INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/342/2026 **Date: 21 August 2026**

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP/11011/110/2025-IBBI/1847/1797 dated 28.11.2025, issued to Mr. Navneet Gupta, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP-P00361/2017-18/10619 and a Professional Member of the Indian Institute of Insolvency Professional of ICAI (IIIPI).

1. Background.

1.1. The Corporate Insolvency Resolution Process (CIRP) of M/s. Nimitaya Hotel and Resorts Limited (CD) commenced *vide* order dated 24.12.2021 of the National Company Law Tribunal, New Delhi Bench (AA) on an application filed by Indian Bank under Section 7 of the Insolvency and Bankruptcy Code. 2016 (IBC/Code). Mr. Navneet Gupta was appointed as Interim Resolution Professional (IRP) in the matter who was later confirmed as the Resolution Professional (RP) in the matter. Currently, resolution plan has been approved by the Committee of Creditors (CoC) on 08.01.2023 and Mr. Navneet Gupta has filed an application no. IA/987/2023 for its approval before the AA on 19.01.2023 which is pending for adjudication.

1.2. The Board received three complaints dated 28.02.2025, 13.03.2025 and 19.05.2025 against Mr. Navneet Gupta in the matter of CIRP of the CD. The Board examined the allegations in the above complaints vis-à-vis replies of Mr. Navneet Gupta and based on such examination; formed a prima facie opinion that Mr. Navneet Gupta has contravened provisions of the Code and Regulations made thereunder. Accordingly, the Board issued SCN to Mr. Navneet Gupta on 28.11.2025 to which he submitted his reply on 19.01.2026**.**

1.3. The SCN and its reply of Mr. Navneet Gupta on the SCN were referred to this Disciplinary Committee (DC) for disposal of the SCN. Mr. Navneet Gupta submitted addendum to his reply dated 19.01.2026 on 28.06.2026, 23.07.2026 and an application for preliminary objection dated 01.08.2026. Mr. Navneet Gupta availed the opportunity of personal hearing before the DC through virtual mode on 11.08.2026 along with his advocate Mr. Rajansh Thukral. Pursuant to the personal hearing, Mr. Navneet Gupta submitted additional written submissions on 17.08.2026.

2. Alleged Contravention, submissions of Mr. Navneet Gupta and findings of the DC.

The DC has considered reply to complaint dated 01.10.2025, the SCN, the reply to the SCN, Addendum-1 and Addendum-II to Reply dated 19.01.2026, preliminary objection and oral and written submissions made by Mr. Navneet Gupta and proceeds to dispose of the SCN.

2.1. **Preliminary objections.**

A. Non consideration of reply dated 16.10.2025.

2.1.1. Mr. Navneet Gupta submitted that Paragraph I(ii) of the SCN dated 28.11.2025 records that the Board had, through various communications, sought response of Mr. Navneet Gupta to the complaints and further records that he has repeatedly failed to furnish the requisite response/records within the stipulated time. He submitted that he had, in fact, submitted a detailed reply by email on 16.10.2025 in response to the communications issued by the Board during the complaint examination process culminating in the issuance of the SCN. The said reply was transmitted by email prior to issuance of the SCN and admittedly reached the Board well before 28.11.2025. Mr. Navneet Gupta submitted that he is unable to find from the material supplied along with the SCN any order or noting indicating that Mr. Navneet Gupta's right to submit the said reply had been closed, that the reply was declined to be taken on record, or that it was otherwise excluded from consideration during the complaint examination process.

2.1.2. Mr. Navneet Gupta further noticed from the complaint examination record supplied along with the SCN that an internal noting dated 26.09.2025 directed that a draft SCN be put up on the premise that a *prima facie* case was made out. The SCN itself came to be issued subsequently on 28.11.2025. In these circumstances, Mr. Navneet Gupta was unable to ascertain from the material supplied whether the detailed reply dated 16.10.2025 was placed before the competent authority, whether it was considered during the complaint examination process culminating in the issuance of the SCN, and if so, in what manner such consideration is reflected in the record before issuance of the SCN. In the absence of any order closing Mr. Navneet Gupta's right to submit the said reply or declining to take it on record the question whether the said reply formed part of the complaint examination process and whether and in what manner it was considered before the *prima facie* opinion culminating in the issuance of the SCN was formed constitutes a foundational jurisdictional issue arising entirely from the Board's own records.

2.1.3. He submitted that the application for preliminary objection for not considering reply forwarded through email dated 16.10.2025 deserves to be allowed, *inter alia*, on the following grounds:

a. The issue raised arises entirely from the Board's own records and does not require appreciation of evidence relating to the allegations contained in the SCN.
b. The Board itself invited Mr. Navneet Gupta's explanation during the complaint examination process. The detailed reply dated 16.10.2025, admittedly received before issuance of the SCN, therefore constituted relevant material available for consideration before formation of the prima facie opinion.
c. The material supplied along with the SCN does not disclose any order closing Mr. Navneet Gupta's right to submit the said reply, refusing to take the reply on record, or

indicating whether and in what manner the said reply was considered during the complaint examination process.

d. The determination of the aforesaid issue has a direct bearing upon the validity and fairness of the complaint examination process culminating in the issuance of the SCN and, therefore, deserves to be decided as a preliminary issue before Mr. Navneet Gupta is called upon to address the allegations on merits.

e. Production of the complete original record would facilitate a fair and complete adjudication of the present proceedings and assist this DC in determining the preliminary issue on the basis of the entire record maintained by the Board.

2.1.4. Mr. Navneet Gupta additionally submitted that while furnishing the aforesaid reply, he had expressly sought condonation of the delay and had duly explained the grave personal circumstances which had occasioned the same. Thus, he had not only submitted his substantive response to the complaint much prior to issuance of the SCN but had also specifically placed before the Board the circumstances warranting consideration of the delay. There is no communication issued by the Board, either prior to or subsequent to issuance of the SCN, informing that his request for condonation of delay had been rejected or that his reply dated 16.10.2025 would not be taken on record. There is also no communication indicating that the aforesaid reply would not be considered during examination of the complaint. However, paragraph 4 of the Show Cause Notice proceeds on the basis that he *"did not submit"* his reply to the email dated 17.07.2025. The aforesaid statement is erroneous & contrary to the record, since he had furnished his detailed reply on 16.10.2025, well before issuance of the SCN. Also, this forms a basis for the Board to establish a prime facie ground for non-co-operation with the Board, whereas the record states otherwise.

2.1.5. He submitted that the above aspect requires consideration especially in light of the unexplained condonation of delay accorded to the complaints themselves. The relevant internal record/SCN records that all complaints were received beyond the prescribed period yet were proceeded with notwithstanding that no reasons for such delay had been furnished by the complainant and no condonation of delay was filed by the complainant or approved by the Board. He submitted that he cannot be placed at a disadvantage by the application of a standard which was not applied in the examination of the complaints themselves. The complainant was not required to furnish reasons for the delay in filing the complaint before the same was proceeded with, whereas the Respondent, who had furnished reasons for the delay in submitting his response and had expressly sought condonation thereof, was not informed that his request had been declined or that his response would not be considered.

Observation of the DC.

2.1.6. The DC notes the chronology regarding the communication between the Board and Mr. Navneet Gupta with reference to various complaints is as follows:

Complaint No. IBBI/C/2025/01416		
Emails by the Board	Emails by the IP	Time requested to reply
21.03.2025		
	28.03.2025	2 weeks
	03.06.2025*	
16.07.2025		
	18.07.2025	
22.07.2025	22.07.2025	
	24.07.2025	
25.08.2025	25.08.2025	Two days
29.08.2025		
	01.09.2025	

Complaint No. IBBI/C/2025/01428		
Emails by the Board	Emails by the IP	Time requested to reply
15.04.2025		
	16.04.2025	3 weeks
27.05.2025	27.05.2025	One day
	29.05.2025	Till 31.05.2025
27.06.2025		
17.07.2025		
22.07.2025		
24.07.2025	24.07.2025	Few days
25.07.2025		
29.07.2025		
	30.07.2025*	

Complaint no. IBBI/C/2025/01484		
Emails by the Board	Emails by the IP	Time requested to reply
17.07.2025		
24.07.2025	24.07.2025	Two weeks
31.07.2025		
04.08.2025		
12.08.2025		
	16.10.2025*	

*Bold represents submission of substantive reply to the respective complaint.

2.1.7. Regulation 7(2) of the IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 (Complaint Regulations) provides only seven days for submission of response and related documents which is extendable upto further seven days. The provision is reproduced as below:

"The complainant and the service provider shall submit the information and records sought under sub-regulation (1) within seven days thereof.
Provided that an additional time, not exceeding seven days, may be granted by the Board on request of the service provider."

2.1.8. Even though the time limit for submission of reply to complaints is only seven days, the IA had given extension sought by Mr. Navneet Gupta on various occasions. The IA had also followed up for reply with him at regular intervals. In the latest examination of Complaint no. IBBI/C/2025/01484, he was unresponsive for a long time forcing the IA to complete the examination with material available on record.

2.1.9. The reply dated 16.10.2025 was received by the Board after around two months from his last email dated 24.07.2025. He did not reply to 3 emails dated 25.07.2025, 04.08.2025 and 12.08.2025 thereafter. The file was put up for consideration of the issues in complaints based on material on record on 19.09.2025 and the competent authority decided to issue SCN on 26.09.2025 after considering the examinations in all complaints. The reply on the 3rd complaint was received on 16.10.2025 when the SCN was under preparation. The conduct of Mr. Navneet Gupta does not justify liberty to consider his reply sent anytime without any extension.

2.1.10. The DC notes that above objection does not vitiate the SCN dated 28.11.2025. Formation of a *prima facie* opinion for issuance of an SCN is an administrative threshold determination and not an adjudicatory finding. The rigours of natural justice applicable to a final order do not attach at that stage. He was given ample opportunity to reply to the complaints to which he adopted lackadaisical attitude. The closure of right to reply is a practice followed in judicial proceedings. There is no such requirement or practice for passing an order for closing the right to reply during examination of complaint by the Board.

2.1.11. The comparison sought to be drawn with the timeline of the complaints is misconceived. Examination of a complaint received beyond the ordinary period, and acceptance of a party's delayed response during the course of that examination, operate on entirely different footings. The former concerns the Board's regulatory discretion to examine matters in the public interest under the Complaint Regulations and does not create an estoppel or equivalence obliging identical treatment of a regulated entity's own procedural delay, which remains a matter to be considered by the DC on its own facts, including the reasons furnished for condonation.

2.1.12. However, the accompanying request for condonation of delay is on record and is being considered by the DC prior to any final order being passed under the applicable regulations. Even if the said reply was not considered by the Board, such a defect stands cured as he has full opportunity to place the reply and the reasons for delay before the DC for consideration on merits. The reply dated 16.10.2025 is on record, and the DC will duly consider in the course of the present disposal of SCN.

B. Issuance of SCN after closure of the complaint is contrary to the principles of Finality and Due Process.

2.1.13. Mr. Navneet Gupta submitted that the records available on the official complaint portal of the Board disclose that the complaint forming part of the present proceedings stood marked as "Closed" and an entry dated 09.10.2025 records the action "Close Complaint". As on 13.10.2025, the status of the complaint continued to be reflected as "Closed". The closure of a complaint cannot be treated as an inconsequential administrative act. Once a complaint is closed by the competent authority, the proceedings arising therefrom attain finality unless such closure is lawfully reviewed, recalled, set aside or reopened in accordance with law. Mr. Navneet Gupta has not been supplied any order, note-sheet, approval, direction or proceeding indicating that the closure of the complaint was subsequently reviewed or recalled by the competent authority. Equally, no material has been supplied to demonstrate the existence of any statutory power exercised by the Board to reopen a complaint which had already been closed.

2.1.14. Mr. Navneet Gupta also submitted that the SCN dated 28.11.2025 has been issued more than one month after the complaint had already been reflected as closed on the official records of the Board. The records supplied to him do not disclose the legal basis upon which a concluded complaint proceeding was thereafter converted into DC proceedings. A complaint which has attained closure cannot be revived indirectly by proceeding to issue a SCN unless the earlier closure is first displaced through a legally sustainable process. The issuance of the present SCN after closure of the complaint, without any disclosed order reopening, recalling or setting aside such closure, therefore raises a serious jurisdictional and procedural infirmity which goes to the very root of the present proceedings.

Observation of the DC.

2.1.15. The DC notes that merely marking of a complaint as "closed" on the Board's online portal merely reflects completion of examination of the complaint and that a consequent action has been decided by the competent authority. On completion of examination of complaint, the Board considers such examination and forms prima facie opinion whether the allegations in the complaint is made out or not. Accordingly, it further decides whether sufficient cause exists for issuance of SCN action under Section 220 read with Regulation 11(2) of the IBBI (Inspection and Investigation) Regulations, 2017 (I&I Regulations). In simple terms, it is only after closure of complaint, further action is decided which includes (i) issuance of SCN, or (ii) advisory or (iii) no action is required to be taken. Irrespective of the type of action, which is decided in a complaint, the complaint is marked as closed.

The submission, therefore, proceeds on an erroneous interpretation of administrative closure of the complaint on the portal. Hence, the objection is not sustainable.

2.1.16. Further, this portal which is being referred by IP is accessible only to the complainant who has filed the complaint. The said portal is not accessible to any IP. Moreover, the IP is not a party to the complaint. Therefore, the decision on complaint is not a concern for IP as he is not part of the process.

C. <u>Absence of Jurisdictional Foundation Under Sections 218 And 219 of the Code.</u>

2.1.17. Mr. Navneet Gupta submitted that a conjoint reading of Sections 218 and 219 of the Code demonstrates that issuance of a SCN is not an independent or standalone exercise. The power under Section 219 is predicated upon the existence of a valid inspection or investigation undertaken in accordance with Section 218 and the Regulations framed thereunder.

2.1.18. Section 218 contemplates the following:

(a) Formation of opinion by the Board

(b) Passing of an order in writing directing inspection or investigation.

(c) Appointment of an Investigating Authority.

(d) Conduct of inspection or investigation in the prescribed manner, and (c) Preparation of a report upon completion of such inspection or investigation.

2.1.19. The SCN has been issued without following the mandatory procedure prescribed under the law and also does not disclose the following:

(a) any order passed under Section 218;

(b) appointment of any Investigating Authority;

(c) commencement of inspection proceedings;

(d) commencement of investigation proceedings,

(e) preparation of any inspection report;

(f) preparation of any investigation report; or

(g) submission of any report under Section 218(6) of the Code.

2.1.20. In the absence of these jurisdictional facts, the statutory foundation for invocation of Section 219 is conspicuously absent. It is respectfully submitted that the burden lies upon the Board to establish compliance with the mandatory statutory requirements preceding issuance of the SCN. Unless the existence of a valid inspection or investigation is demonstrated, the exercise of power under Section 219 is rendered without jurisdiction. As per Section 219 the Board is the only authority to issue SCN and that too only upon completion of an inspection or investigation.

