shall not include the following, namely:—

- (a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment;
- (b) assets of any Indian or foreign subsidiary of the corporate debtor; and
- (c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.

Section 25: Duties of resolution professional.

(1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely:—

- (a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;
- (b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;
- (c) raise interim finances subject to the approval of the committee of creditors under section 28;
- (d) appoint accountants, legal or other professionals in the manner as specified by Board;

- (e) maintain an updated list of claims;
- (f) convene and attend all meetings of the committee of creditors;
- (g) prepare the information memorandum in accordance with section 29;
- (h) invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.
- (i) present all resolution plans at the meetings of the committee of creditors;
- (j) file application for avoidance of transactions in accordance with Chapter III, if any; and
- (k) such other actions as may be specified by the Board.

IBBI (Insolvency Professionals) Regulations, 2016

**FIRST SCHEDULE
[Under Regulation 7(2)(h)]**

CODE OF CONDUCT FOR INSOLVENCY PROFESSIONALS

Integrity and objectivity.

1. An insolvency professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.

2. An insolvency professional must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.

3. An insolvency professional must act with objectivity in [its] professional dealings by ensuring that [its] decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.

[3A. An insolvency professional must disclose the details of any conflict of interests to the stakeholders, whenever he comes across such conflict of interest during an assignment.]

4. An insolvency professional appointed as an interim resolution professional, resolution professional, liquidator, or bankruptcy trustee should not [itself] acquire, directly or indirectly, any of the assets of the debtor, nor knowingly permit any relative to do so.

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Independence and impartiality.

5. An insolvency professional must maintain complete independence in [its] professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences.

6. In cases where the insolvency professional is dealing with assets of a debtor during liquidation or bankruptcy process, he must ensure that he or his relatives do not knowingly acquire any such assets, whether directly or indirectly unless it is shown that there was no impairment of objectivity, independence or impartiality in the liquidation or bankruptcy process and the approval of the Board has been obtained in the matter.

7. An insolvency professional shall not take up an assignment under the Code if he, any of his relatives, any of the partners or directors of the insolvency professional entity of which he is a partner or director, or the insolvency professional entity of which he is a partner or director is not independent, in terms of the Regulations related to the processes under the Code, in relation to the corporate person/ debtor and its related parties.

8. An insolvency professional shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders entitled to distribution under sections 53 or 178 of the Code, and the concerned corporate person/ debtor as soon as he becomes aware of it, by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as applicable.

[8A. An insolvency professional shall disclose as to whether he was an employee of or has been in the panel of any financial creditor of the corporate debtor, to the committee of creditors and to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]

[8B. An insolvency professional shall disclose [its] relationship, if any, with the corporate debtor, other professionals engaged by [it], financial creditors, interim finance providers, and prospective resolution applicants to the insolvency professional agency of which he is a member, within the time specified hereunder:

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<i>Relationship of the insolvency professional with</i>	<i>Disclosure to be made within three days of</i>
(1)	(2)
Corporate debtor	Its appointment
Registered valuers/ accountants/ legal professionals/ other professionals appointed by it	Appointment of the professionals
Financial Creditors	The constitution of committee of creditors.
Interim finance providers	The agreement with the interim finance provider.
Prospective resolution applicants	The supply of information memorandum to the prospective resolution applicant
If relationship with any of the above, comes to notice or arises subsequently	Of such notice or arising

8C. An insolvency professional shall ensure disclosure of the relationship, if any, of the other professionals engaged by [it] with [itself], the corporate debtor, the financial creditor, the interim finance provider, if any, and the prospective resolution applicant, to the insolvency professional agency of which he is a member, within the time specified as under:

<i>Relationship of the other professional with</i>	<i>Disclosure to be made within three days of</i>
(1)	(2)
Insolvency professional	the appointment of the other professional.
Corporate debtor	the appointment of the other professional.

<i>Financial creditors</i>	<i>constitution of committee of creditors.</i>
<i>Interim finance providers</i>	<i>the agreement with the interim finance provider or three days of the appointment of the other professional, whichever is later.</i>
<i>Prospective resolution applicants</i>	<i>the supply of information memorandum to the prospective resolution applicant or three days of the appointment of the other professional, whichever is later.</i>
<i>If relationship with any of the above, comes to notice or arises subsequently</i>	<i>of such notice or arising.</i>

Explanation: For the purposes of clause 8B and 8C above, 'relationship' shall mean any one or more of the following four kinds of relationships at any time or during the three years preceding the appointment of other professionals:

<i>Kind of relationship</i>	<i>Nature of relationship</i>
(1)	(2)
A	Where the insolvency professional or the other professional, as the case may be, has derived 5% or more of his / its gross revenue in a year from professional services to the related party.
B	Where the insolvency professional or the other professional, as the case may be, is a shareholder, director, key managerial personnel or partner of the related party.
C	Where a relative (spouse, parents, parents of spouse, sibling of self and spouse, and children) of the insolvency

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	<i>professional or the other professional, as the case may be, has a relationship of kind A or B with the related party.</i>
D	<i>Where the insolvency professional or the other professional, as the case may be, is a partner or director of a company, firm or LLP, such as, an insolvency professional entity or registered valuer, the relationship of kind A, B or C of every partner or director of such company, firm or LLP with the related party.</i>

8D. *An insolvency professional shall ensure timely and correct disclosures by [it], and other professionals appointed by [it] and shall provide a confirmation to the insolvency professional agency of which he is a professional member to the effect that the appointment, if any, of every other professional has been made at arms' length relationship.]*

9. An insolvency professional shall not influence the decision or the work of the committee of creditors or debtor, or other stakeholders under the Code, so as to make any undue or unlawful gains for [itself] or [its] related parties, or cause any undue preference for any other persons for undue or unlawful gains and shall not adopt any illegal or improper means to achieve any mala fide objectives.

Professional competence.

10. *An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.*

Representation of correct facts and correcting misapprehensions.

11. *An insolvency professional must inform such persons under the Code as may be required, of a misapprehension or wrongful consideration of a fact of which he becomes aware, as soon as may be practicable.*

12. *An insolvency professional must not conceal any material information or knowingly make a misleading statement to the Board, the Adjudicating Authority or any stakeholder, as applicable.*

Timeliness.

13. *An insolvency professional must adhere to the time limits prescribed in the Code and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy process, as the case may be, and must carefully plan [its] actions, and promptly communicate with all stakeholders involved for the timely discharge of [its] duties.*

14. An insolvency professional must not act with mala fide or be negligent while performing [its] functions and duties under the Code.