2.1.21. Further, Section 219 reads as follows:

"The Board may, upon completion of an inspection or investigation under section 218 issue a SCN to such insolvency professional agency or insolvency professional or information utility, and carry out inspection of such insolvency professional agency or insolvency professional or information utility in such manner, giving such time for giving reply, as may be specified by regulations"

2.1.22. The amended section 219 (which is yet to be notified and has inserted more clarity) reads that:

"Where the Board, upon completion of an inspection or investigation under section 218 or on the basis of material available on record, is of the prima facie opinion that sufficient cause exists to take action under section 220, it may issue a SCN to a service provider in such manner, providing such period for giving reply, as may be specified."

2.1.23. Mr. Navneet Gupta submitted that the insertion of words *"or on the basis of material available on record"* in 2026 having prospective application clearly show that as on the date of issuance of SCN, the Board did not have power to issue SCN on the basis of material available on record. Therefore, a SCN under Section 219 of IBC read with Regulation 11 and 12 of the I&I Regulations can be issued only pursuant to inspection or investigation whereas the instant SCN has been issued on the basis of complaints made by suspended directors and others. There is no provision in law to issue a SCN on the basis of complaint without inspection and investigation.

2.1.24. The constitution of Board is provided under Section 189 of the Code. So, where any action is to be taken by the Board, then Board means all the persons mentioned in section 189. Now, for convenience of administration/ functioning, Section 230 is provided which speaks of delegation by the Board. The Board has thus issued Insolvency and Bankruptcy Board of India (Delegation of Powers and Functions) Order, 2017.

2.1.25. Mr. Navneet Gupta further submitted that as per the Insolvency and Bankruptcy Board of India (Delegation of Powers and Functions) Order, 2017, approval of SCN can be granted only pursuant to Inspection / Investigation, after considering the views of Committee of EDs. A perusal of the note of proceedings attached to the SCN it clearly reveals that the issuance of notice is authorised by a single ED, Mr. Satish Sethi on 26.09.2025, whereas the present SCN is absolutely silent as to the constitution of any committee of EDs, views framed by the committee of EDs and its consideration thereof on the basis of which the SCN could be issued. Moreover, no such report of the committee or its due consideration is either referred, and no such copy is provided. Therefore, apparently the SCN issued by the DGM is non-est, arbitrary, without jurisdiction and in contravention of law and deserves to be dropped on this ground alone.

Observation of the DC.

2.1.26. Regulation 10A of Inspection Regulations is reproduced as under: -

"10A. Investigation during disposal of complaint or grievance.
Notwithstanding anything contained in Chapter III, the processing of a complaint or grievance or material available on record under the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017, shall mean investigation under this regulation and in such case the processing papers shall mean the investigation report under regulation 10:

Provided that nothing in this regulation shall restrict the Board to appoint an inspecting authority under Chapter-II or an investigating authority under Chapter-III."

2.1.27. Regulation 10A of the I&I Regulations expressly deems the processing of a complaint to be investigation and further deems the processing papers generated thereunder to be investigation report. Therefore, upon completion of such examination, the statutory precondition of "completion of an inspection or investigation under section 218" stands satisfied for the purposes of Section 219, and the Board is competent to issue an SCN on the basis thereof.

2.1.28. Mr. Navneet Gupta has also failed to show any prejudice or harm caused to him on account of the examination undertaken under Regulation 10A, or to establish any additional procedural safeguard that he would have got if an inspection or investigation is conducted. He was afforded a full and reasonable opportunity to respond to the complaint. The Board addressed multiple communications to him seeking his response and clarifications, to which he duly replied. His responses were examined and considered by the Board, and it was only upon completion of such examination that the SCN was issued to Mr. Navneet Gupta.

2.1.29. As regards the reliance placed by Mr. Navneet Gupta on the 2026 amendment to Section 219 (inserting the words *"or on the basis of material available on record"*, this is for the cases where the Board can issue SCN only on the basis of material available before it without any complaint/inspection or investigation which is not the case here.

2.1.30. As far as submission regarding approval of the SCN by a single ED rather than a Committee of EDs is concerned, as per IBBI (Delegation of Powers and Functions) dated 02.07.2020 power to issue SCN lies with ED after considering the views of Committee of EDs, the relevant extract is as under: -

"PART-B
DELEGATION OF POWERS AND FUNCTIONS

Sr. No	*Power/Function*	*Delegate*
B. Oversight and Enforcement		

...		
12	***Supervision of Service Providers***	
.....		
	Approval of Show Cause Notice pursuant to Inspection / Investigation ***after considering the views of Committee of EDs***	*ED"*

2.1.31. However, as per its latest amended version dated 30.01.2025 which was approved by the Governing Board, in its 38th meeting held on 19.12.2024 clearly provides power to issue SCN lies with the ED. The relevant extract is reproduced below: -

"PART-B
DELEGATION OF POWERS AND FUNCTIONS

Sr. No	*Power/Function*	*Delegate*
	B. Oversight and Enforcement	
...		
12	***Supervision of Service Providers***	
.....		
	Approval of Show Cause Notice pursuant to Inspection / Investigation	*ED"*

2.1.32. From the above table it is clear that the power to approve SCN lies with ED. The earlier authority to decide issuance of SCN has been changed by the Governing Board of IBBI from Committee of EDs to ED. Hence, the objection is not sustained.

D. <u>Regulation 10A cannot be interpreted in a manner that renders Sections 218 and 219 otiose.</u>

2.1.33. Mr. Navneet Gupta submitted that the present proceedings demonstrate the very dangers against which the statutory framework is intended to guard. Allegations not forming part of the complaints, overlapping allegations across multiple complaints, issues falling within the jurisdiction of the AA and allegations of alleged non-cooperation emerging during the examination process itself have all found their way into the SCN without the benefit of any independent investigation process contemplated by the Code.

Observation of the DC.

2.1.34. This preliminary submission has already been dealt above. The DC reiterates that Regulation 10A does not dispense with, dilute, or render otiose the safeguards under Sections 218 and 219 of the Code. The DC notes that the manner of examination undertaken by the Board is consistent with the scheme of Section 220 of the Code, as the substantive process followed remains materially the same. Hence, the objection is not sustainable.

2.1.35. The observations and findings in three complaints against Mr. Navneet Gupta were collated and dealt in Note#8 in Complaint no. IBBI/C/2025/01484. The observations will reveal that overlapping allegation were marked and respective ongoing matter before the AA were also observed before reaching any conclusion. Moreover, the conduct of non-cooperation by Mr. Navneet Gupta was observed during the examination of issues in the complaint. This conduct cannot obviously be part of the complaints but is connected with the process of examining these complaints.

E. <u>Non-Application of mind and absence of a reasoned prima facie satisfaction.</u>

2.1.36. Mr. Navneet Gupta submitted that the note sheets reveal that in Complaint No. COMP-11011/52/2025-IBBI, after recording certain prima facie observations, the matter was merely marked by the Executive Director with the direction *"Please discuss*". The records furnished to him do not disclose any subsequent discussion note, analysis, recommendation or conclusion pursuant to the said direction. There is nothing on record to indicate what transpired during such discussion, who participated therein, what material was considered, whether the preliminary observations were accepted or rejected, or whether any final view was formed at all. Mr. Navneet Gupta further submitted that similarity, in Complaint No. COMP-11011/58/2025-IBBI, the Executive Director specifically directed the officers concerned to ascertain the number of allegations already examined in other proceedings, identify issues in respect whereof the reply was satisfactory and determine whether any issues were sub judice. The records furnished to Mr. Navneet Gupta do not disclose any note answering the aforesaid queries nor any analysis showing compliance with the said direction.

2.1.37. Despite the aforesaid gaps in the decision-making process, the Board proceeded to record a bald conclusion in a different file that a prima facie case existed against Mr. Navneet Gupta. The records do not disclose the reasoning process by which the Board arrived at such conclusion. The satisfaction recorded is thus mechanical, unsupported by reasons and reflective of complete non-application of mind. The requirement of formation of a prima facie opinion is not an empty formality. Such satisfaction must be founded on objective consideration of material and must be demonstrable from the record itself. The impugned proceedings are therefore vitiated on account of arbitrariness and non-application of mind.

Observation of the DC.

2.1.38. The DC notes that the file noting contains directions to officers to ascertain issues in detail and reflects the comprehensive process by which matter is examined within the Board to form prima facie opinion.

2.1.39. The DC notes that there were three complaints against Mr. Navneet Gupta in three files i.e., COMP-11011/52/2025-IBBI, COMP-11011/110/2025-IBBI and COMP-11011/58/2025-IBBI. In file no. COMP-11011/52/2025-IBBI (dealing with first complaint), the competent authority on the noting put up observed "Please discuss" on 15.09.2025. In file no. COMP-11011/58/2025-IBBI (dealing with second complaint), the competent authority on 11.09.2025 observed as under :

"Please ascertain how many allegations have been dealt with as part of other examination reports and in how many issues the reply is satisfactory. Also, in how many issues, the same question/ allegation is sub-judice."

2.1.40. Subsequently on 19.09.2025, in COMP-11011/110/2025-IBBI (dealing with third complaint), the contraventions in three complaints were collated in Note#8 along with the respective findings and put up with the following noting: -

"As advised, the allegations sustained in the three complaints received against Mr. Navneet Gupta, RP/IP in the matter of Nimitaya Hotel and Resorts Limited, have been summarized in the table above.

For reference, the examination notes of other two complaints (other than the one dealt in this file) have been placed in TOC for reference.

Submitted for kind perusal, please."

The above noting explains that consequent to discussion held in file dealing with first complaint, and after taking into account the noting in the file dealing with second complaint, allegations in all three complaints have been dealt together in the file dealing with third complaint. The notings specify the issues which were sub judice before the respective allegations and also specify whether any contravention was found in respect of an allegation or not.

2.1.41. Thereafter vide Note#10 the competent authority has decided the action required after considering all three complaints as under:

"In view of the facts of the case and the examinations carried out as above, there appears to be prima facie case against the IP.

Draft SCN in this regard may be submitted by DGM (KKG)."

2.1.42. It is therefore evident that the internal notings across the three files were not examined in isolation as Note 9 in COMP-11011/110/2025-IBBI expressly annexes and cross-references the examination carried out in the other two files, and the final view recorded in Note 10 that *"there appears to be prima facie case against the IP"* was arrived at only after such consolidated examination of all three complaints together. The *prima facie* opinion was arrived at on basis of the examinations, observations and collation done in previous notings. The DC notes the objection therefore does not disclose any lapse or fault in validity of the SCN and hence not sustainable.

F. SCN founded upon "examination of complaint" unknown to the statutory scheme.

2.1.43. Mr. Navneet Gupta submitted that the SCN records that the Board received complaints and thereafter "examined the allegations raised in the complaints". The SCN further encloses extracts of "examination notes".

2.1.44. He submitted that the Code recognises only the following stages:
(a) complaint under Section 217;
(b) inspection or investigation under Section 218; and
(c) SCN under Section 219.
Neither the Code nor the I&I Regulations recognise any independent adjudicatory process described as *"examination of complaint"* as a substitute for inspection or investigation.

2.1.45. While examination of a complaint may assist the Board in deciding whether to order inspection or investigation, such examination cannot replace the statutory mechanism expressly contemplated under Section 218. The SCN proceeds entirely on the basis of complaint examination notes and not upon any inspection report or investigation report. Consequently, the proceedings are founded upon a procedure not contemplated by the Code and therefore suffer from a fundamental jurisdictional defect.

Observation of the DC.

2.1.46. This objection is covered by the reasoning given above in paragraph no. 2.1.26-2.1.28. Regulation 10A of the Inspection Regulations expressly provides that processing of a complaint or material available on record under the Complaint Regulation shall mean investigation for the purposes of the said Regulations, while simultaneously preserving, by way of proviso, the Board's power to appoint an inspecting or investigating authority under Chapters II and III. The DC notes that Regulation 10A does not dispense with or override the statutory powers of the Board under the Code but operates as a procedural mechanism to enable the Board to act on complaints and material already on record. The DC notes that the manner of examination undertaken by the Board is consistent with the scheme of the Code, as the substantive process followed remains materially the same. File examination is a process which is adopted when complaint is examined based only with reference to reply from IP and material is not collected using much wider powers available during investigation e.g. power to visit premises of the IP (Regulation 8(3)), examine records and ask for its copies (Regulation 8(4), (5)), power to seize the records (Regulation 8(10) & (11)), power to examine and record statement of any person associated with IP

(Regulation 8(6)). So, file examination which is much less intrusive investigation method is adopted in cases where wider investigative powers as enumerated above are not required and issues can be examined based on the reply received from the IP rather than collecting evidence by more intrusive investigation methods. Since equal opportunity is accorded even during file examination, no prejudice is caused to the IP. Accordingly, the DC is of the view that the principles of natural justice have been duly complied with.

G. <u>Non-disclosure of investigation order.</u>

2.1.47. The SCN alleges violation of Regulations 8(4) and 8(8) of the I&I Regulations, which are provisions relating to investigation proceedings and obligations owed to an Investigating Authority. However, the SCN does not disclose:
(a) appointment of any Investigating Authority;
(b) investigation order;
(c) terms of reference of investigation;
(d) investigation report.

2.1.48. The allegation of non-cooperation with an Investigating Authority necessarily presupposes the existence of a validly appointed Investigating Authority. Unless such appointment and investigation are first established, allegations founded upon Regulations 8(4) and 8(8) cannot legally survive.

Observation of the DC.

2.1.49. The DC notes the there is no requirement of disclosing appointment of any Investigating Authority, investigation order, terms of reference of investigation and investigation report in the SCN. What is required is provided under Regulation 12 of I&I Regulations. The said regulation is reproduced as under: -

"12. Show-cause notice.
(1) The show-cause notice shall be in writing and shall state-
(a) the provisions of the Code under which it has been issued;
(b) the details of the alleged facts;
(c) the details of the evidence in support of the alleged facts;
(d) the provisions of the Code, rules, regulations and guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;]
(e) the actions or directions that the Board proposes to take or issue, if the allegations are established;
(f) the time within which the noticee may make written submission.
(g) the manner in which service provider is required to respond to the show cause notice; and
(h) consequences of failure to respond to the show-cause notice.

(2) For the purposes of clause (e) of sub-regulation (1), the Board shall take into account, but not limited to, the following factors: -
(a) the nature and seriousness of the alleged contraventions, including whether it was deliberate, reckless or negligent on the part of the noticee;
(b) the consequences and impact of the alleged contravention, including –
(i) unfair advantage gained by the noticee as a result of the alleged contravention;
(ii) loss caused, or likely to be caused, to stakeholders or any other person as a result of the alleged contravention; and
(iii) the conduct of the noticee after the occurrence of the alleged contravention, and prior to the alleged contraventions.

(3) The show-cause notice shall provide fifteen days to the noticee to make a written submission.

(4) The show-cause notice shall state, if a noticee fails to respond under sub-regulation (3) within the given time, it shall be disposed of based on the material available on record.
(5) The show-cause notice shall enclose copies of relevant documents and extracts of relevant portions from the report of investigation or inspection, or other records.