Information management.

15. An insolvency professional must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the recipients.

[15A. An insolvency professional shall prominently state in all [its] communications to a stakeholder, [its] name, address, e-mail, registration number and validity of authorisation for assignment, if any, issued by the insolvency professional agency of which he is a member.]

16. An insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of [its] decisions and actions.

17. An insolvency professional must not make any private communication with any of the stakeholders unless required by the Code, rules, regulations and guidelines thereunder, or orders of the Adjudicating Authority.

18. An insolvency professional must appear, co-operate and be available for inspections and investigations carried out by the Board, any person authorised by the Board or the insolvency professional agency with which he is enrolled.

19. An insolvency professional must provide all information and records as may be required by the Board or the insolvency professional agency with which he is enrolled.

20. An insolvency professional must be available and provide information for any periodic study, research and audit conducted by the Board.

Confidentiality.

21. An insolvency professional must ensure that confidentiality of the information relating to the insolvency resolution process, liquidation or bankruptcy process, as the case may be, is maintained at all times. However, this shall not prevent [it] from disclosing any information with the consent of the relevant parties or required by law.

Occupation, employability and restrictions.

22. An insolvency professional must refrain from accepting too many assignments, if he is unlikely to be able to devote adequate time to each of his assignments.

[Clarification: An insolvency professional may, at any point of time, not have more than ten assignments as resolution professional in corporate insolvency resolution process, of which not more than three shall have admitted claims exceeding one thousand crore rupees each.]

[22A. An insolvency professional may resign from the assignment, subject to the recommendation of the committee of creditors in a corporate insolvency resolution process, consultation committee in liquidation process, the debtor or the creditor in the insolvency resolution process of personal guarantor to the corporate debtor, as the case may be, and the approval of the Adjudicating Authority.]

Explanation.- The insolvency professional shall continue to discharge his duties, functions and responsibilities till the approval of resignation by the Adjudicating Authority.]

[23. An insolvency professional must not engage in any employment when he holds a valid authorisation for assignment or when he is undertaking an assignment.

23A. Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code, to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.

23B. An insolvency professional shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.

[Explanation.- For the purposes of this clause, the insolvency professional which is an insolvency professional entity may engage or appoint its partners or directors, as the case may be, for or in connection with any work relating to any of its assignment other than work related to valuation and audit of the debtor.]

23C. An insolvency professional shall not provide any service for or in connection with the assignment which is being undertaken by any of his relatives or related parties.

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Explanation. [1]- For the purpose of clauses 23A to 23C, "related party" shall have the same meaning as assigned to it in clause (24A) of section 5, but does not include an insolvency professional entity of which the insolvency professional is a partner or director.]

[Explanation 2.- For the purposes of this clause, the insolvency professional which is an insolvency professional entity may provide any service, other than service related to valuation and audit, for or in connection with the assignment which is being undertaken by any of its partners or directors, as the case may be.]

24. *An insolvency professional must not conduct business which in the opinion of the Board is inconsistent with the reputation of the profession.*

Remuneration and costs.

25. *An insolvency professional must provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable regulations.*

[25A. An insolvency professional shall disclose the fee payable to [it], the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by [it] to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]

[25B. An insolvency professional shall raise bills or invoices in [its] name towards [its] fees, and such fees shall be paid to [it] through banking channel.

25C. *An insolvency professional shall ensure that the insolvency professional entity or the professional engaged by [it] raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel.]*

26. *An insolvency professional shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing [its] remuneration.*

[26A. An insolvency professional shall not accept /share any fees or charges from any professional and/or support service provider who are appointed under the processes.]

27. *An insolvency professional shall disclose all costs towards the insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as*

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applicable, to all relevant stakeholders, and must endeavour to ensure that such costs are not unreasonable.

[27A. An insolvency professional shall, while undertaking assignment or conducting processes, exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person complies with the applicable laws.

27B. An insolvency professional shall not include any amount towards any loss, including penalty, if any, in the insolvency resolution process cost or liquidation cost, incurred on account of non-compliance of any provision of the laws applicable on the corporate person while conducting the insolvency resolution process, fast track insolvency resolution process, liquidation process or voluntary liquidation process, under the Code.]

Gifts and hospitality.

28. An insolvency professional, or his relative must not accept gifts or hospitality which undermines or affects his independence as an insolvency professional.

29. An insolvency professional shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person, intending to obtain or retain work for himself, or to obtain or retain an advantage in the conduct of profession for himself.

IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

Chapter-II General

“Regulation 3: Eligibility for resolution professional.”

3. (1) An insolvency professional shall be eligible to be appointed as [an interim resolution professional or a resolution professional, as the case may be,] for a corporate insolvency resolution process of a corporate debtor if he, and all partners and directors of the insolvency professional entity of which he is a partner or director, are independent of the corporate debtor.

Explanation— A person shall be considered independent of the corporate debtor, if he:

(a) is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company;

(b) is not a related party of the corporate debtor; or

(c) is not an employee or proprietor or a partner:

(i) of a firm of auditors or [secretarial auditors] in practice or cost auditors of the corporate debtor; or

(ii) of a legal or a consulting firm, that has or had any transaction with the corporate debtor amounting to [five per cent] or more of the gross turnover of such firm,

in the last three financial years.

[(1A) Where the committee decides to appoint the interim resolution professional as resolution professional or replace the interim resolution professional under section 22 or replace the resolution professional under section 27, it shall obtain the written consent of the proposed resolution professional in Form AA of the [Schedule-I].]

(2) [An interim resolution professional or a resolution professional, as the case may be,] shall make disclosures at the time of his appointment and thereafter in accordance with the Code of Conduct.

[(3) An interim resolution professional or a resolution professional, who is a director or a partner of an insolvency professional entity, shall not continue as the interim resolution professional or resolution professional, as the case may be, in a corporate insolvency resolution process, if the insolvency professional entity or any other partner or director of such insolvency professional entity represents any other stakeholder in that corporate insolvency resolution process.]”

11. A bare perusal of the aforementioned Provisions and Regulations transpires that the RP has a crucial **role and responsibilities** during the **Corporate Insolvency Resolution Process (CIRP)** and the **pivotal importance of adherence to the Code of Conduct**.

12. A Resolution Professional is appointed by an Adjudicating Authority, who is responsible to govern the affairs of the whole Insolvency and Bankruptcy procedure. Resolution Professional is also known as Insolvency Professional who regulates Insolvency Resolution Process, which also include Interim

Resolution Professional ('IRP') who take requisite steps to revive the Corporate Debtor.

13. The Code of Conduct for Insolvency Professionals under the Code read with the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, provides that in the performance of his/her functions, a professional member shall inter alia; be independent and impartial with the highest standards of professional competence and professional ethics.
14. An Insolvency Professional ('IP') is a key pillar of the Insolvency Proceedings under the Insolvency and Bankruptcy Code, 2016 (Code). He/she plays different roles, namely, Interim Resolution Professional ('IRP') or Resolution Professional ('RP') in a CIRP, Liquidator in liquidation process, RP in individual insolvency processes and Bankruptcy Trustee in bankruptcy proceedings. He/she is the key driver of CIRP - IRP in the preliminary days of CIRP and then as RP till its completion. As an IRP/RP in a CIRP, he/she is vested with an array of statutory and legal duties and powers. He/she exercises the powers of the board of directors of the Corporate Debtor and manages its affairs. He/she runs the operations of the Corporate Debtor as going concern, protects and preserves the value of assets of the Corporate Debtor and ensures compliances with all the laws applicable to the Corporate Debtor and the CIRP whenever possible. He/she conducts the entire resolution process and assists the stakeholders to find out the best Resolution Plan. He/she is the driving force and the nerve-centre in

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the Resolution Process of the Corporate Debtor. The Insolvency and Bankruptcy Code ensures that the IP discharges his/her duties and responsibilities with utmost diligence, integrity, independence, objectivity, and impartiality. The Code facilitates and empowers the IP to discharge his/her responsibilities effectively. It provides for a comprehensive moratorium to enable the IP focus on running the business and facilitate resolution peacefully. It mandates that the personnel of the CD, its promoters or any other person associated with the management of the CD to extend all assistance and cooperation to the IRP and the RP, as the case may be required by him in managing its affairs.

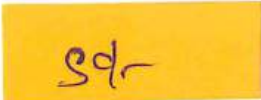
15. The RP/IRP plays a key role in the life-cycle of the Corporate Insolvency Resolution Process from the time of the acceptance of the Petition under Section 7, 9, and 10 of the Code, 2016, the design and agreement of the Repayment Plan, to the final execution of the Plan – it is possible that unfair conduct of the RP jeopardizes the interests of all stakeholders and the CIRP.
16. The Resolution Professional plays a very complicated role wearing various hats from time to time. It must not be biased, have any conflicts of interest, or any kind of undue influence or coercion, with its decision towards any party whether associated directly or indirectly, during the CIRP. The process must be done transparently. The RP has to take control of the situation, operate the Corporate Debtor and complete all the statutory processes and in the end, it has to find a Resolution of the Corporate Debtor. An Insolvency

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Professional is not just another professional. He/she is dealing with a Corporate Debtor in distress. He/she needs to go beyond the call of duty to address the distress. The RP(s) have been given immense powers under the Code, but they also have the corresponding responsibility to abide by the Code, Rules, Regulations and Guidelines at all times.

17. The Insolvency professionals play the role of regulator's eyes and ears into the workings of the assignments and thus shoulder immense responsibility and are accountable not only to the immediate user of their services but also to a wider stakeholder group, including regulators and the society as a whole.
18. Thus, every professional must, to the best of his/her abilities, avoid any and all conflicts of interest. Even the barest hint of conflict may taint the whole Corporate Insolvency Resolution Process. A professional must not only be independent, impartial and free of any conflict, he must also demonstrably appear to be so. Every professional must be held accountable to the highest standards of independence with respect to the matter at hand. It is the professional's responsibility and duty to not only actively and consciously meet such standards, but to also ensure that no aspersion can be cast on him or his profession.
19. Accordingly, IP must act as an independent, ethical, and competent professional, ensuring the CIRP is conducted fairly, transparently, and in the best interest of all stakeholders. The Code of Conduct is not just guidance-it

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is enforceable and central to maintaining the sanctity of the insolvency resolution framework.

20. The **Resolution Professional** plays a **pivotal and indispensable** role in the **Corporate Insolvency Resolution Process** under the Insolvency and Bankruptcy Code, 2016. Much like the **spinal cord in a human body**, the RP provides **structure, coordination, and functionality** to the entire CIRP of the Corporate Debtor. The RP is not just a facilitator but the **nerve center** of the insolvency process. From taking over the management of the Corporate Debtor, to preserving its assets, and facilitating meetings of the Committee of Creditors-every vital function flows through the IRP/RP. But what truly makes the IRP/RP central is not just the responsibility, but the trust and integrity he/she must uphold. Bound by a strict Code of Conduct issued by IBBI, the IRP/RP must act with absolute independence, transparency, and fairness. A competent, ethical, and independent IRP/RP ensures that the CIRP runs smoothly, fairly, and efficiently-ultimately determining whether a distressed company can be revived or dissolved.
21. If the IRP/RP falters-due to bias, negligence, or conflict of interest-the entire process can collapse, leading to mistrust, legal complications, and even the company's liquidation. In essence, the success or failure of a CIRP hinges on the quality and conduct of the IRP/RP. Given the mandate of the Code, the role of the RP becomes vital to the efficient and transparent conduct of the CIRP process.

22. Considering the significant duties and responsibilities entrusted on the IRP/RP under the IBC, the effectiveness and success of the CIRP heavily rely on the IRP's/RP's competence, impartiality, and ethical conduct, as the IRP/RP serves not just as a facilitator but as the cornerstone of the entire insolvency framework. Thus, keeping in view of the prayer in the instant IA for seeking removal of Non- Applicant No. 1 i.e. IRP/RP it is incumbent upon this Adjudicating Authority to appreciate the conduct of the Interim Resolution Professional/Resolution Professional, namely **Mr. Satyendra Prasad Khorania** in the present case during CIRP of the Corporate Debtor which is as follows:

22.1 The instant IA is filed by the one of the members of the Suspended Board of the Corporate Debtor namely, *Mr. Amit Prakash Gupta*, against the RP namely, *Mr. Satyendra Prasad Khorania*, and Bank of Baroda, the sole CoC Member of the Corporate Debtor, alleging that the IRP/RP has conducted the CIRP in a biased, unfair, motivated and oblique manner.