(6) A show-cause notice shall be served on the service provider in electronic form at the email address provided by the service provider to the Board and a copy shall also be sent by registered post.

(7) The Board shall refer the show-cause notice to the Disciplinary Committee alongwith all the relevant records including the written submissions, if any, made by the noticee in the matter."

2.1.50. As seen above whatever is required to be disclosed is already part of the SCN. Further as discussed above, Regulation 10A is deeming investigation under this regulation, The obligation to cooperate under Regulation 8(4) and 8(8) would include examination as done under Regulation 10A. Therefore, the objection is not sustainable.

H. <u>Bar of limitation and absence of condonation order.</u>

2.1.51. Mr. Navneet Gupta submitted that the SCN and the supporting documents refers to complaints dated 28.02.2025, 13.03.2025 and 19.05.2025 wherein the allegations relate to the year 2022. Mr. Navneet Gupta submitted that before acting upon any such complaint, the Board is required to satisfy itself regarding maintainability, including limitation. The SCN or the supporting documents do not disclose the scrutiny of Limitation, any application for condonation of delay or any order condoning any such delay and the SCN is also totally silent on the reasons for entertaining delayed allegations Therefore, the complaints being barred by limitation, no SCN can be issued on the basis of such complaints, 2.1.52. As per regulation 3(4) of Complaint Regulations, it is provided that

"3. Filing of grievance and complaint

….

(4) A grievance or a complaint, as the case may be, shall be filed within forty-five days of the occurrence of the cause of action for the grievance or the complaint:

Provided that a grievance or a complaint may be filed after the aforesaid period, if there are sufficient reasons justifying the delay, but such period shall not exceed thirty days from the date of closure of all proceedings related to the process under the Code before the Adjudicating Authority, the Appellate Authority, the High Court, or the Supreme Court, as the case may be".f

2.1.53. He submitted that (Para 3 of page 52 of SCN) records that the cause of action appears to be continuing even though the allegations are repetitive as in earlier complaints. Without prejudice, it is submitted that the allegation made in complaint at para (3)(i) page 51 of SCN relates to Regulation 31A and the expense incurred after that is already before CoC, therefore it cannot be a continuing violation. Similarly, the alleged violation in Para 3(ii) at (page 51 of SCN) of Reg 18 regarding convening of CoC meetings is for a particular period i.e. 27.12.2023 to 31.12.2024 and after that the CoC meetings are being held and this is also not a continuing violation. The other three allegations made in para 3(iii) at page 51 of SCN and allegations made at page 52 are repeat allegations as also made in earlier complaints and are not continuing in nature. Despite recording such fact, no application seeking condonation of delay was filed, no sufficient cause was recorded and no order condoning the delay was ever passed. The Regulation 3(4) of the Complaint Regulations, 2016 explicitly requires "sufficient reasons justifying delay to be provided by the complainant. The Board cannot retroactively or implicitly regularize a time-barred complaint. The satisfaction of "sufficient cause" must precede even consideration of a belated complaint. The Board nevertheless entertained the complaints without disclosing any reason for dispensing with the statutory requirement of considering limitation. Such exercise is contrary to settled principles governing quasi-judicial proceedings.

Observation of the DC.

2.1.54. The DC notes that the upper limit in proviso of Regulation 3(4) of the Complaint Regulations very well covered the present case as the present matter is under CIRP and proceedings are pending before the AA. Further, several of the contraventions forming the subject matter of the present SCN are continuing in nature including non-convening of CoC meetings, seeking approval of CIRP cost. Therefore, issues in the complaints cannot be considered as time barred. The preliminary objection is not sustainable.

I. <u>Conscious Entertainment of time barred complaints without recording sufficient cause or passing any order of Condonation</u>

2.1.55. Mr. Navneet Gupta submitted that without prejudice to the submissions contained in the preceding paragraph regarding maintainability of the complaints, the records supplied along with the SCN reveal a far more fundamental infirmity in the decision-making process adopted by the Board. The examination notes # 3 pertaining to each of the Complaint Nos. COMP-11011/52/2025-IBBI, COMP-11011/58/2025-IBBI and COMP-11011/110/2025-IBBI specifically record that the complaints had been filed beyond the prescribed period. The issue of limitation was therefore consciously noticed and acknowledged by the officers examining the complaints. Having expressly recorded that the complaints were beyond the prescribed period, it was incumbent upon the Board to first arrive at a reasoned satisfaction regarding the existence of circumstances justifying entertainment of such complaints notwithstanding the delay. However, the examination notes do not disclose any discussion whatsoever regarding the cause of delay, the sufficiency thereof, the exercise of discretion or the basis on which the delay was considered fit to be overlooked.

2.1.56. Mr. Navneet Gupta further submitted that once the Board consciously noticed a jurisdictional impediment at the threshold stage, it was under a corresponding obligation to deal with the same by a reasoned determination before proceeding further. The examination notes thus disclose an absence of application of mind to a material jurisdictional issue expressly identified by the Board itself, thereby vitiating the decision-making process which ultimately culminated in issuance of the present SCN.

Observation of the DC.

2.1.57. Firstly, as stated in para 2.1.54 above, this objection has been dealt with as far as recording of reasons is concerned. Nowhere it is stated that it has to be specifically recorded in the file examination note. The issue was very well brought into the notice of the Board and the Board only after consideration of this aspect proceeded to examine the complaint, formed a prima facie view and issued SCN. Mere absence of an elaborate recorded discussion on condonation of delay in the examination notes does not vitiate the SCN. The objection is therefore not sustainable.

J. <u>Extraordinary Litigation environment in which Mr. Navneet Gupta was discharging his duties.</u>

2.1.58. Mr. Navneet Gupta submitted that by order dated 15.04.2026, the AA observed that an affidavit filed on behalf of Indian Bank, purportedly in compliance of directions of the AA, sought to introduce facts beyond the scope of the directions issued and contained various allegations and insinuations directed against the RP. The AA expressly observed that the affidavit appeared to be beyond the scope of the directions issued and directed that the same shall not be treated as part of the record.

2.1.59. Mr. Navneet Gupta further submitted that by order dated 20.05.2026, the AA Special Bench recorded that the appearance of Mr. Sanjeev Kumar was not found sufficient for explaining the issues raised before the AA and directed appearance of a duly authorised senior officer of the Bank conversant with the matter.

2.1.60. Mr. Navneet Gupta is not placing reliance upon the aforesaid orders to question the conduct of Indian Bank or any of its officers. The aforesaid orders are being referred to only for the limited purpose of demonstrating that the CIRP was being conducted in an extraordinarily adversarial environment and that the positions adopted by various stakeholders, including the sole financial creditor, were themselves the subject matter of active judicial scrutiny.

2.1.61. Mr. Navneet Gupta further submitted that these circumstances assume significance because many of the allegations now forming part of the SCN arose during the same period of intense litigation and stakeholder disputes. The allegations against Mr. Navneet Gupta, therefore, required careful and independent scrutiny against contemporaneous records and objective evidence rather than acceptance of stakeholder assertions at face value.

Observation of the DC.

2.1.62. The DC notes that this submission is not on validity of SCN but merely a caveat on complaint and the litigations involved. Be that as it may, the DC will bear this submission in mind, while examining the contraventions below. The relevant litigations which have connection with the contraventions alleged in the SCN will be considered by the DC while recording its findings.

K. <u>The record does not disclose a reasoned and independent formation of prima facie opinion.</u>

2.1.63. Mr. Navneet Gupta submitted that the formation of a prima facie opinion is not an empty procedural formality but constitutes the foundational step preceding initiation of disciplinary proceedings. Such prima facie opinion must necessarily be the result of objective consideration of the available material, examination of the replies furnished by the IP and an evaluation of whether the material on record discloses a case warranting disciplinary action. A prima facie opinion is expected to reflect application of mind to the facts, the explanations furnished by the IP and the statutory provisions allegedly violated. The records supplied in the present case do not disclose any independent note analysing the explanations furnished by him and recording reasons why such explanations were found unsatisfactory. The examination notes contain extensive references to allegations made by the complainants and, in certain instances, references to the replies furnished by

Mr. Navneet Gupta. However, the final note leading to issuance of the SCN merely records a conclusion that a prima facie case appears to exist.

2.1.64. Mr. Navneet Gupta further submitted that the record does not disclose the analytical process by which the competent authority arrived at such conclusion. In particular, the records do not disclose:

(a) which explanations furnished by him were accepted;
(b) which explanations were rejected;
(c) the reasons for rejecting such explanations;
(d) the material relied upon for arriving at such conclusion.

Observation of the DC.

2.1.65. The DC notes that as stated above in paragraph 2.1.38 to 2.1.42, the requirement of Regulation 11(2) of I&I Regulations is for formation of a prima facie opinion by the competent authority. The same is formed on the observations made during examination of complaints and does not require the observation of competent authority on each noting made during examination. It is the DC who takes a definitive view after hearing the IP concerned and taking into account available material. Therefore, the DC alone is required to pass a final adjudication order. The objection is therefore not sustainable.

L. <u>The Board has travelled beyond the allegations made in the complaint.</u>

2.1.66. Mr. Navneet Gupta submitted that without prejudice to his primary submission that disciplinary proceedings under the Code cannot be founded merely upon examination of complaints and must necessarily be preceded by the statutory process contemplated under Sections 218 and 219 of the Code. Mr. Navneet Gupta submitted that even assuming the complaint examination process to be valid, the examination undertaken by the Board suffered from a further and more fundamental infirmity.

2.1.67. Mr. Navneet Gupta further submitted that the Board was required to examine the allegations actually raised in the complaints and determine whether such allegations disclosed any contravention of the Code, the Regulations or the Code of Conduct. The examination process could not be converted into an exercise of reformulating, enlarging or re-characterising the allegations so as to create altogether new contraventions not originally forming part of the grievance raised by the complainants. The records supplied to him revealed that the three complaints contain substantial overlap and, in many instances, employ substantially identical language, phraseology and allegations. A comparative examination of the complaints would show that several allegations were reproduced almost verbatim across the three complaints despite having been ostensibly filed by different complainants. The striking similarity in language, structure, sequence of allegations and factual assertions strongly suggests that the complaints emanate from a common source or are based upon a common narrative advanced by persons acting in concert.

2.1.68. Mr. Navneet Gupta further submitted that one complaint questioned the alleged eligibility of the Successful Resolution Applicant (SRA) under Section 29A of the Code. The examination record did not disclose any finding that the Resolution Applicant was in fact ineligible under Section 29A. Nor does the Board purport to determine such eligibility, which is ultimately a matter falling within the domain of the AA while considering approval of the Resolution Plan.

2.1.69. Mr. Navneet Gupta submitted that the question whether a Resolution Applicant is eligible or ineligible under Section 29A is ultimately a matter falling within the jurisdiction of the AA while considering approval of the Resolution Plan. The Code contemplates judicial scrutiny of eligibility issues by the AA and, where necessary, by the Appellate Tribunal and higher judicial forums. The Board is not vested with jurisdiction to adjudicate the eligibility or ineligibility of a Resolution Applicant in substitution of the AA. Significantly, the examination record does not disclose any finding by the Board that the SRA was in fact ineligible under Section 29A. Nor does the Board purport to arrive at any definitive conclusion on the issue of eligibility. Having refrained from determining the very allegation forming the foundation of the complaint, the examination process thereafter shifts focus to an altogether different issue, namely whether Mr. Navneet Gupta conducted independent due diligence and whether a separate due diligence report existed.

2.1.70. The examination record in the present case does not disclose a clear analytical chain connecting. The absence of such analytical chain assumes even greater significance where the complaints themselves are substantially overlapping, emanate from a common factual narrative and appear to have been filed by persons interested in challenging the conduct of the insolvency process after losing control of the Corporate Debtor.

Observation of the DC.

2.1.71. The DC notes that it does not matter from where the allegations have emanated. The allegations have been examined independently by the Board, and similar allegations have been dealt together when there was duplication of issues between them. Such procedure has not caused any prejudice to the IP. Moreover, proceedings before the Board and DC are not adversarial between the complainant and the IP. Once material indicating possible contravention comes to the Board's notice, through a complaint or otherwise, the Board is entitled to examine the conduct of the IP against the Code.

2.1.72. As regards the submission that the SRA's eligibility under Section 29A falls within the domain of the AA, the DC notes that since it forms part of Contravention II of the SCN, the same shall be dealt with while examining the said contravention. At this preliminary stage, it is sufficient to observe that the question as to whether the RP discharged his own statutory obligation under the Code to conduct due diligence can very well be examined by the DC. Accordingly, the objection is not sustainable.

M. <u>The examination of complaint no. COMP-11011/110/2025-IBBI proceeded without awaiting the outcome of the independent audit commissioned by the committee of creditors</u>

2.1.73. Mr. Navneet Gupta submitted that Complaint No. COMP11011/110/2025-IBBI, which ultimately became the foundation for issuance of the impugned SCN, contained allegations relating, *inter alia*, to the incurrence of CIRP costs and alleged misuse or misappropriation of CIRP funds. The principal grievance raised by the complainant was that CIRP expenditure aggregating approximately Rs. 9.30 crore had allegedly been incurred without proper approval and that the CIRP funds had not been appropriately utilized. Significantly, these very issues were under active consideration before the CoC during the relevant period. The records would reveal that the issue of CIRP costs had been placed before the CoC and formed part of the discussions conducted in the meetings of the Committee. In the 21st Meeting of CoC, it started the process of appointment of an independent auditor and the copy of minutes of 21st CoC meeting are already in possession of the Board. It is further submitted that in the 24th Meeting of the CoC held on 23.08.2025, the sole member of the CoC resolved to appoint an independent Chartered Accountant, namely Mr. Naresh Kumar Munjal, for carrying out a detailed audit and examination of the CIRP expenditures and transactions.

2.1.74. He further submitted that the scope of such audit was not confined merely to the period referred to in the complaint but extended to a substantially larger period commencing from 24.12.2021 and continuing up to 31.05.2025. The decision of the CoC to appoint an independent professional for verification of the transactions demonstrates that the very allegations forming the subject matter of the complaint were under objective examination through a process initiated by the CoC itself. He had specifically brought this fact to the notice of the Board in his communication dated 30.07.2025 and had pointed out that the complainants themselves were seeking an audit of the transactions in question. He also submitted that once an independent audit had been directed by the CoC in relation to the very transactions and expenditures which formed the basis of the complaint, and the factum was also in the notice of the complainant, the outcome of such audit constituted highly relevant material for a fair and objective examination of the allegations.