22.2 The Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor was commenced pursuant to the order dated 28.08.2024, wherein the Respondent No. 1 was appointed as an Interim Resolution Professional ('IRP') as suggested by the Bank of Baroda, Respondent No. 2 who was subsequently confirmed as the Resolution

Professional ('RP') by the sole member of the Committee of Creditors ('CoC'), namely, Bank of Baroda itself.

22.3 In furtherance of the initiation of the CIRP, a public announcement was made on 30.08.2024 in accordance with Section 15 of the Insolvency and Bankruptcy Code, 2016, read with Rule 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, inviting the creditors of the Corporate Debtor to submit their claims along with supporting proof. The last date stipulated for submission of such claims was 12.09.2024.

22.4 The Interim Resolution Professional ('IRP'), *vide* email dated 28.09.2024, informed the Applicant about the first meeting of the Committee of Creditors, which had already been conducted on 27.09.2024. It is pertinent to note that Item/Agenda No. 7 of the said CoC meeting records the disclosure made by the IRP in terms of Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016. The relevant extract thereof is reproduced hereinbelow:

"Item No. 7: To take note of disclosure made by the RP in terms of First Schedule of Code Of Conduct For Insolvency Professionals under Regulation 7(2)(h) of IBBI (Insolvency Professional) Regulations, 2016."

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“In this regard, a declaration has already been submitted by the Interim resolution professional to the committee of creditors (proposal for appointment of resolution professional) disclosing that he is empanelled as Insolvency Professional with Bank of Baroda (Secured financial creditor).”

22.5 In the 1st meeting of CoC meeting held on 27.09.2024, the Interim Resolution Professional (‘IRP’) made only disclosure stating that “he is empanelled as an Insolvency Professional with Bank of Baroda, which is the secured financial creditor of the Corporate Debtor.” This stands as the lone disclosure made by the Non-Applicant No. 1, in compliance with the requirements set forth under Regulation 8 and Regulation 8A of the IBBI (Insolvency Professional) Regulations, 2016. Regulations 8 and 8A provides that an Insolvency Professional must disclose if he has ever been an employee or empanelled professional of any financial creditor of the Corporate Debtor. The said disclosure also includes the existence of any pecuniary and personal relationship with any of the stakeholders so as to show if he/she was an employee of or has been on the panel of the financial creditor. This disclosure has to be made to the CoC and to the Insolvency Professional Agency so as to enable them to publish such disclosure if any on their respective website.

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22.6 From the perusal of the records of the present case, it is evident that the Non-Applicant No.1, apart from being an Insolvency Professional is also a director of *M/s Enforcement Affiliates Private Limited* ('EAPL'). The registered address of the aforesaid company is Office No. 402, Ok Plus, DP Metro New Sanganer road, Jaipur, (Raj.)-302019 and the registered email ID is *skhorania@yahoo.co.in*. It is pertinent to mention that the email address and registered address of Non-Applicant No.1 are same as that of EAPL wherein the Respondent No. 1 has been holding meetings of CoC of the Corporate Debtor.

22.7 A bare perusal of the master data makes it apparent that the Non-Applicant No.1 is the promoter and the director of EAPL from the date of its incorporation i.e. 11.05.2016. The aforesaid entity, i.e. EAPL is engaged in the business of providing recovery and security enforcement services to various Banks and other financial institutions. It is apposite to mention that the aforesaid company is also empanelled by Non-Applicant No.2, i.e. Bank of Baroda, as a recovery agent for various zones, throughout the country.

22.8 The fact that Respondent No. 1/RP was a promoter/director of EAPL was not disclosed during the first CoC meeting. This omission, in light of Regulations 8, 8A, and 8B of the IBBI (Insolvency Professionals) Regulations, 2016, renders the disclosure made by Respondent No. 1 incomplete and partial. The deliberate withholding of such material and

essential information suggests a motivated intent and, at best, amounts to a partial disclosure. In terms of, the Insolvency Professional Regulation, the IRP/RP is obligated to provide a full and complete disclosure both at the time of giving consent under Form-AA to act as RP and during the first CoC meeting. As Form-AA of IBBI (Resolution Process For Corporate Persons) Regulation, 2016 clearly states as under:

- a) *"I am registered with the Board as an insolvency professional.*
- b) *I am no subject to any disciplinary proceedings initiated by the Board or the Insolvency Professional Agency.*
- c) *I do not suffer from any disability to act as a resolution profession.*
- d) *I am eligible to be appointed as resolution professional of the corporate debtor under regulation 3 and other applicable provisions of the Code and regulation.*
- e) *I shall make the disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;*
- f) *..... "*

22.9 Such non-disclosure is extremely significant, as it pertains to the requirements under the Insolvency and Bankruptcy Code and related Regulations which mandates transparency regarding any prior or existing connections with stakeholders involved in the Insolvency Process. Thus, omission of this necessary information by Non-Applicant No. 1 raises serious concerns regarding the propriety and impartiality of the appointment process of the IRP/RP in the instant case and thus, casts doubt on the conduct of IRP/ RP.

22.10 The significant and vital information were specifically brought to light by the Applicant and, notably, have not been rebutted or denied by the Resolution Professional (Non-Applicant No. 1) in its Reply to the instant IA. This silence amounts to an implied admission of the said facts. In its Reply, Non-Applicant No. 1 merely states that he is *"the Non-Applicant No. 1 Resolution Professional is an insolvency professional empanelled with Financial Creditor Bank of Baroda."* Beyond this, no further disclosure has been made by him even in the Reply to the instant IA.

22.11 From the perusal of the above sequence of the events it is evident that the Resolution Professional has deliberately withheld material information regarding his position as a Director in EAPL, that is functioning as a recovery agent for Non-Applicant No. 2/Bank of Baroda and the said fact has been withheld not only at the time of making disclosure while giving his consent in Form-AA but also in the First CoC meeting and also at the time of filing Reply to the instant IA.

22.12 In addition to the foregoing, it is evident from the perusal of the Rejoinder filed by the Applicant that the Non-Applicant No.2/ Bank had issued possession notices to the Corporate Debtor through an E-mail dated 04.09.2013 wherein Non-Applicant No. 1/RP was also marked CC to the said E-mail dated 04.09.2013. Further, it is apparent from the records that the Non-Applicant No. 1 had also appeared on

behalf of the Non-Applicant No. 2, before the Ld. Court of District Collector and Magistrate (DM Court), Udaipur in the eight (8) different cases against the Corporate Debtor in the capacity of an Advocate. While we are mindful that the IBC was not in force in 2013 but the longstanding professional relationship between Non-Applicant Nos. 1 and 2 is a cause of concern to protect the interest of the Corporate Debtor in the present matter and has elements of creating the doubts upon the fairness of the conduct of the RP.