2.1.75. The audit report was ultimately submitted by the independent auditor on 09.11.2025 and did not record any adverse observations against Mr. Navneet Gupta. However, before the findings of the auditor could be considered and placed before the Board, the examination process proceeded on the basis of the allegations contained in the complaint and the assumptions arising therefrom. Mr. Navneet Gupta further submitted that the audit report was capable of either substantiating or disproving the allegations relating to unauthorized expenditure, misuse of CIRP funds, approval of expenses and the propriety of transactions undertaken during the CIRP. In these circumstances, prudence, fairness and objective decision making required that the examination process take into account the findings of the independent audit before arriving at any *prima facie* conclusion regarding the conduct of the RP. He does not suggest that the Board was legally bound by the conclusions of the auditor. However, the findings of an independent audit commissioned by the CoC in respect of the very allegations under examination constituted material evidence which deserved consideration before a prima facie view was formed. The examination records do not disclose any consideration of the audit findings. Consequently, the prima facie view appears to have been formed without the benefit of material evidence which was directly relevant to the allegations under consideration. the examination process, insofar as it relates to allegations concerning CIRP expenditure and alleged misuse of CIRP funds, proceeded without awaiting the outcome of the very fact-finding exercise initiated for verification of those allegations.

2.1.76. The circumstances therefore indicate that the examination was concluded without consideration of material evidence which subsequently became available and which bears directly upon the allegations forming part of the SCN. He submitted that the audit report dated 09.11.2025 and the findings recorded therein deserve to be considered while evaluating the allegations relating to CIRP costs, alleged unauthorized payments and alleged misuse of CIRP funds.

2.1.77. Mr. Navneet Gupta further submitted that, the audit was not commissioned by Mr. Navneet Gupta as a defensive measure but was directed by the CoC itself for independent verification of the very allegations subsequently forming part of the SCN. Once the CoC had chosen to subject the transactions to professional scrutiny through an independent Chartered Accountant, principles of fairness, objectivity and informed decision-making required that the outcome of such exercise be taken into account before any adverse prima facie conclusion was formed, the record supplied to Mr. Navneet Gupta does not disclose any consideration whatsoever of the audit findings despite their direct relevance to the allegations under examination. Further, the distinction is material because the present allegation proceeds on the premise that the payments were unauthorised. However, the contemporaneous record demonstrates that the sole financial creditor itself did not proceed on such premise. Instead of rejecting the expenditure outright, the CoC directed an independent examination of the transactions. The subsequent audit having failed to disclose any diversion of funds, misappropriation, fictitious expenditure or financial irregularity, the allegation of unauthorised payments loses its factual foundation.

Observation of the DC.

2.1.78. The DC notes that major objection relates to non-consideration of some material which was relevant tom the allegation but has been brought to the notice of the Board after the decision to issue the SCN has already been taken. However, it is not the case that any final determination has been made in this regard by the Board, only a prima facie view has been formed on the basis of the material available on record, which constitutes the subject matter of Contravention-V of the SCN. This submission shall accordingly be considered while examining the said alleged contravention on merits. At this stage, the issue cannot be said to be one that invalidates the SCN as a whole at the threshold. Further, the question as to the weight of the said audit report to be given of the findings in the report is a matter to be considered on merits. Accordingly, the preliminary objection is not sustainable.

N. Professional Disability Already Suffered Deserves Due Consideration.

2.1.79. Issuance of the SCN resulted in suspension of his Authorisation for Assignment (AFA) in terms of Regulation 23A of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. Consequently, with effect from 28.11.2025, Mr. Navneet Gupta has remained ineligible to accept any fresh assignment under the Code and has thereby already suffered a continuing professional disability, deprivation of professional opportunities, financial loss and reputational prejudice for a substantial period. The disciplinary process is intended to uphold professional standards and not to inflict disproportionate consequences. Therefore, while considering the question of penalty, if any, the DC must take into account the prejudice and professional disability already suffered by the Respondent during the pendency of the proceedings.

Observation of the DC.

2.1.80. The DC notes that as far as suspension of AFA in terms of Regulation 23A of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 is concerned, he is barred from accepting accept any fresh assignment under the Code though he can continue with the existing assignments. The suspension of the AFA under Regulation 23A operates upon commencement of disciplinary proceedings and is not, in itself, a punitive measure. This position stands settled by the Madras High Court in *CA V.Venkata Siva Kumarv. Insolvency and Bankruptcy Board of India and others, Writ Petition No. 16650 of 2020*, decided on 22.01.2024, wherein it was held:

"6. Regulation 23 A has already been extracted supra. It can be seen that it only lays down that the AFA shall remain suspended once the disciplinary proceedings are initiated. As a matter of fact, Regulation 12A of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, categorically provides that the Resolution Professionals should not have any disciplinary proceedings pending against them. If that be the case, it is only logical that there is an ad-interim suspension of AFA if any disciplinary proceedings are initiated subsequently also. The power of ad-interim suspension has always been held to be a valid and natural exercise of power and the only requirement there must be an express rule enabling the same.

6.1 There is no discretion vested with the IPAs and the suspension is automatic, once the disciplinary proceedings are initiated. Therefore, it can neither be termed as manifestly arbitrary nor be challenged on the ground of any confirmation of unguided/unbridled power.

6.2 The power of suspension is not a punishment and is an adinterim measure and if one has to be issued with show cause notice, then the very purpose of ad-interim suspension is lost. In as much as ultimate punishment is imposed only on the conclusion of the disciplinary proceedings it cannot be said that any substantial or vested right of the Resolution Professional is violated. On the contrary, the purpose of suspension is to immediately keep the erring person away from the office, so that the relevant materials and evidences which are on record be properly collected and that there is an impartial and fair enquiry in the issue. Therefore, the requirement of issuance of show cause notice cannot be read into a provision of ad-interim suspension.

6.3 Of course, any suspension, if prolonged, without any inquiry being proceeded with, would cause stigma. But the larger public interest and the laudable purpose behind the rule of suspension and the relative hardship had to be balanced. Only to avoid hardships, normally swift and prompt completion of the process of disciplinary proceedings is insisted upon. Therefore, the petitioner or any other aggrieved professional can only insist upon prompt completion of the proceedings and the hardship cannot be a ground for challenging the very regulation itself.

6.4 Accordingly, finding no infirmity, we uphold the constitutional validity of the Regulation 23A of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016."

2.1.81. The correctness of the above judgment was carried in challenge before the Hon'ble Supreme Court of India by way of SLP (C) Diary No. 47276/2024, titled *CA V. Venkata Sivakumar v. Insolvency and Bankruptcy Board of India*. By order dated 01.04.2025, the Hon'ble Supreme Court upheld the constitutional validity of Regulation 23A read with Section 140 of the Code, concurred with the findings of the High Court, and held that the power to suspend an Insolvency Professional on commencement of disciplinary proceedings does not violate Articles 14, 19, or 21 of the Constitution. The Special Leave Petition was accordingly dismissed, affirming the validity and continued operation of Regulation 23A. The relevant extract is as under: -

"On the question of the constitutional validity of the provisions, we are in agreement with the High Court that the power to suspend is bestowed by Regulation 23A of the Insolvency and Bankruptcy Board of India (Model Bye-Laws And Governing Board of Insolvency Professional Agencies) Regulations, 2016, read with Section 140 of the Insolvency and Bankruptcy Code, 2016. We also agree with the finding recorded in the order dated 20.02.2024 passed in the review application, which, inter alia, dealt with empanelment and de-empanelment, including suspension, of the Resolution Professionals. In our opinion, this would not violate Articles 14, 19 and/or 21 of the Constitution of India.
Recording the aforesaid, the special leave petitions are disposed of."

2.1.82. In view of the above, automatic suspension of the AFA consequent upon issuance of the SCN is a lawful, non-punitive, statutorily-mandated safeguard. The consequences flowing from such suspension are an incident of the statutory scheme itself. They are applicable uniformly in every case where disciplinary proceedings commence.

2.1.83. The consequence of issuance of SCN is different from any direction given by the DC while disposing SCN. Bar on acceptance of new assignment after issuance of SCN cannot be equated with punishment imposed, if any, while disposing SCN. Moreover, under Section 7 and 9 of the Code, an IP cannot be appointed as IRP when disciplinary proceedings are going on against him. Hence, the bar of qualification cannot be read as punishment served.

O. Jurisdictional Issue.

2.1.84. Mr. Navneet Gupta has submitted that he has recently obtained, under the Right to Information Act, an Office Order indicating that Disciplinary Committees are being constituted on the approval of a "Competent Authority", and has sought further information regarding the statutory authority, Board Resolution and office orders governing such constitution. Mr. Navneet Gupta submitted that he reserves his rights on this jurisdictional issue and requests that the DC may record an appropriate observation in this regard while adjudicating the present proceedings.

Observation of the DC.

2.1.85. The DC notes that this submission does not disclose any specific defect in the constitution of the present DC. The Governing Board in its 3rd meeting held on 16.01.2017 noted that under section 220(1) of the Code, the Board needs to constitute disciplinary committee. Governing Board decided in that meeting that the Disciplinary committee may be constituted by the Chairperson. The Disciplinary Committee have accordingly been constituted by Chairperson and the details of the same are available at https://ibbi.gov.in/about/disciplinary-committee

2.1.86. In view of the above, the constitution of the present DC discloses no jurisdictional infirmity whatsoever.

2.1.87. In conclusion, the objections raised by Mr. Navneet Gupta failed to establish any procedural irregularity or prejudice that would warrant the dismissal of the proceedings at this threshold stage. As the Board has adhered to the principles of natural justice and statutory mandates, the SCN remains legally tenable. Consequently, the DC shall proceed to adjudicate the matter on its merits. Focus on substance keeping in view that no harm is caused to stakeholder, nit picking should not be allowed in garb of following procedure while natural justice should be granted, endeavour should be to decide issue on merit rather than getting entangled in process.

Contravention alleged in the SCN,

Contravention-I

2.2. **Non-cooperation with the Board.**

2.2.1. Regulation 8(4) of the I&I Regulations provides that it shall be the duty of the service provider and an associated person to produce before the Investigating Authority such records in his custody or control and furnish to the Investigating Authority such statements and information relating to its activities within such time as the Investigating Authority may require. Further, Regulation 8(8) of the said Regulations provides that it shall be the duty of the service provider and an associated person to give to the Investigating Authority all assistance which the Investigating Authority may reasonably require in connection with the investigation.

2.2.2. It has been observed that the Board *vide* its emails dated 21.03.2025, 15.04.2025 and 17.07.2025 sought his response to the complaints received against Mr. Navneet Gupta however, in the absence of complete furnishing of response/records, the Board *vide* its reminder emails: dated 15.04.2025, 27.05.2025, 16.07.2025, 22.07.2025, 25.08.2025 and 29.08.2025 pursuant to its email dated 21.03.2025, reminder emails dated 27.05.2025, 27.06.2025, 17.07.2025, 22.07.2025, 24.07.2025, 25.07.2025 and 29.07.2025 pursuant to its email dated 15.04.2025, and reminder emails dated 24.07.2025, 25.07.2025, 04.08.2025 and 12.08.2025 pursuant to its email dated 17.07.2025 sought specific queries/documents in response to the allegations levelled against him, however, Mr. Navneet Gupta repeatedly failed to respond to the same within the time lines stipulated therein.

2.2.3. In view of the above, the Board *prima facie* is of the view that Mr. Navneet Gupta have contravened Section 208(2)(a) and (e) of the Code, Regulation 8(4) and (8) of the I&I Regulations 2017 and Regulation 7(2)(a) and (h) of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) read with Clauses 13, 18 and 19 of the Code of Conduct as specified in the First Schedule of IP Regulations (Code of Conduct).

2.3. **Submission by Mr. Navneet Gupta**

A. Record of consistent communications with the Board

2.3.1. Mr. Navneet Gupta denied the allegation of non-cooperation and submitted that he, at all times, extended full cooperation to the Board and maintained continuous and transparent communication throughout the process. Every communication issued by the Board was duly acknowledged and responded to, and no instance of wilful default or omission can be attributed to him. The record of correspondence itself demonstrated consistent engagement and compliance with all directions of the Board. To substantiate, a consolidated statement of all communications exchanged with the Board is mentioned as hereunder:-

Annexure Bearing Reference No. COMP-11011/52/2025-IBBI		
S. No.	**Communications from the Board**	**Response provided by the RP to the Board**
1.	**Email dated 21.03.2025:** The email dated 21.03.2025 by way of which a document titled 'Annexure' bearing Reference No. COMP-11011/52/2025- IBBI was shared seeking response from Mr. Navneet Gupta. However, no complaint was shared by the IBBI with Mr. Navneet Gupta.	**Email dated 28.03.2025:** Mr. Navneet Gupta duly informed the Board that he was in the process of collating the requisite information; and, multiple applications filed were pending in the matter due to which time may be granted for submission of detailed response. **Email dated 03.06.2025:** The detailed response to each allegation contained in the aforesaid annexure was provided on 03.06.2025.
2.	**Email dated 16.07.2025**: The Board requested certain documents and due diligence report prepared by M/s KG Somani & Co.	**Email dated 18.07.2025**: Mr. Navneet Gupta provided the requisite documents. Further, Mr. Navneet Gupta also informed the Board of the status of report prepared by M/s KG Somani & Co.
3.	**Email dated 22.07.2025:** The Board directed Mr. Navneet Gupta to submit Affidavit filed by SRA under Section 29A of the Code.	**Email dated 22.07.2025:** Mr. Navneet Gupta provided the affidavits filed by SRA under Section 29A of the Code. Email dated 24.07.2025 Mr. Navneet Gupta wrote to the Board further clarifying that he had taken an independent and comprehensive due diligence exercise to assess the eligibility of all resolution applicants, including the SRA, in accordance with Section 29A of the Code.
4.	**Email dated 25.08.2025**: The Board directed Mr. Navneet Gupta to submit the due diligence report prepared under Section 29A of the Code. **Email dated 29.08.2025:** The Board sent a reminder email directing Mr. Navneet Gupta to submit the due diligence report prepared under Section 29A of the Code.	**Email dated 25.08.2025**: Mr. Navneet Gupta informed that he was travelling and would submit the required information at the earliest. **Email dated 01.09.2025**: Mr. Navneet Gupta informed the Board of steps taken by the Resolution Professional to assess the eligibility of the Resolution Applicants under Section 29A of the Code. Mr. Navneet Gupta further highlighted the discussions in the CoC meeting wherein the eligibility

		under Section 29A was discussed and deliberated.
Annexure Bearing Reference No. COMP- 11011/58/2025-IBBI		
S. NO.	**Communications from the Board**	**Response provided by the RP to the Board**
1.	**Email dated 15.04.2025:** The email dated 15.04.2025 by way of which a document titled 'Annexure' bearing Reference No. 11011/58/2025-IBBI was shared seeking response from Mr. Navneet Gupta. However, no complaint was shared by the IBBI with Mr. Navneet Gupta.	**Email dated 16.04.2025**: Mr. Navneet Gupta informed the Board of deliberate attempts by the suspended board of directors of the CD ("Suspended Board") to harass Mr. Navneet Gupta and further also challenged the maintainability of the complaint due to lack of locus standi.
2.	**Email dated 27.05.2025:** The Board sent a reminder email to the email dated 15.04.2025 directing a detailed response from Mr. Navneet Gupta to the above referenced annexure. No other email pertaining the said matter was shared in the interregnum by the IBBI.	**Email dated 27.05.2025 and 29.05.2025:** Mr. Navneet Gupta made certain submissions and sought time from the Hon'ble Board to submit his response.
3	**Email dated 27.06.2025, 17.07.2025, 22.07.2025 and 24.07.2025**: The Board acknowledged receipt of reply to first annexure and directed submission of response to the second annexure.	**Email dated 24.07.2025:** Mr. Navneet Gupta apologised for the delay and informed the Board that he was suffering from personal exigencies and professional commitments due to which there had been delay in submission of reply. Mr. Navneet Gupta sought time to submit his response. Hence, Mr. Navneet Gupta had already sought condonation of delay and no objection to the same was raised at the relevant stage.
4.	**Email dated 25.07.2025 and 29.07.2025:** The Board granted time to Mr. Navneet Gupta for submission of his reply. Hence, the delay in submission of reply stood condoned by the IBBI.	**Email dated 30.07.2025:** The detailed response to each allegation contained in the aforesaid annexure was provided on 30.07.2025.
Annexure Bearing Reference No. COMP- IBBI/C/2025/01484		
S. NO.	**Communications from the Board**	**Response provided by the RP to the Board**
1.	**Email dated 17.07.2025:** The email dated 17.07.2025 by way of which a document titled 'Annexure' bearing Reference No. IBBI/C/2025/01484 was shared seeking response from the Resolution Professional. However, no complaint was shared by the IBBI with Mr. Navneet	**Email dated 24.07.2025:** Mr. Navneet Gupta acknowledged the receipt of the email and informed the Board that he was submitting response to other similar annexures filed before the Board. Mr. Navneet Gupta also informed the Board that the matters raised in the 'Annexure'

	Gupta. Email dated 24.07.2025: The Board sent a reminder for submission of response to the above-referenced annexure.	are *sub-judice* before the AA and sought time for submission of detailed response.
2.	**Email dated 25.07.2025:** The Board granted time to Mr. Navneet Gupta for submission of his reply. Email dated 04.08.2025: The Board sent a reminder for submission of response to the above-referenced annexure. Email dated 12.08.2025: The Board directed Mr. Navneet Gupta to inform the status of the debit of funds amounting to Rs. 14,32,888/- and Rs. 9,30,86,919/- and to submit a detailed response. The aforesaid request was raised for the first time in this email.	**Email dated 16.10.2025**: Mr. Navneet Gupta filed his detailed response and requested for condonation of delay, submitting that the delay was neither deliberate nor intentional, but occasioned due to circumstances beyond his control. In particular, Mr. Navneet Gupta inter alia explained that: i. he was compelled to devote substantial time and attention to critical illness and subsequent hospitalisation of his mother. ii. he was simultaneously required to prepare comprehensive responses in multiple litigations arising out of various allegations made by the Suspended Board, which resulted in the filing of more than twenty (20) applications before the AA by the Suspended Board and their associates/related entities during the relevant period, thereby materially contributing to the unavoidable delay. The details of the aforesaid applications are set out in the ensuing paragraph. iii. he was required to examine contents of each of the aforesaid applications and brief the legal counsels engaged for representing the CD before the AA and other forums, to ensure effective representation. iv. he was also making extensive efforts to manage the CD as a going concern, and the generation of profits / surplus exceeding Rs. 56 Crores during the CIRP period itself stands as a testament to his commitment and diligent efforts.

		Mr. Navneet Gupta requested that the above circumstances be appreciated and considered on humanitarian and equitable grounds, especially in light of the fact that Mr. Navneet Gupta had already tendered his unconditional apologies and explained the situation in detail through emails dated 24.07.2025 and 16.10.2025. He submitted that the aforesaid response dated 16.10.2025 has not been taken into consideration by the Board before issuance of the present SCN. It is further submitted that he specifically addressed each allegation in the aforesaid detailed reply dated 16.10.2025, and therefore, the aforesaid reply deserves due consideration for a fair and just adjudication of the matter.

2.3.2. Mr. Navneet Gupta submitted that he had, on each occasion, received only a brief document titled "Annexure", comprising merely 2–3 pages, from the Board, wherein the nature, scope, and particulars of the allegations were not clearly set out. Owing to the limited and vague nature of allegations, Mr. Navneet Gupta was constrained to respond in a broad and general manner, thereby depriving him of a meaningful opportunity to address the precise factual allegations or any supporting material forming the basis thereof. In these circumstances, and in order to ensure complete transparency and full compliance with the directions of the Board, Mr. Navneet Gupta undertook extensive and time-intensive efforts to place comprehensive responses on record. During the relevant period, Mr. Navneet Gupta submitted multiple detailed replies, each accompanied by voluminous annexures, running into hundreds/thousands of pages setting out the complete factual record and documentary material in support of his conduct.

2.3.3. It was submitted by Mr. Navneet Gupta that a significant amount of time and resources were expended by him in preparing these exhaustive responses, solely to ensure that no aspect, howsoever remote, remained unaddressed, and were necessitated only because of the limited information initially made available, coupled with the expansive and indeterminate nature of the allegations. It was also submitted by Mr. Navneet Gupta that the extensive replies already placed before the Board clearly demonstrate his commitment to cooperate with the Board and assist the proceedings and facilitating an informed adjudication of the issues raised before the Board.

2.3.4. Additionally, it was submitted that the period between March 2025 and October 2025 witnessed an extraordinary and unprecedented proliferation of litigations initiated by the Suspended Board and related parties of the CD, many of which were intended to obstruct, delay, or derail the CIRP of the CD. Mr. Navneet Gupta was deliberately targeted in these proceedings in an attempt to assail the Resolution Plan approved by the Committee of Creditors ("CoC") and impede the adjudication of application bearing IA No. 987 of 2023 in C.P(IB)No. 1913/(ND)/2019 ("Plan Approval Application") filed by the RP seeking approval of the resolution plan ("CoC Approved Plan" / "Resolution Plan") submitted by M/s Nehru Place Hotels Real Estates Private Limited ("Successful Resolution Applicant"/ "SRA") and approved by the Committee of Creditors with 100% voting share.

2.3.5. Mr. Navneet Gupta submitted that the Resolution Professional, being the officer of the Court and entrusted with the conduct of the CIRP, was under a statutory duty to defend the process, respond to each such application, and ensure that frivolous objections were appropriately addressed. It is pertinent to submit that the Plan Approval Application continues to remain pending solely due to the multiplicity of such proceedings, which have consumed significant judicial time and administrative resources.

2.3.6. In view of the foregoing, and in order to assist this Board in appreciating the magnitude of the efforts undertaken and the substantial time necessarily expended by the Resolution Professional, a comprehensive tabulation of the litigations in the present matter, initiated and/or continuing during the relevant period, is set out herein below:-

S. NO.	CASE TITLE	PARTICULARS
1.	IA No. 2647 of 2023	The Suspended Director has challenged the approval of the Resolution Plan by way of this application, which is pending adjudication.
2.	IA No. 3108 of 2023	This application is filed by one of the suspended directors challenging the approval of the Resolution Plan, which is pending adjudication.
3.	IA No. 5874 of 2024	This application is filed by the Suspended Director of the Corporate Debtor seeking a stay of insolvency proceedings in view of the moratorium under Section 96 of the Code, which is pending adjudication.
4.	IA No. 180 of 2025	This is an application filed by the Suspended Management for placing on record certain additional documents based on which they have sought dismissal of the approval of the Resolution Plan filed through IA/987/2023. This application is pending adjudication.
5.	IA No. 1015 of 2025	This application is filed by a Suspended Director seeking immediate removal of the Resolution Professional from the CIRP of the Corporate Debtor, based on collusion with SRA and arbitrary actions. This application is pending adjudication.

6.	IA No. 1017 and 1021 of 2025	These applications are filed by related parties of the Corporate Debtor for reconsideration of the Resolution Plan in view of disproportionate allocation to unsecured financial creditors and withdrawal of Axis Trusteeship's claim. This application is pending adjudication.
7.	IA No. 1114 of 2025	This application is filed by Lalit Gulati (Operational Creditor) seeking reconsideration of the settlement proposal submitted by suspended directors. This application is pending adjudication.
8.	IA No. 1073 of 2025	This application is filed by Daulat Leasing & Financial Services (Operational Creditor) seeking direction to place the Resolution Plan back before CoC for revision in pursuance of the settlement with Axis Trustee Services Limited. This application is pending adjudication.
9.	IA No. 1804 of 2025	This application was filed on 16.04.2025 seeking the removal of the Resolution Professional and an independent audit of the CIRP. The Hon'ble Adjudicating Authority dismissed the aforesaid application vide Order dated 22.04.2025.
10.	IA No. 2865 of 2025	IA No. 2865 of 2025 filed by the SRA seeking direction for day-to-day hearing and expeditious disposal of IA No. 987 of 2023 filed for approval of Resolution Plan dismissed by the Adjudicating Authority with observations that the Hon'ble Adjudicating Authority sits half a day and a large number of matters are pending, and dates have been given in a large number of cases.
11.	TA (IBC) - 40(PB)/2025	SRA challenged the dismissal of his application seeking an expeditious hearing before the Hon'ble Principal Bench. The Ld. Principal Bench, in the present matter, directed that a specific timeline be set for expeditious adjudication of pending applications vide Order dated 08.08.2025
12.	IA No. 4244 of 2025	This application is filed by Mr Sanjeev Mahajan for placing on record the order dated 08.08.2025 passed by AA in TA (IBC)/40/PB/2025.
13.	IA No. 3130 of 2025	IA No. 3130 of 2025 filed by Mr. Sanjeev Mahajan interalia seeking hearing of the application along with IA No. 180 of 2025, directions against the RP, objecting to the Resolution Plan, Removal of the Resolution Professional, directions to restrain the RP from operating from or entering the premises of the Corporate Debtor, seeking directions to suspend all disbursals or CIRP-related payments from the Corporate Debtor's accounts.
14.	IA. 5724 of 2025	This application has been filed by Indian Bank, the sole member of the CoC of the Corporate Debtor, seeking dismissal of IA No. 987 of 2023, filed by the Resolution Professional for approval of the Resolution Plan submitted by Nehru Place Hotels and Real Estate Pvt. Ltd.

15.	IA 5725 of 2025	This application has been filed by Indian Bank, the sole member of the CoC of the Corporate Debtor, seeking permission to issue a fresh Form 'G' in the interest of protecting public funds and in furtherance of the maximization of the assets of the Corporate Debtor, while promoting competition and ensuring a fair and transparent process.
16.	IA No. 5928 of 2025	This application has been filed by the Suspended Director, Sanjeev Mahajan, seeking impleadment in IA No. 5725 of 2025.
17.	IA No. 5929 of 2025	This application has been filed by the related party of Corporate Debtor, Nimitaya Properties Limited, seeking impleadment in IA No. 5724 of 2025.
18.	IA No. 5930 of 2025	This application has been filed by the related party of the Corporate Debtor, Nimita Infrastructure Private Limited, seeking impleadment in IA No. 5725 of 2025.
19.	IA No. 5932 of 2025	This application has been filed by the Suspended Director, Sanjeev Mahajan, seeking impleadment in IA No. 5724 of 2025.
20.	IA No. 5933 of 2025	This application has been filed by the related party of the Corporate Debtor, Nimitaya Properties Limited, seeking impleadment in IA No. 5725 of 2025.
21.	IA No. 5933 of 2025	This application has been filed by the related party of the Corporate Debtor, Nimita Infrastructure Private Limited, seeking impleadment in IA No. 5724 of 2025.

2.3.7. Additionally, a compilation of the orders passed between 21.03.2025 till date, demonstrating the continuous appearances and significant time commitments undertaken by Mr. Navneet Gupta before the AA. It is submitted that the Resolution Plan of the SRA was approved by the CoC on 08.01.2023. However, even after nearly three years, the Plan Approval Application continues to remain sub-judice before the AA. Such prolonged delay in complete contradiction to the objective of timely resolution in the Code, arose due to numerous applications filed by the Suspended Board before the AA and the time spent by him in defending the same.

2.3.8. He submitted that during the relevant period, the CoC, vide its email dated 05.05.2025, directed Mr. Navneet Gupta to furnish invoices, bills, vouchers, and supporting documents for the purpose of their examination prior to approving the CIRP expenses, running into approximately 7,000 pages. In compliance with the said direction, Mr. Navneet Gupta was ready with the complete set of documents in a sequential and systematic manner. However, the CoC did not accept the physical copy of the requested documents, and consequently, he was constrained to digitise the entire record afresh before submission. Thereafter, the complete set of documents was duly furnished to the CoC via emails dated 22.05.2025 and 29.05.2025.

2.3.9. He further submitted that subsequent to the aforesaid exercise, the CoC directed Mr. Navneet Gupta to appoint an auditor for conducting an audit of the CIRP expenses incurred from 24.12.2021 till date, in accordance with Regulation 31B of the Insolvency and Bankruptcy

Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). In compliance with this direction, he was required to undertake a detailed process of identifying eligible auditors for engagement, which involved inviting quotations, evaluating proposals, and preparing the same for consideration and presentation before the CoC during the subsequent CoC Meeting.

2.3.10. Thereafter, upon approval of the CoC holding 100% voting share, an auditor was duly appointed, and the appointment letter was issued to the approved auditor by Mr. Navneet Gupta vide email dated 23.08.2025. Pursuant to such appointment, the Resolution Professional was required to expend substantial time and effort in responding to the auditor's queries and in furnishing all requisite documents, explanations, and clarifications. It is rather pertinent to note that the procedure adopted by the CoC for the appointment of the auditor was materially influenced by the presence and interventions of the Suspended Director during the meetings. Initially, the CoC was satisfied with the process of inviting quotations through email followed by presentations during the CoC meeting. However, upon objections raised by the Suspended Director, who is the Complainant herein, on unsubstantiated and frivolous grounds, the CoC directed Mr. Navneet Gupta to scrap the entire process and re-initiate the exercise by issuing a public announcement inviting fresh quotations from auditors, thereby extending the overall time and effort required for the auditor appointment process.

2.3.11. Accordingly, he submitted that any delay in the present matter arose during an exceptionally demanding period between April and October 2025, when the Resolution Professional was required to simultaneously manage multiple complex and time-sensitive responsibilities under the CIRP.

2.3.12. Mr. Navneet Gupta submitted that the alleged delay was entirely attributable to the statutory obligations of the Resolution Professional and ongoing litigations in the present matter, and not due to any wilful default, negligence, or intention to withhold cooperation. On the contrary, at all times, the Resolution Professional made diligent and bona fide efforts to comply with directions of the CoC, the AA and the Board, providing all requisite information and documents in a transparent manner.

2.3.13. Mr. Navneet Gupta submitted that he made due and diligent efforts to represent the CD in legal proceedings before various fora and has ensured that the assets of the CD are protected, preserved and maximised, while maintaining its affairs as a going concern. It submitted that there exists no mala fide or deliberate default on his part that would warrant any adverse inference. Even assuming the existence of some delay, the same was entirely inadvertent and procedural, arising from the unavoidable demands inherent to the conduct of the CIRP.