22.13 It is pertinent to note that these facts were conspicuously absent from the RP's initial Reply and were never disclosed at the earliest opportunity as referred above, including at the time of submitting his written consent in Form-AA upon nomination by Bank of Baroda and in the First CoC Meeting.

22.14 It is worth appreciating that it is the Applicant who has disclosed the full facts in the Application and Rejoinder, only after that the RP has considered appropriate to produce an additional affidavit wherein it was stated that *"in the matter at hand no conflict of interest arises, however I have made full disclosure regarding my empanelment with the Financial Creditor Bank of Baroda before the initiation of the CIRP and during the first meeting of the Committee of Creditor."* Along with this affidavit, a purported letter dated 15.10.2022 addressed to Bank of Baroda was annexed, wherein the RP allegedly disclosed various

relationships with the Bank. The timing and circumstances under which the letter dated 15.10.2022 has been produced, in itself creates element of doubt on the veracity of the document and the conduct of the RP. The alleged letter which indicates that this document is an ante-dated document as alleged and was created as an afterthought to protect the self-interest. It is evidently procured solely to salvage the RP's conduct. Such belated disclosure lacks *bona fide* and cannot be relied upon to excuse the RP's failure to act with the transparency and impartiality mandated under the Code. The RP's disclosure, if any, ought to have been made at the outset, as the disclosure at a later stage severely undermines its credibility and thus impacting the entire resolution process.

22.15 Moreover, given that Bank of Baroda is the sole member of the Committee of Creditors, the purported partial disclosure to the sole CoC member does not mitigate the inherent conflict that too when Respondent No. 1 has been representing the Financial Creditor against the interest of the Corporate Debtor. The CIRP is a collective process conducted requiring a complete transparency on the part of the IRP/ RP to achieve the objectives of IBC for the purpose of resolution of the Corporate Debtor. Thus, even if the arguments advanced by the IRP/ RP is to be appreciated the requisite disclosure made to the sole CoC member by way of alleged letter dated 15.10.2022 cannot be said to be

in terms of the requirements of the law which mandates that the complete disclosure has to be made in Form AA in accordance with the code of conduct for insolvency professional as set out in IBBI (Insolvency Professionals) Regulation, 2016 and also at the time of first CoC meeting.

22.16 This close long professional relationship against the interest of the Corporate Debtor and in addition to the non-disclosure on the part of the Resolution Professional clearly demonstrate that the Resolution Professional cannot be regarded as an independent and impartial party in the present proceedings. Such entanglement raises serious concerns regarding the RP's ability to discharge its duties in fair and transparent manner, thereby compromising the integrity of the Corporate Insolvency Resolution Process of the Corporate Debtor. It is evident that the Non-Applicant No. 2/Bank and the Non-Applicant No. 1/ Interim Resolution Professional/Resolution Professional shared a relationship against the interest of the Corporate Debtor much prior to the initiation of the Corporate Insolvency Resolution Process of the Corporate Debtor, thereby undermining the requisite professional independence expected from the IRP/ RP who is expected to an officer of the court.

22.17 Accordingly, the RP's failure to disclose these necessary facts while submitting written consent under Form AA and also at the time of first

CoC meeting and the consequent vesting of conflicting mandates in the same individual warrants strict scrutiny, as it is manifestly prejudicial to the interests of the Bank and detrimental to the integrity of the resolution process of the Corporate Debtor as provided under the Code, 2016. The non-disclosure or partial disclosure by Non-Applicant No. 1 in the ongoing CIRP raises serious concerns regarding the transparency and integrity of the process, which attracts the attention of this Adjudicating Authority.

22.18 The First Schedule of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 encapsulates the Code of Conduct for Insolvency Professionals. The objective for enactment of code of conduct is that the Insolvency Professionals, carry out their duties with transparency and fairness.

22.19 It is evident that the disclosure made by the IRP during the first meeting of the Committee of Creditors held on 27.09.2024 was incomplete and selective, limited only to the fact of his empanelment with Non-Applicant No. 2 (Bank of Baroda) and deliberately withholding its relationship with EAPL and EAPL being the recovery agent of the Bank. Such a partial disclosure fails to satisfy the requirements under the applicable Regulations, which mandate a full and transparent declaration of any existing or past professional, pecuniary, or personal relationships with the stakeholders involved with the sole purpose and motive of

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bringing transparency in the entire CIRP process and thus to get the best resolution plan for the Corporate Debtor by maximization of the assets of the Corporate Debtor.

22.20 Keeping in view the facts and circumstances of the present case, the Interim Resolution Professional/Resolution Professional ('IRP/RP') herein occupies a dual and conflicting role. On one hand, he is entrusted with acting in the fiduciary capacity as the Resolution Professional, responsible for overseeing the Corporate Insolvency Resolution Process ('CIRP') with impartiality, fairness, and in the best interests of all stakeholders. On the other hand, he is functioning as promoter director of EAPL simultaneously functions as a recovery agent for the Bank of Baroda against the interest of the Corporate Debtor.

22.21 This dual role not only creates conflict of interest but also is in complete contrast or contradiction with on the one hand his role as a Resolution Professional looking for maximization of Corporate Debtor and facilitating the resolution of the Corporate Debtor whereas on the other hand as a recovery agent his entire focus or interest is to get maximum benefit for the Financial Creditor against the Corporate Debtor. Both the roles are independent but are in contradiction with each other as a Resolution Professional he is an officer of the court who is an independent and neutral person whereas as a recovery agent he is working at the behest of the Financial Creditor in the interest of the Financial

Creditor alone for a consideration. The fact of non-disclosure on the part of the Non-Applicant No. 1 about his office of profit itself undermines the entire CIRP process.

22.22 Another important and most significant factor which deserves the attention of this Adjudicating Authority is that Non-Applicant No. 1/RP has engaged the same Counsel/Advocate namely, *Ms. Anubha Singh* who was representing the Non-Applicant No. 2 before this Adjudicating Authority in the instant CP before the admission of Corporate Debtor into CIRP under Section 7 of the Code. Furthermore, the same counsel continues to represent the Non-Applicant No. 2/ Bank in other forums such as the Hon'ble High Court and Ld. DRT with respect to the same debt between the same parties which itself undermines the credibility of the counsel and that of the independence of Non-Applicant No. 1.