2.3.14. Mr. Navneet Gupta submitted that the reliance placed on Regulation 8(4) and 8(8) of the I&I Regulations is misconceived and unsustainable in the facts and circumstances of the present matter. Regulation 8 operates exclusively within the statutory framework of an inspection or investigation conducted by an Investigating Authority appointed under Regulation 3 of the I&I

Regulations. Accordingly, the obligations under Regulation 8(4) and 8(8) arise only after a formal order or inspection or investigation is issued by the Board and an Investigating Authority under Regulation 3 is appointed by the Board. However, in the present matter, no formal inspection or investigation was issued, and consequently no investigating authority was appointed under Regulation 3 of I&I Regulations. Instead, various communications issued by the Board to Mr. Navneet Gupta has been admittedly issued under the Complaint Regulations. Accordingly, Regulation 8(4) and 8(8) of the I&I Regulations cannot be invoked and no allegations of contravention thereunder can be sustained.

2.3.15. Mr. Navneet Gupta submitted that the communications relied upon by the Board were admittedly issued at the stage of examination of the complaints, which is administrative and preliminary in nature, and cannot be equated with a statutory inspection or investigation under the I&I Regulations. In view thereof, the alleged violation of Regulation 8(4) and 8(8), and the consequential invocation of Section 208(2)(a) and (e) of the Code and Regulation 7(2) of the IP Regulations is untenable, and therefore, liable to be rejected.

2.3.16. In addendum dated 28.06.2026, Mr. Navneet Gupta submitted that the Board transformed correspondence relating to complaint examination into a disciplinary charge of non-cooperation without ever putting Mr. Navneet Gupta to notice that such conduct was itself being examined as a potential contravention. The allegation relating to alleged non-cooperation with the Board was fundamentally misconceived and was not borne out from either the complaints, the examination process or the contemporaneous record. He submitted that none of the three complaints forming the basis of the present proceedings contained any allegation whatsoever regarding non-cooperation with the Board, failure to furnish information to the Board or violation of Regulations 8(4) and 8(8) of the I&I Regulations. The allegation therefore does not originate from any complaint made by any stakeholder and has emerged solely during the course of the complaint examination process undertaken by the Board.

2.3.17. He submitted that before treating his conduct as constituting a separate disciplinary contravention, no notice was ever issued to him informing him that the Board proposed to examine his conduct from the standpoint of alleged non-cooperation. No communication was issued calling upon him to explain why his conduct should not be treated as a violation of Regulations 8(4) and 8(8). No opportunity was afforded to him to explain the circumstances leading to the alleged delay before the Board proceeded to form a prima facie opinion against him. The allegation of non-cooperation thus appears for the first time in the SCN itself.

2.3.18. He further submitted that in respect of complaint No, COMP-11011/52/2025-IBBI, the Board's communication seeking a response was received by him on 21.03.2025, and a detailed reply thereto was furnished by him on 03.06.2025. Similarly, in respect of complaint No. COMP-11011/58/2025-1BBI, the Board's communication seeking a response was received by him on 15.04.2025, and a detailed reply thereto was furnished by him on 30.07.2025.

(a) The record further reveals that the Board accepted the said replies, took them on record and considered them during the examination process.

(b) Indeed, the examination notes themselves contain references to and consideration of the explanations furnished by him,

(c) Thus, the Board did not reject the replies, did not proceed *ex parte* and did not disregard the material furnished by him.

(d) Having accepted and considered the replies on merits, the Board was required to demonstrate how the same conduct could simultaneously constitute non-cooperation.

(e) The examination record does not disclose any such analysis.

2.3.19. Regarding complaint No. COMP-11011/110/2025-IBBI, the Board's communication seeking a response was received by him on 17.07.2025, he had repeatedly sought time to furnish an effective response and eventually furnished a detailed reply on 16.10.2025.

(a) The requests for extension were not casual or dilatory in nature but arose from the peculiar facts of the case and the ongoing process of verification of the allegations forming the subject matter of the complaint.

(b) The principal allegations in the complaint related to CIRP costs, alleged misuse of CIRP funds and alleged financial irregularities.

(c) These very allegations were under examination by an independent auditor appointed by the Committee of Creditors.

(d) The Board was fully aware from the minutes of 21st CoC meeting that the allegations were the subject matter of an audit and that an effective and complete response would necessarily require consideration of the audit findings.

(e) The audit was not initiated by Mr. Navneet Gupta for his own defence but was commissioned by the Committee of Creditors itself for independent verification of the allegations.

(f) The audit report was ultimately submitted on 09.11.2025. The report did not record any finding of misappropriation of funds, diversion of monies or financial irregularity on the part of the RP. The audit findings therefore constituted highly material evidence directly relevant to the allegations under examination.

(g) However, before the outcome of the audit process could be meaningfully considered, the Board proceeded to form a prima facie view regarding alleged non-cooperation.

The Board appears to have treated the pendency of his reply as constituting non-cooperation without examining the reasons underlying the request for extension and without considering the material which Mr. Navneet Gupta was awaiting in order to furnish a complete response.

In these circumstances, the allegation of non-cooperation appears to be founded solely on delay in furnishing replies and not upon any act of obstruction, suppression, refusal or non-participation.

2.4. **Analysis and Findings by the DC.**

2.4.1. Regulation 8 of the I&I Regulations mandates a resolution professional to provide all assistance to the IA during the process of investigation and states as follows:

"8. Conduct of Investigation ……

(4) It shall be the duty of the service provider and an associated person to produce before the Investigating Authority such records in his custody or control and furnish to the Investigating Authority such statements and information relating to its activities within such time as the Investigating Authority may require…

…

(8) It shall be the duty of the service provider and an associated person to give to the Investigating Authority all assistance which the Investigating Authority may reasonably require in connection with the investigation".

Further, Clause 19 of the Code of Conduct provides that:

"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."

2.4.2. The DC notes that the Board *vide* email dated 21.03.2025 informed Mr. Navneet Gupta that Board is in process of examination of complaint no. IBBI/C/2025/01416. Thus, he was required to submit his response by 28.03.2025. Mr. Navneet Gupta on last date of submission of response, i.e., 28.03.2025 sought more time to submit the reply. Still, he gave his reply on 03.06.2025 after a delay of 67 days. After examining his reply and documents submitted by him the Board *vide* email dated 16.07.2025 sought reply regarding letters by Indian Bank and some email correspondences between him and FC dated 08.12.2022 and 09.12.2022 which were not found in the documents submitted by him. Due diligence report under Section 29A by M/s KG Somani was also not found. Thus, Board asked him to submit his response by i.e. 17.07.2025.

2.4.3. The DC further notes that in the meanwhile, the Board received another complaint no. IBBI/C/2025/01428 against Mr. Navneet Gupta and *vide* email dated 15.04.2025 sought his response latest by 22.04.2025. Mr. Navneet Gupta in response to this email sought three weeks' time to submit his detailed response.

2.4.4. The DC further notes that the Board once again *vide* email dated 27.05.2025 stated that "… *We have not received any response yet. You are once again requested to provide your replies along with requisite documents latest by today EOD.* In response to this email, Mr. Navneet Gupta sought more time to submit his reply *vide* email dated 27.05.2025 by tomorrow and then by email dated 29.05.2025 requested to submit reply by 31.05.2025.

2.4.5. The Board again *vide* email dated 27.06.2025 stated that *"We acknowledge the receipt of your reply to COMP-11011/52/2025-IBBI. However, we have not received your response to COMP-11011/58/2025-IBBI (notice given to you on 15.04.2025). Please clarify and submit your* *response, if not submitted already."* After this, the Board also sent reminders *vide* email dated 17.07.2025, 22.07.2025, 24.07.2025, 25.07.2025, 29.07.2025, to submit his detailed response to complaint COMP 11011/58/2025-IBBI. Mr. Navneet Gupta submitted his response to said compliant on 30.07.2025 after the delay of 99 days from the deadline of submission of reply, i.e., 22.04.2025.

2.4.6. In the meantime, the Board also shared new complaint no. IBBI/C/2025/01484 with Mr. Navneet Gupta on 17.07.2025 and sought his response to the allegations detailed at Annexure, along with relevant supporting documents, within seven (7) days. To this there was no response from Mr. Navneet Gupta. He was again reminded on 24.07.2025 to which Mr. Navneet Gupta requested for two weeks' time to submit his detailed reply. By email dated 25.07.2025 he was asked to give response by 31.07.2025. However, he didn't submit his response despite repeated reminder on 04.08.2025 and 12.08.2025. He submitted his submission on 16.10.2025 through email after the delay of 84 days from last date of submitting reply, i.e., 24.07.2025.

2.4.7. The DC notes that there was delay in giving response to the respective complaints by Mr. Navneet Gupta. He was unresponsive to the emails of the Board and giving selective response as per his wish. The Board had tried to give him ample opportunity to give response at every stage to uphold principles of natural justice while he was casual in following timelines to give reply. Such delay in giving response is a form of non-cooperation under Regulation 8(4) of the I&I Regulations.

2.4.8. The DC has gone through the email correspondence of Mr. Navneet Gupta with the Board, along with the annexures thereto, *vis-a-vis* the response given by him to the DC in reply to SCN and notes that on each occasion Mr. Navneet Gupta himself specified the time within which he proposed to furnish his response. These are extracted below along with the date on which the substantive/detailed reply was, in fact, furnished:

Complaint	Board's query	Time sought by Mr. Navneet Gupta	Date by which reply was due (as per his own undertaking)	Date of substantive/detailed reply	Delay beyond his own undertaking
COMP-11011/52/2025-IBBI	21.03.2025	"2 weeks" (email dated 28.03.2025)	04.04.2025 (approx.)	03.06.2025	60 days
COMP-11011/58/2025-IBBI	15.04.2025	"3 weeks" (email dated 16.04.2025)	06.05.2025 (approx.)	30.07.2025	85 days
COMP-11011/110/2025-IBBI	17.07.2025	"Two weeks" (email dated 24.07.2025)	31.07.2025 (approx.)	16.10.2025	77 days

2.4.9. The DC notes that, while submitting information where Mr. Navneet Gupta specified a time period for furnishing his response, the time sought by him was, at the most, in the range of two to three weeks, on three occasions, and less than or equal to three days, on three further occasions (viz. "one day" on 27.05.2025, "two days" on 25.08.2025 and "a few days" on 24.07.2025). This is significant because it reflects Mr. Navneet Gupta's own contemporaneous assessment, made at the relevant time and in light of the very circumstances he now relies upon, of what constituted a reasonable period for compiling and furnishing his response.

2.4.10. However, when examined against the record, the actual time taken to furnish the substantive reply is not merely marginally in excess of what was sought, but is higher by a wide and unexplained margin in respect of each of the three complaints:
i. In respect of Complaint No. COMP-11011/52/2025-IBBI, though Mr. Navneet Gupta sought two weeks' time on 28.03.2025, his detailed response was furnished only on 03.06.2025, i.e. after a delay of 74 days from the Board's query dated 21.03.2025, and 60 days beyond the period of two weeks which he himself had undertaken to adhere to.

ii. In respect of Complaint No. COMP-11011/58/2025-IBBI, though Mr. Navneet Gupta sought three weeks' time on 16.04.2025, his detailed response to the second annexure was furnished only on 30.07.2025, i.e. after a delay of 106 days from the Board's query dated 15.04.2025, and 85 days beyond the three-week period which he himself had undertaken to adhere to.

iii. In respect of Complaint No. COMP-11011/110/2025-IBBI, though Mr. Navneet Gupta sought two weeks' time on 24.07.2025, his detailed response was furnished only on 16.10.2025, i.e. after a delay of 91 days from the Board's query dated 17.07.2025, and 77 days beyond the two-week period which he himself had undertaken to adhere to.

2.4.11. The DC has given due consideration to the reasons advanced by Mr. Navneet Gupta for the delay, namely (i) the multiplicity of litigation initiated before the AA by the Suspended Board and related parties, running into more than twenty applications, which required his continuous attention and instructions to counsel; (ii) the voluminous compilation exercise undertaken at the instance of the CoC, running into approximately 7,000 pages, and the subsequent process of identification and appointment of an independent auditor; and (iii) the grave personal exigency occasioned by the hospitalisation of his mother between 27.08.2025 and 01.09.2025 and the period of care required before and after such hospitalisation.

2.4.12. The DC further notes that it is Mr. Navneet Gupta's own conduct, in specifying a time frame of two to three weeks on each occasion, that furnishes the appropriate yardstick against which the reasonableness of the delay is to be judged; the Board cannot be said to have acted unreasonably in expecting compliance within the very timelines proposed by Mr. Navneet Gupta himself. Where the actual delay exceeds the self-specified period by 60, 85 and 77 days respectively, across three separate complaints, such a pattern is not consistent with inadvertent or occasional delay attributable to genuine constraints but reflects a sustained and repeated failure to furnish timely responses to the Board despite repeated reminders.

2.4.13. The DC finds that even after making due allowance for the litigation burden, the CoC-directed compilation and audit exercise, and the personal exigency faced by Mr. Navneet Gupta, the delay in furnishing substantive responses to the Board remains substantially higher than can be explained by these factors and reflects a want of cooperation on the part of Mr. Navneet Gupta with the Board's examination of the complaints against him. Accordingly, the DC holds the contravention.

Contravention-II.

2.5. **Failure to conduct independent due diligence of the Successful Resolution Applicant (SRA).**

2.5.1. Section 29A of the Code provides that a person shall not be eligible to submit a resolution plan, if such person or any other person acting jointly or in concert with such person is disqualified to act as a director under the Companies Act, 2013: Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I; Further, Regulation 36A(8) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations") provides that the resolution professional shall conduct due diligence based on material on record in order to satisfy that the prospective resolution applicant complies with - (a) the provisions of clause (h) of sub-section (2) of section 25; (b) the applicable provisions of section 29A; (c) other requirements, as specified in the invitation for expression of interest.

2.5.2. It was observed by the Board that Mr. Navneet Gupta *vide* email dated 18.07.2025, submitted that the CoC had independently appointed its own process advisor namely M/s KG Somani, to assess the eligibility of Resolution Applicants under section 29A of the Code and the report so prepared was never shared with him as it was solely for internal deliberation of the sole CoC member and was never part of CIRP record of the CD. However, subsequently on 24.07.2025, Mr. Navneet Gupta submitted that he undertook an independent and comprehensive due diligence exercise to assess the eligibility of all resolution applicants in accordance with section 29A of the Code and informed the CoC in its 14th meeting that the resolution plans were compliant with the provisions of the Code and regulations made thereunder. Thereafter, on 01.09.2025, Mr. Navneet Gupta reiterated his submission dated 24.07.2025 and further submitted that no third-party agency was appointed for this purpose. Mr. Navneet Gupta also submitted before the CoC in its 12th meeting that he will prepare a comprehensive report on due diligence of resolution applicants as per section 29A of the Code.

2.5.3. It was observed that despite repeated requisitions dated 25.08.2025 and 29.08.2025 by the Board, Mr. Navneet Gupta failed to furnish any due diligence report, supporting correspondence, or evidence to demonstrate that such exercise was actually carried out. The minutes of the 12th, 13th, and 14th CoC meetings also do not reflect any presentation, circulation, or discussion of such a due diligence report.

2.5.4. From the foregoing, it was observed that responses have been inconsistent and contradictory, as he first attributed the diligence to the CoC's advisor and later claimed independent diligence without any material proof. Based on the material available on record, it appears that no due diligence report was ever prepared or placed on record by Mr. Navneet Gupta. In view of the above, the Board held *prima facie* view that Mr. Navneet Gupta had contravened Section 208(2)(a) and (e) of the Code, Regulation 36A(8) of the CIRP Regulations, Regulation 8(4) and (8) of I & I Regulations, and Regulation 7(2)(a) and (h) of the IP Regulations read with Clauses 16, 18 and 19 of the Code of Conduct.

2.6. **Submission by Mr. Navneet Gupta.**

2.6.1. Mr. Navneet Gupta submitted that the allegation in respect of the RP's alleged failure in undertaking the requisite due diligence under Section 29A of the Code is misconceived as it is premised on an incorrect factual matrix and he has duly undertaken the due diligence of all the resolution applicants in accordance with the provisions of the Code and applicable regulations. Even in the ongoing proceedings before the AA, where allegations have been raised in respect of the question of eligibility of the SRA under Section 29A of the Code, it is not the contention of any party that he did not undertake any due diligence; rather the findings of such due diligence is the matter under question.

2.6.2. Mr. Navneet Gupta submitted that the question of eligibility of the SRA under Section 29A of the Code has already been challenged by the suspended directors and the said matter is *sub judice* before the AA. When the AA is already seized of the matter, it appears that the complainant being the suspended director has raised this issue only to intimidate him. In view of the pending litigations, any observations or findings by the Board or the DC at this stage may result in parallel or inconsistent determinations on a matter already under judicial consideration. The applications currently pending adjudication before the AA, wherein the eligibility of the SRA has been specifically challenged, are set out below:-

S. No.	Application	Particulars
1.	Additional Affidavit filed in IA No. 2647 of 2023 in CP (IB) No. 1913/(ND)/2019 filed by Brij Mohan Mahajan, being the erstwhile promoter of the CD.	It has been contended that the SRA is ineligible under Section 29A of the Code and that the CoC approved Plan is consequently liable to be rejected. (Para 20 to 24)
2.	Additional Affidavit filed in IA No. 180 of 2025 in C.P(IB)No. 1913/(ND)/2019 filed by Sanjeev Mahajan, being one of the suspended directors of the CD.	It has been contended that the SRA is ineligible under Section 29A of the Code and that the CoC approved resolution plan is consequently liable to be rejected. (Para 23 to 27)

2.6.3. Mr. Navneet Gupta submitted that he made due, proper and complete compliance to the provisions of the IBC and Rules/Regulations made thereunder with respect to undertaking due diligence of Resolution Applicants (RAs) as per Section 29A of the IBC. Mr. Navneet Gupta stated that the due diligence regarding the eligibility of the resolution applicants during the

CIRP was undertaken through two separate, parallel, and mutually independent processes. The first comprised the statutory due diligence conducted by Mr. Navneet Gupta in strict compliance with the provisions of the Code and the applicable regulations, including a determination of eligibility under Section 29A of the Code. In terms of the provisions of the Code, the RP is required to carry out a due diligence and frame a prima facie opinion regarding the compliance with Section 29A, which was duly undertaken in the instant case. The second process consisted of an independent assessment undertaken by Indian Bank (sole CoC member holding 100% voting share) through its independently appointed process advisor, M/s K.G. Somani & Co., which was carried out exclusively for the bank's internal evaluation and deliberation, without any privity or participation of the RP, the CIRP or the Corporate Debtor.

2.6.4. During the course of this exercise, Mr. Navneet Gupta reviewed various documents, declarations, and clarifications submitted by the Resolution Applicants and their connected persons, corroborated information from publicly available sources, and conducted supplementary independent checks wherever required. Further, as part of the independent due-diligence exercise, extensive email communications were exchanged with the resolution applicants, namely Nehru Place Hotels and Real Estate Pvt. Ltd. (SRA) and Sankalp IN, through which the requisite documents, clarifications, and information necessary to determine eligibility under Section 29A of the Code were obtained.

2.6.5. Accordingly, Mr. Navneet Gupta informed the CoC during the 12th CoC Meeting held on 21.10.2022 that the due diligence regarding the eligibility of the resolution applicants had been completed. Relevant parts of which is reproduced hereunder:

"***Item No. A4***

To take note of the submission of the resolution plan by the resolution applicant and discuss the report of evaluation of resolution plan prepared for compliance of the conditions mentioned under Section 30 of the Insolvency and Bankruptcy Code,2016 read with Regulation 37 and 38 of IBBI (Insolvency Resolution Process for Corporate Persons), 2016. ...

The resolution professional informed that he has conducted the due diligence of the resolution plans and the report of in compliance with Section 29 A of the Code read with Regulation 37 and 38 of the IBBI (CIRP) Regulations, 2016 after compilations and incorporation of all the inputs from the CoC. Further, he sought inputs from the CoC and the erstwhile director w.r.t the plans received and both the parties confirmed that they will share their inputs as soon as possible and after considering and incorporating the same, the RP shall present the comprehensive report before CoC."

2.6.6. Subsequently, Mr. Navneet Gupta placed the resolution plans received during the CIRP of the CD before the CoC in its 14th meeting held on 07.12.2022 for consideration and deliberation. During the meeting, Mr. Navneet Gupta apprised the CoC that he had conducted a thorough due diligence of the resolution plans and confirmed that they were in compliance with the provisions of Section 29A of the Code. Relevant extracts are reproduced hereunder:

"Item No. A4

To discuss and evaluate the resolution plans submitted by the resolution applicants along with the Settlement Proposal submitted by the promoter in accordance with the order of the Hon'ble NCLAT dated 21.11.2022

...In the 13th CoC Meeting held on 28-11-2022, the addendum to the resolution plan submitted by M/s Nehru Place Hotels and Real Estates Private Limited and the settlement proposal submitted by the promoter were opened and now in this meeting both the resolution plans and the settlement plan of the promoter are being place before the CoC to make their decision and to cast their vote.

He further informed that he has conducted due diligence of the resolution plans and the same are in compliance with Section 29A of the Code read with Regulation 37 and 38 of the IBBI (CIRP) Regulations, 2016..."

2.6.7. Accordingly, the observations of this Board suggesting that the 13th and 14th CoC meetings do not indicate that the due diligence report was placed or deliberated before the Committee are factually inaccurate. The minutes of the meetings (attached with the SCN itself) contain factual record of the proceedings of the meetings of the CoC and it clearly records that Mr. Navneet Gupta, after due application of mind and having carried out the due diligence, had clearly provided his views in accordance with the provisions of the Code and the applicable regulations regarding the eligibility of the resolution applicants, and specifically in terms of Section 29A of the Code. The minutes of the CoC meeting clearly reflect that the RP had, in fact, provided the findings of the due diligence conducted on the Resolution Applicants regarding their eligibility under Section 29A of IBC, during the meetings as detailed hereinabove.

2.6.8. It is also worthwhile to mention that the said issue has already been agitated by the complainants before the AA *vide* various applications as cited hereinabove. Therefore, invoking parallel inquiry into eligibility of SRA before the Board is a deliberate attempt to obfuscate the legitimate and original outcome of a legal process pending before a Court of competent jurisdiction.

2.6.9. Pursuant to the submission of Mr. Navneet Gupta's response dated 03.06.2025 to the 'Annexure' based on the alleged complaint (contents unknown to Mr. Navneet Gupta) filed by Mr. Brij Mohan Mahajan, bearing Reference No. COMP-11011/52/2025-IBBI dated 21.03.2025, Mr. Navneet Gupta received an email dated 16.07.2025 from the Board specifically calling for the due diligence report under Section 29A prepared by M/s K. G. Somani. The relevant extract of the said communication is reproduced herein below:

"... Due diligence report under Section 29A by M/s KG Somani is also not found. Kindly provide the same latest by tomorrow i.e., 17th July, 2025."

2.6.10. In this regard, Mr. Navneet Gupta submitted that the 'Annexure' referred to above did not contain any allegation to the effect that the RP had failed to undertake the due diligence exercise under Section 29A of the Code. On the contrary, it has been repeatedly alleged, including before the AA in IA No. 2647 of 2023 and IA No. 180 of 2025, as well as in the allegations extracted in the 'Annexure' issued along with the Board's email dated 21.03.2025, that the SRA is purportedly ineligible under Section 29A of the Code, on account of a purported conflict of interest arising from the applicability of Section 164 of the Companies Act, 2013, to the proposed takeover of the CD.

2.6.11. It is in this context, where no question had been raised regarding Mr. Navneet Gupta's conduct of the due diligence exercise under Section 29A, that he, in response to the Board's email seeking the due diligence report of M/s K. G. Somani & Co., clarified that the said entity had been appointed by the CoC as a process advisor, independent of the RP/CIRP, solely to assist the bank/CoC in assessing the eligibility of the resolution applicants under Section 29A of the Code. Mr. Navneet Gupta further explained that the report prepared by M/s K. G. Somani & Co. formed part of the bank/sole CoC member's internal deliberations, was never shared with him, and therefore did not constitute part of the CIRP record of the CD.

2.6.12. Thereafter, the Board, vide its email dated 22.07.2025, required him to submit the affidavit of the SRA under Section 29A of the Code. The same was duly furnished on the very same date. While the directions of the Board were fully complied with, the tenor of the aforesaid email appeared to suggest that the due diligence exercise undertaken independently by CoC was being treated as the basis of the Section 29A verification. In this context, it is clarified that Mr. Navneet Gupta had already carried out his own independent due diligence under Section 29A of the Code, and the due diligence exercised undertaken by Bank/CoC, through its independent process advisor, M/s KG Somani & Co., was in addition to, and not in derogation/substitution/lieu of such determination by the RP or the statutory duty of determination imposed upon the Resolution Professional by law, and neither has the statutory duty been transferred, delegated or assigned to any such person, whatsoever .

2.6.13. In furtherance of the same, Mr. Navneet Gupta, vide email dated 24.07.2025, expressly clarified to IBBI that he had conducted an independent and comprehensive due diligence exercise to assess the eligibility of all resolution applicants, including the SRA, in accordance with Section 29A of the Code. Mr. Navneet Gupta further stated that he had sought and obtained various clarifications and documents from the resolution applicants, as detailed hereinabove, thereby demonstrating that all requisite steps for assessing eligibility under Section 29A were duly undertaken by him in discharge of his statutory obligations under the Code and the applicable regulations.

2.6.14. Thereafter, Mr. Navneet Gupta received emails dated 25.08.2025 and 29.08.2025 from the Board, wherein it was directed to submit the due diligence report prepared under Section 29A of the Code. Upon receipt of aforesaid email, Mr. Navneet Gupta, vide his email dated 01.09.2025, provided a comprehensive overview of the due diligence exercise undertaken by him in assessing the eligibility of the resolution applicants under Section 29A of the Code. Mr. Navneet Gupta further informed that, based on the thorough review detailed therein, no ineligibility was observed with respect to the resolution applicants, their 'connected persons,' and 'related entities' under Section 29A of the Code. Accordingly, Mr. Navneet Gupta confirmed the eligibility of resolution applicants under Section 29A of the Code before the CoC in the 14th CoC meeting held on 07.12.2022. Additionally, it is noted that an observation has been made in the processing notes enclosed with the SCN to the effect that "one of the directors, namely Mr. Jagdeesh Rai Sood, has a "deactivated" status of DIN and has ceased to be a director since 26.04.2020." In this regard, Mr. Navneet Gupta submitted that the reason for Mr. Jagdeesh Rai Sood ceasing to be a director was on account of his passing away. Be that as it may, the aforesaid findings / observations of the IBBI warrant no further action since the subject matter of ineligibility of SRA is already sub judice before the AA, as highlighted hereinabove.

2.6.15. Mr. Navneet Gupta submitted that neither the Code nor the applicable Regulations mandate the RP to submit or present any written report with respect to eligibility of Resolution Applicants under Section 29A of the Code before the CoC at the stage of confirming the eligibility of resolution applicants. The statutory obligation under Section 29A of the Code requires the RP to independently verify the eligibility of the applicants, and not to place a written report for consideration or approval of the CoC. Hence, the absence of issuance of a written 'Report' cannot be construed against the RP in the absence of any statutory provision of law to that effect.

2.6.16. Accordingly, it is reiterated that Mr. Navneet Gupta duly conducted a comprehensive and independent due diligence exercise in accordance with Section 29A of the Code, thereby fully satisfying both the statutory mandate and the requirements of the CoC regarding the eligibility of the prospective Resolution Applicants. The communications issued by him to obtain documents, clarifications, and confirmations from the resolution applicants, along with the responses received, have been detailed hereinabove and constitute clear evidence of such due diligence. Regulation 36A(8) of the CIRP Regulations only requires the RP to verify the eligibility of the resolution applicants in terms of Section 29A of the Code.

2.6.17. Therefore, the requirements under Section 29A of the Code read with Regulation 36A (8) of the CIRP Regulations, were fully complied with, and no further formality, such as presenting or placing a report before the CoC, is envisaged or required under the statutory framework.

2.6.18. Mr. Navneet Gupta submitted that the allegation proceeds on an incorrect factual premise that no independent due diligence of the SRA was undertaken. Mr. Navneet Gupta had, in fact, conducted due diligence of the SRA through a structured examination of the eligibility criteria prescribed under Section 29A of the Code and the applicable provisions of law. For the said purpose, Mr. Navneet Gupta had developed and utilize detailed due diligence checklist covering the relevant parameters required to be examined while evaluating the eligibility of the Resolution Applicant. The exercise undertaken by Mr. Navneet Gupta was not confined merely to obtaining declarations from the Resolution Applicant. Mr. Navneet Gupta examined the documents furnished by the Resolution Applicant, scrutinized the information available in public domains and verified the material relevant for assessing eligibility under Section 29A of the Code. A conjoint reading of the checklist and the supporting documents clearly demonstrate the manner in which Mr. Navneet Gupta examined the eligibility criteria and arrived at the conclusion that the SRA was eligible to submit a Resolution Plan.

2.6.19. Mr. Navneet Gupta further submitted that neither the Code nor the CIRP Regulations prescribe any mandatory format in which the due diligence exercise is required to be recorded. No provision has been brought to the notice of Mr. Navneet Gupta which mandates preparation of a separately titled written report in a particular format as a condition precedent to valid discharge of the due diligence obligation. The essence of the obligation is that due diligence must be undertaken and must be capable of being demonstrated from the contemporaneous record. In the present case, the checklist, the supporting documents, the declarations furnished by the Resolution Applicant and the material gathered from public sources collectively constitute the contemporaneous record of the due diligence exercise undertaken by Mr. Navneet Gupta. The allegation therefore does not concern absence of due diligence but only the absence of a separately captioned document described as a "Due Diligence Report". He submitted that the law attaches significance to substance and not nomenclature. Once the due diligence exercise is demonstrable from the contemporaneous record, the absence of a separately titled report cannot by itself establish non-compliance.