22.23 The conduct of Non-Applicant Nos. 1 and 2, including their use of common legal counsel, reflects a clear lack of independence and collusion, undermining the integrity of the CIRP. Such actions amount to a misuse of the IBC process for recovery, contrary to its intended purpose i.e., resolution of the Corporate Debtor.

23. In the instant case, the conduct of Non-Applicant No. 1 marked by the non-disclosure of material facts and a clear conflict of interest—violates the Code of Conduct as provided under the IBBI (Insolvency Professionals) Regulations, 2016, which mandates transparency, fairness, and

independence in conducting the CIRP process. By failing to disclose prior associations and occupying a dual role, compromises neutrality, transparency, and the fairness in the CIRP process.

24. Given the objectives of the Insolvency and Bankruptcy Code (IBC) to ensure a time-bound, transparent, and equitable resolution of distressed corporate entities, the role of IRP/ RP is crucial in upholding these principles during the Corporate Insolvency Resolution Process. The RP is mandated to act as a neutral and independent officer of the court, facilitating the insolvency process with utmost fairness, transparency, and integrity. In complete disregard to the said duties the RP in the instant case has not acted in a fair and transparent manner. Despite multiple opportunities to provide the necessary and complete disclosure, the Resolution Professional in the present case failed to do so on the following occasions:

- a) At the time of submitting his consent to act as RP in Form-AA;
- b) During the First CoC meeting;
- c) In his response to the instant IA.

Thus, the non-disclosure, despite having several opportunities, and the piecemeal disclosure only being confronted by the Applicant with the requisite documents on record, casts serious aspersions on the Resolution Professional throughout the entire CIRP process.



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25. In the given backdrop, we are of the considered view that there is incidence of infringement of the Code of Conduct of the Insolvency Professional by the present Resolution Professional namely, *Mr. Satyendra Prasad Khorania*, for not having disclosed his complete relationship or potential conflict of interest in the appointment of the present Resolution Professional.

26. Based on the discussion above, we find that the conduct of the present RP in the instant CIRP proceeding seems to be non-transparent by not making complete disclosure of its relationship is in clear violation of the core objectives and principles of the Code, which seeks to ensure fair and transparent insolvency proceedings. The RP/ IRP wearing different hats before and the CIRP process. He was safeguarding the interest of the Financial Creditor and after the initiation of CIRP process he is expected to act in the best interest of the resolution of the Corporate Debtor as an independent officer of the Court. The facts and circumstances presented above clearly reveal that the present RP has not made the complete disclosure in terms of the Rule and Regulation framed under the Code, 2016. This conduct goes against the objectives of the Code which leads to collapse of the entire foundation of the IBC.

27. Based on the discussion above, we find that the conduct of the RP in the instant CIRP proceeding seems to be non-transparent and in clear violation of the core objectives and principles of the Code. The conduct of the RP

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has not been fair and transparent and has failed to follow the regulations thus, undermining the process and its transparency, thereby jeopardizing the interests of other stakeholders and defeating the object of maximizing value for the Corporate Debtor. We believe that the conduct of Respondent No. 1 as IRP/RP has not been fair and transparent having been conflict of interest. He has conducted the CIRP proceedings in complete violation of IBC provisions.

28. We therefore direct Insolvency & Bankruptcy Board of India (IBBI) to investigate the role of Respondent No. 1, RP in the present CIRP proceedings and take further necessary action as per existing provisions of IBC and relevant regulations.

29. Given the conduct of the present RP namely, **Mr. Satyendra Prasad Khorania**, this bench has lost complete faith and confidence in his working in the present CIRP of the Corporate Debtor as the Resolution Professional has miserably failed to follow the due process of law. Therefore, in the interest of justice, in exercise of its inherent power as provided under Rule 11 of the NCLT Rules, 2016 this Adjudicating Authority considers it appropriate to replace the present RP with **Mr. Arvind Kaushik** (Contact No. 9413972351), having IBBI registration no. **IBBI/PA-001/IP-P00291/2017-18/10535** and E-mail address '**ca73588@gmail.com**'. The newly appointed RP is directed to conduct the CIRP afresh by following the strict timelines as provided under the Code with utmost sincerity and

in compliance of the provisions of the Code and must make endeavours to complete the CIRP within 180 days. The Ex-Resolution Professional is hereby directed to provide the complete record and documents qua the CIRP to the newly appointed RP within a period of 1 weeks from the date of this Order.

30. Based on the detailed findings and observations, the order concludes that the Resolution Professional in the present case failed to make the complete disclosure while submitting his written consent under Form-AA and first CoC meeting. Such conduct undermines the core objectives of the Code, which emphasize transparency, fairness, and integrity in insolvency proceedings. This judgment may serve as a strong reminder qua the critical role of the RP as an impartial facilitator essential to the success and credibility of the insolvency resolution mechanism/ process.

31. Keeping these in view, we hereby pass the following order in instant IA:

A. The newly appointed RP shall start the CIRP of the Corporate Debtor namely, *M/s U. N. Automobile Private Limited* afresh by making public announcement which has to be completed within strict timelines as provided under the Code, 2016.

B. The newly appointed RP is directed to perform its duties in strict compliance of the Rules and Regulations framed under Code.



- C. The Ex-Resolution Professional is hereby directed to provide the complete record and documents qua the CIRP to the newly appointed RP within a period of 1 weeks from the date of the Order.
- D. The Registry is directed to send a copy of this order to the newly appointed RP namely, **Mr. Arvind Kaushik** within 3 days from the date of this Order.
- E. The Registry is directed to send a copy of this order to the Chairperson, IBBI for necessary actions against the Respondent No. 1, **Mr. Satyendra Prasad Khorania**, pertaining to his conduct as enumerated in Para 23 onwards of the instant order.


REETA KOHLI
JUDICIAL MEMBER


KAVITA BHATNAGAR
TECHNICAL MEMBER

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

IA (IBC) No. 599/JPR/2024
CP No. (IB)- 75/7/JPR/2022

IN THE MATTER OF:

BANK OF BARODA

...Financial Creditor/ Petitioner

VERSUS

U.N. AUTOMOBILES PVT. LTD.

...Corporate Debtor/ Respondent

MEMO OF PARTIES

IA (IBC) No. 599/JPR/2024

MR. AMIT PRAKASH GUPTA
Suspended Director of M/s U.N.
Automobiles Pvt. Ltd.
 R/o- 512, Panchratna Complex,
 Fatehpura, Udaipur (Raj.)- 313001

... Petitioner

VERSUS

SATYENDRA PRASAD KHORANIA
RP of M/s U.N. Automobiles Pvt. Ltd.
 R/o- 402, 4th Floor, OK Plus, DP
 Metro, Opp. Pillar No. 94, New
 Sanganer Road, Jaipur (Raj.)-
 302019

...Respondent No. 1

IA (IBC) No.- 599/JPR/2024

In

CP (IB) No. 75/7/JPR/2022

BANK OF BARODA

R/o- ROSARB, 13, Airport
Plaza, Durgapura Road, Jaipur
(Raj)- 302018

...Respondent No. 2

For the Applicant : Karan Pratap Singh, Adv.
For the RP : Satyendra Prasad Khorania, In person
Anubha Singh, Adv.
Amol Vyas, Adv.

Order Pronounced On: 26.09.2025

ORDER

Per: Ms. Reeta Kohli, Judicial Member

1. This Interlocutory Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ('IBC'/'Code') R/w Rule 11 of the NCLT Rules, 2016 by the Suspended Board of *M/s U.N. Automobile Private Limited* ('Corporate Debtor') namely *Mr. Amit Prakash Gupta* ('Applicant') against the Interim Resolution Professional ('IRP'/'Non-Applicant No. 1'/'Respondent No. 1') namely *Mr. Satyendra Prasad Khorania* and *Bank of Baroda* ('Non-Applicant No. 2'/'Respondent No. 2'/'Bank') for seeking following prayers:-

- a) *This Hon'ble Tribunal be pleased to declare that claim amount of Rs. 250,96,59,650/- (Rupees Two Hundred Fifty Crores Ninety-Six Lakh Fifty Nine Thousand Six Hundred and Fifty Only) submitted by Non-Applicant No.2 is incorrect, inflated and thus reject the same*

- b) *Alternatively, the Non-Applicant No.1 be directed to revise the claim of Non-Applicant No.2 from Rs. 250,96,59,650/- (Rupees Two Hundred Fifty Crores Ninety-Six Lakh Fifty-Nine Thousand Six Hundred and Fifty Only) to a sum not exceeding Rs. 26.07 Crores.*
- c) *This Hon'ble Tribunal be pleased to direct Non-Applicant No.1 to conduct the CIRP in strict compliance with IBC, 2016 and the regulations made thereunder.*
- d) *This Hon'ble Tribunal be pleased to initiate proceedings against Non-Applicant No.2 u/s 65 and 75 of IBC, 2016.*
- e) *Pending the determination of the veracity of the claim filed by Non-Applicant No.2, this Hon'ble Tribunal be pleased to pass an order; restraining the Non-Applicant No.1 from holding any further meetings of Committee of Creditors and/or taking any steps in furtherance of the Expression of Interests received.*
- f) *Pending the adjudication of the present application, the Non-Applicant No.2 be restrained from participating and or voting in any proceedings/meetings of COC and be directed not to take any steps in furtherance of Expression of Interests received.*
- g) *This Hon'ble Tribunal be pleased to grant other reliefs consequential and ancillary to the aforesaid reliefs, which this Hon'ble Tribunal deems fit and proper be granted to the Applicant.*
- h) *Any other order, which this Hon'ble Tribunal deems appropriate, be passed in favour of the Applicant.*

2. The Applicant has filed the present Application alleging the following set of facts:

2.1. The captioned insolvency petition was filed by the Non-Applicant No.2, under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 seeking, inter alia, initiation of Corporate Insolvency Resolution Process (CIRP) of M/s U. N. Automobiles Pvt. Ltd. (hereinafter referred in short as "Corporate Debtor"/"CD"). The captioned petition was admitted by this Adjudicating Authority vide order dated 28.08.2024. Resultantly CIRP was initiated qua the CD and Non-

Applicant No.1 was appointed as the Interim Resolution Professional (hereinafter referred in short as IRP).

2.2. The Applicant is the erstwhile/suspended director of the CD who has approached this Adjudicating Authority being aggrieved by the conduct of the Non-Applicant No. 1, inter alia, whereby the Non-Applicant No.1, i.e. the IRP of the CD is conducting the CIRP in a biased and mechanical fashion; and without performing due diligence to ascertain the veracity of claims submitted by the claimants of the CD including Non-Applicant No. 2. Resultantly, the Non-Applicant No.1 has accepted/admitted the inflated claims submitted by the claimants qua the CD, including Non-Applicant No.2.

2.3. In pursuance to the order dated 28.08.2024, the Non-Applicant No. 1 issued a public announcement dated 30.08.2024 as per Section 15 of the IBC, 2016 r/w Rule 6 of the IBBI (Insolvency Resolution Process for Corporate Persons), Regulations 2016 and called upon the creditors to submit their claims, with proof, to the Non-Applicant No. 1. The last date for submission of claims was decided to be 12.09.2024.

2.4. The Non-Applicant No.2 has submitted a highly inflated and exaggerated claim of Rs. 250,96,59,650/- (Rupees Two Hundred Fifty Crores Ninety Six Lakh Fifty Nine Thousand Six Hundred and Fifty

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Only). A bare perusal of the aforesaid documents duly demonstrates that the Non-Applicant No.1 has mechanically admitted the claim of Non-Applicant No.2 without conducting any due diligence, which the Non-Applicant No.1 is mandated to conduct as per the provisions of IBC, 2016 and the rules made thereunder.

2.5. The Applicant vide Email dated 26.11.2024 again informed the Non-Applicant No.1 that the claim of Rs. 250.09 Crores submitted by Non-Applicant No.2 has been wrongfully admitted by Non-Applicant No.1 as the said amount is highly inflated and in abject derogation of the order dated 23.05.2023 passed by the Ld. DRT, Jaipur. The copy of order dated 23.05.2023 was attached with the email dated 26.11.2024. As such, the Non-Applicant No.1 was called upon to seek justification as to why claim of Rs. 250.09 Crore is to be admitted when the quantum has been adjudicated at Rs. 26.07 Crore by a court of competent jurisdiction.

2.6. The Respondent No. 1 is duty bound to substantiate and verify the claim submitted by Respondent No.2 and not accept it mechanically. Moreover, the Respondent No. 2, being a financial creditor, was also obligated under Regulation 8(2)(b)(iv) of the IBBI Regulations, 2016 to furnish to the Non-Applicant No.1, the copy of order dated 23.05.2023 passed by the Ld. DRT, Jaipur.

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2.7. The verification of amount of claims is a crucial and pivotal role which is to be performed by the IRP/RP. The amount of claim which is admitted by the IRP/RP is one of the most important factors on which the entire CIRP is built up.

3. The Respondent No. 1 filed its reply, vide Dairy No. 57/2025 dated 07.01.2025 wherein stated that the Non-Applicant No. 1 Resolution Professional has admitted the claims of Financial Creditor Bank of Baroda on the basis of documents and information provided to the Non-Applicant No. 1 Resolution Professional. Moreover, the provisionally admitted claim of the Corporate Debtor could not be verified from the Books of Accounts of Corporate Debtor since the Applicant Suspended director has intentionally not shared the Books of Accounts and other information pertaining to the Corporate Debtor with the Non-Applicant No. 1 Resolution Professional. Further it is stated that the proceeding before Debt Recovery Tribunal, Jaipur have no significance in the current proceedings. Because, the order dated 23.05.2023 passed by the Debt Recovery Tribunal, Jaipur has already been stayed by the Hon'ble Rajasthan High Court, Jaipur Bench vide its order dated 02.06.2023.
4. The Respondent No. 2 has filed its reply vide Diary No. 176/2025 dated 22.01.2025 wherein stated that it has filed its claim on the basis of the books of account/loan account statement of the Corporate Debtor maintained with

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the answering Non-Applicant No. 2 It is pertinent to submit that the claim submitted by the Non-Applicant No. 2 is in accordance with the Amended Recovery Certificate dated 30.03.2016, bearing RC No. 24/2016.

5. We have perused the Application, Replies, and Written Submissions, along with the documents annexed therewith.
6. The case of the Applicant in a nutshell is that the IRP/RP has conducted the CIRP of the Corporate Debtor in a biased, unfair, and motivated manner. It has been contended that the Non-Applicant No.2/Bank of Baroda has submitted a highly inflated and exaggerated claim of Rs. 250,96,59,650/- (Rupees Two Hundred Fifty Crores Ninety-Six Lakh Fifty Nine Thousand Six Hundred and Fifty Only) and the Non-Applicant No.1 has mechanically admitted the claim of Non-Applicant No.2 without conducting any due diligence, which the Non-Applicant No.1 is mandated to conduct as per the provisions of IBC, 2016 and the rules made thereunder.
7. On the other hand, the IRP/RP has contended that he has conducted the CIRP proceedings in an utmost transparent manner and has complied with all the provisions of the Code while admitting the claim of the Non-Applicant No. 2/Bank of Baroda. Moreover, it was urged that the Suspended Board of the Corporate Debtor has failed to extend relevant assistance to the IRP/RP in discharging his functions as provided under the Code. Non-Applicant No. 2,

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IA (IBC) No.- 599/JPR/2024

In

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CP (IB) No. 75/7/JPR/2022

Bank of Baroda, has seconded the contentions made by the Resolution Professional and has prayed for dismissal of the instant Application.

8. The Suspended Board of Director namely Mr. Amit Praksh Gupta has filed another *IA(IBC)/600/JPR/2024* in *CP(IB) No. 75/7/JPR/2022* for seeking removal of the RP. In the said IA this Adjudicating Authority has passed the following order:

*“Given the conduct of the present RP namely, **Mr. Satyendra Prasad Khorania**, this bench has lost complete faith and confidence in his working in the present CIRP of the Corporate Debtor as the Resolution Professional has miserably failed to follow the due process of law. Therefore, in the interest of justice, in exercise of its inherent power as provided under Rule 11 of the NCLT Rules, 2016 this Adjudicating Authority considers it appropriate to replace the present RP with **Mr. Arvind Kaushik** (Contact No. 9413972351), having IBBI registration no. **IBBI/IPA-001/IP-P00291/2017-18/10535** and E-mail address ‘**ca73588@gmail.com**’. The newly appointed RP is directed to conduct the CIRP afresh by following the strict timelines as provided under the Code with utmost sincerity and in compliance of the provisions of the Code and must make endeavours to complete the CIRP within 180 days....”*

Sdr

IA (IBC) No.- 599/JPR/2024

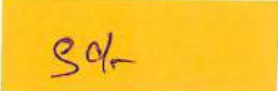
In

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CP (IB) No. 75/7/JPR/2022

Therefore, in view of the order passed in *IA(IBC)/600/JPR/2024* in *CP(IB) No. 75/7/JPR/2022* the present *IA (IBC) 599/JPR/2024* in *CP(IB) No. 75/7/JPR/2022* is disposed of as having being rendered infructuous.


REETA KOHLI
JUDICIAL MEMBER


KAVITA BHATNAGAR
TECHNICAL MEMBER

**NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH**
(through web-based video conferencing platform)

Item No. 105 & 206
IA No. 423/JPR/2025
IA No. 424/JPR/2025
IA No. 529/JPR/2024
Cont. A (IBC) No. 2/JPR/2025
IA (IBC) Plan No. 4/JPR/2025
CP (IB)- No. 75/7/JPR/2022
Under Section 7 of IBC, 2016

In the matter of:

Bank of Baroda

.... Financial Creditor/Applicant

Versus

M/s U.N. Automobiles Pvt. Ltd.

...Corporate Debtor/Respondent

Coram: HON'BLE MS. REETA KOHLI, JUDICIAL MEMBER

HON'BLE MS. KAVITA BHATNAGAR, TECHNICAL MEMBER

PRESENT: -

For the Applicant	:	Karan Pratap Singh, Adv.
For the RP	:	Amol Vyas, Adv. Anubha Singh, Adv. Abhishek Purohit, Adv. Shubham Chaudhary, Adv.

ORDER

IA No. 424/JPR/2025:

In view of the order pronounced in IA No. 600/JPR/2024, the present IA has been rendered infructuous. Therefore, disposed off as such.

IA No. 423/JPR/2025:

To be taken up with the main case on 06.10.2025.

Sd/-

Sd/-

IA No. 529/JPR/2024, Cont. A (IBC) No. 02/JPR/2025 & IA (IBC) Plan No. 04/JPR/2025:

In view of the order pronounced in IA No. 600/JPR/2024 today itself,
posted to 06.10.2025.



(Kavita Bhatnagar)
Technical Member

September 26, 2025



(Reeta Kohli)
Judicial Member