2.6.20. Mr. Navneet Gupta submitted that the CoC in the present case consisted of a single secured financial creditor, namely Indian Bank, holding 100% voting share. The RP's examination of eligibility was therefore undertaken for consideration. by the sole member of the CoC . It is a matter of record that Indian Bank had independently engaged M/s K.G. Somani & Co. for conducting due diligence and examination of the SRA. The factum of such independent due diligence exercise is duly reflected in the records and minutes of the CoC. Thus, apart from his own examination, the sole member of the CoC had the benefit of an independent professional assessment concerning the eligibility and credentials of the Resolution Applicant. The conclusion reached by Mr. Navneet Gupta regarding the eligibility of the SRAtherefore stood independently supported by another professional due diligence exercise commissioned by the sole member of the CoC itself.

2.6.21. Significantly, there is no allegation in the SCN that the SRA was found ineligible under Section 29A of the Code. There is likewise no allegation that any stakeholder suffered prejudice, loss or adverse consequence on account of the alleged absence of a separately prepared report. The allegation is therefore entirely procedural in nature and does not involve any actual failure of due diligence, any incorrect determination of eligibility or any benefit accruing to an ineligible applicant.

2.6.22. Mr. Navneet Gupta further submitted that he had requested Indian Bank to provide a copy of the due diligence report prepared by M/s K.G. Somani & Co. However, Indian Bank, in its discretion, did not consider it appropriate to share a copy of the said report. If considered necessary, the Board may obtain the said report directly from Indian Bank, which would further demonstrate that the conclusion regarding eligibility of the SRA was independently verified and supported by professional examination. In these circumstances, the allegation does not disclose any substantive violation of the Code or the Regulations and, at the highest, concerns the form in which he maintained the record of an exercise which was in fact carried out.

2.7. **Analysis and Findings.**

2.7.1. The DC notes the submission of Mr. Navneet Gupta that the SRA's eligibility under Section 29A falls within the domain of the AA. Hence, the DC is limiting its examination as to whether the RP discharged his own statutory obligation under the Code to conduct due diligence in terms of Regulation 36A(8) of the CIRP Regulations. This examination is separate and different from the examination to be done by the AA about the SRA's eligibility under Section 29A.

2.7.2. The DC notes that as per Section 25(2)(h) of the Code and Regulation 36A of the CIRP Regulations, it is the duty of the RP to conduct due diligence of the SRA

"Section 25. Duties of resolution professional –

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

...

(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.

Regulation 36A. Invitation for expression of interest.

...

(8). The resolution professional shall conduct <u>due diligence</u> based on the material on record in order to satisfy that the prospective resolution applicant complies with-
(a) the provisions of clause (h) of sub-section (2) of section 25;
(b) the applicable provisions of section 29A, and
(c) other requirements, as specified in the invitation for expression of interest.

(9) The resolution professional may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence under sub-regulation (8)."

2.7.3. The DC notes that the Board *vide* email dated 22.07.2025 sought Affidavit of SRA in terms of Section 29A of the Code. The Board *vide* email dated 25.08.2025 and 29.08.2025 sought 29A due diligence report. In response to this. Mr. Navneet Gupta *vide* email dated 01.09.2025 informed as follows:

"*….<u>I have conducted an independent and comprehensive due diligence exercise to assess the eligibility of all resolution applicants, including the aforesaid SRA, in accordance with Section 29A of the Code.</u> The approach and methodology included a comprehensive review of both* *documents provided by the RA and information available in the public domain which was carefully reviewed and analysed to ensure strict compliance with the statutory requirements. Thereafter, it was confirmed before the CoC about the eligibility of the Resolution Applicants under Section 29A of the Code. This was duly recorded in the 14th meeting of the CoC held on 07.12.2022.*

A relevant extract from the Minutes is reproduced hereunder:

> *"He further informed that he has conducted the due diligence of the resolution plans and the same are in compliance with Section 29 A of the Code read with Regulation 37 and 38 of the IBBI (CIRP) Regulations, 2016."*

The following key steps were undertaken for independent due diligence of the Resolution Applicant or any of its connected persons and related entities

- *Examination of audited financial statements and financial certificates of the RA and its associated entities to ascertain financial standing.*
- *Assessment of publicly available lists of wilful defaulters from financial institutions and regulatory bodies.*
- *Searches on public databases, financial institution websites, and rating agencies to identify any instances of default or NPA classification.*
- *Searches on judicial and regulatory websites to verify any convictions punishable with imprisonment as specified in the Code.*
- *Review of information on the Ministry of Corporate Affairs (MCA) portal to check for disqualifications.*
- *Verification with respect to SEBI records for any prohibitions on trading or accessing the securities market.*
- *Review of records to determine any involvement as a promoter or in the management of a corporate debtor where avoidance transactions have been identified and a recovery order passed.*
- *Examination of documents to verify if any invoked and unpaid guarantees exist in favour of creditors of the Corporate Debtor.*
- *Public domain searches in foreign jurisdictions to check for corresponding disqualifications.*

The verification process relied upon a variety of documents and information, including but not limited to:

- *Notarised Affidavit Undertakings provided by the Resolution Applicant under Section 29A.*
- *KYC of the RA and its 'connected persons' and related entities.*
- *CIBIL Reports of the RA and its 'connected persons' and 'related entities'.*
- *Income Tax Returns and audited financial statements for FY 2018-19, 2019-20, and 2020 21.*
- *A certificate from Axis Bank (lender of the SRA) confirming the satisfactory status of the RA's bank account since 2010.*

- *An ICRA credit rating report affirming a rating of ICRA A+. A summary of the RA's outstanding borrowings.*

Based on the thorough review of the documents and information obtained in the due diligence exercise, no ineligibility has been observed with respect to the Resolution Applicant, its 'connected persons,' and 'related entities' under Section 29A of the Insolvency and Bankruptcy Code, 2016. Furthermore, no interrelationship between the Resolution Applicant and the Corporate Debtor has been identified."

2.7.4. The DC notes that Mr. Navneet Gupta considered affidavits from PRAs namely Nehru Place Hotels & Real Estates Pvt. Ltd. dated 03.06.2022 and 05.06.2025 and affidavits dated 02.06.2022 and 03.06.2022 from Sankalp under Section 29A of the Code confirming of Section 29A compliance. The DC further notes that Mr. Navneet Gupta contented that he conducted independent due diligence of the PRAs by reviewing documents and information such as KYC Documents of Resolution Applicants, including SRA, and its connected persons and related entities, List of Directorship and Shareholdings of Resolution Applicants, including SRA, Family Tree of Resolution Applicants, including SRA and other Financial Statements and Documents like CIBIL Reports of Resolution Applicants, including SRA, and its connected persons and related entities, Income Tax Return of Resolution Applicants, including SRA, Audited Financial Statements of Resolution Applicants, including SRA, Summary of Borrowings of Resolution Applicants, Net Worth Certificate of Resolution Applicants, including SRA along with Credit Rating Report. Mr. Navneet Gupta kept seeking documents from PRAs vide email dated 22.06.2022, 23.06.2022 and 24.06.2022

2.7.5. The DC notes that Mr. Navneet Gupta informed the CoC in the 12th Meeting held on 21.10.2022 that he conducted due diligence of resolution plans and the report in compliance with section 29A read with Regulation 38 of the CIRP Regulations shall be shared with the CoC members.

"***Item No. A4***

<u>To take note of the submission of the resolution plan by the resolution applicant and discuss the report of evaluation of resolution plan prepared for compliance of the conditions mentioned under Section 30 of the Insolvency and Bankruptcy Code,2016 read with Regulation 37 and 38 of IBBI (Insolvency Resolution Process for Corporate Persons), 2016</u>

…

The chairman informed that he has received intimation from both the resolution applicants i.e, Sankalp In (telephonically) and Nehru Place Hotels and Real Estate Limited (via mail) that the plan value submitted in their initial plan is their final offer value. The resolution professional informed that he has conducted the due diligence of the resolution plans and the report of in compliance with Section 29 A of the Code read with Regulation 37 and 38 of the IBBI (CIRP) Regulations, 2016 after compilations and incorporation of all the inputs from the CoC. Further, he sought inputs from the CoC and the erstwhile director w.r.t the plans received and both the parties confirmed that they will share their inputs as soon as possible and after considering and incorporating the same, the RP shall present the comprehensive report before CoC. Also, *it was apprised that the undertaking from Mr. Sanjeev Mahajan has been received duly signed and notarised as discussed in the last CoC meeting to be obtained before sharing of the resolution plans, and after receipt of the same both the resolution plans have been shared with the director electronically. At this juncture, the CoC informed that they have appointed Mr. K G Somani as a process advisor at a fee of Rs. 1.45 lacs at their end for conducting the due diligence and determine feasibility and viability of the plans, out of the 4 quotation received by them. The scope of the process advisor is as follows:*

- *Section 29A under IBC, 2016 Check of all the Resolution Applicant (2 Plans Received)*
- *Scoring and Analysis of Evaluation Matrix of the Resolution Plan Received.*
- *Conducting feasibility and Viability of resolution plan submitted by H1 Bidder*
- *Legal vetting of the resolution plans for CoC perspective*

It was further informed that the cost shall be borne by the Indian Bank independently and the same shall not form part of the CIRP costs, Chairman requested the CoC to share the observation of the report from the K G Somani, on the resolution plan for which CoC agreed to share any material information or observation as reported by the advisor. The CoC also requested the RP to make sure that any conditional plan shall not be put to vote and the plans shall be in compliance with the IBC, 2016.

The chairman deliberated that the compliance report shall be presented by the RP in the next CoC meeting after incorporating the inputs so received from the promoter and the CoC.

The member took note of the same."

2.7.6. The DC further notes that Mr. Navneet Gupta conveyed to CoC in its 14th meeting on 07.12.2022 wherein resolution for discussion and deliberations on resolution plan received from M/s Nehru Place Hotels and Real Estates Private Limited and M/s Sankalp Inn were placed. The resolution of deliberations on resolution plan are placed below:-

"Item No. A4

<u>To discuss and evaluate the resolution plans submitted by the resolution applicants along with the Settlement Proposal submitted by the promoter in accordance with the order of Hon'ble NCLAT dated 21.11.2022</u>

…

He further informed that he has conducted the due diligence of the resolution plans and the same are in compliance with Section 29 A of the Code read with Regulation 37 and 38 the IBBI (CIRP) Regulations, 2016. The resolution plans along with the evaluation matrix were placed before CoC on the table in the meeting whereby discussing the significant contents and terms and conditions as mentioned in the plans. He further informed that after deliberation and discussion upon the feasibility and viability of the resolution plans, the agenda shall be placed before CoC for voting.…"

2.7.7. The DC observes that when the Board asked *vide* email dated 18.07.2025 about the due diligence report under Section 29A Code, he submitted that the CoC had appointed their own process advisor, M/s K G Somani, to inter alia assess the eligibility of the Resolution Applicants under Section 29A of the Code. Later *vide* email dated 24.07.2025, he submitted that he undertook an independent and comprehensive due diligence exercise to assess the eligibility of all resolution applicants, including the aforesaid SRA in accordance with Section 29A of the Code and placed his findings before the CoC, confirming the eligibility of Resolution Applicants under Section 29A of the Code, which was duly recorded in the 14th meeting of the CoC. There is no details of his findings as claimed by Mr. Navneet Gupta but only a conclusion reached by him was placed in 14th CoC meeting.

2.7.8. The DC notes that the Minutes of meetings do not indicate furnishing of any detailed report or material setting out the nature and extent of the independent due diligence allegedly undertaken by Mr. Navneet Gupta. What was placed before the CoC in its 14th meeting appears to be only the conclusion regarding the eligibility of the Resolution Applicants under Section 29A, without the underlying findings, verification details, documents examined or the basis on which such conclusion was arrived at. A mere statement or conclusion regarding eligibility cannot, by itself, demonstrate that the RP had discharged his obligation to undertake adequate and independent due diligence under Section 29A of the Code.

2.7.9. The DC further notes that the requirement for a formal report in relation to due diligence under Section 29A of the Code was subsequently mandated by the Board vide its circular dated 18.11.2025. However, even prior to the issuance of the said circular, the established practice contemplated that the Resolution Professional would undertake the due diligence exercise and document the same through a report, or, where appropriate, engage a professional/process advisor to conduct such due diligence and place the findings before the CoC. Therefore, the absence of an express requirement for a formal report prior to the said circular cannot be construed to mean that the Resolution Professional was not required to undertake and appropriately document the due diligence exercise conducted under Section 29A of the Code.

2.7.10. The DC further notes that Mr. Navneet Gupta himself had represented before the CoC that the due diligence exercise would be undertaken and the relevant findings/report would be placed before it. This is evident from the minutes of the 12th meeting of the CoC, wherein the matter relating to due diligence and compliance with Section 29A was considered. Therefore, notwithstanding that the express requirement regarding submission of a report which was subsequently clarified by the Board, Mr. Navneet Gupta cannot rely upon the subsequent circular to justify the absence of a contemporaneous record of the due diligence which he claims to have undertaken.

2.7.11. The DC notes the email exchange on 22.06.2025 and 23.06.2025 with resolution applicants for seeking relevant documents for undertaking the exercise of due diligence. The DC also notes the reply of Mr. Navneet Gupta regarding the emails exchanged with the Bank for seeking financial credibility and credit history of the Resolution Applicants for compliance under section 29A. It appears from the above that verification exercise had been undertaken by him and relevant questions had been raised by him. However, the result of this exercise does not seem to have been documented in the manner as have been done in the checklist now furnished by Mr. Navneet Gupta. The DC notes that Mr. Navneet Gupta had only stated in the 14^{th} CoC meeting that he had found the resolution applicants eligible and did not give the details of the due diligence undertaken by him as has been demonstrated before the DC by furnishing the checklist. The checklist now furnished by Shri Navneet Gupta along with his additional submissions cannot substitute the contemporaneous due diligence record which ought to have been prepared and placed before the CoC at the relevant time. The subsequent preparation or production of a checklist does not fulfil the requirement of verification of due diligence at the relevant time even if the same was carried out at that time.

2.7.12. In view of the above, the DC is of the view that Shri Navneet Gupta failed to maintain adequate contemporaneous documentation of the due diligence undertaken by him under Section 29A of the Code and failed to place the same before the CoC. Accordingly, the DC is of the view that that the conduct of Shri Navneet Gupta in claiming to have undertaken a comprehensive and independent due diligence exercise, while failing to produce any contemporaneous report or detailed findings in support thereof, and subsequently furnishing a checklist at a much later stage, reflects a lack of due care, diligence and professional conduct.

Contravention-III

2.8. **Failure to update list of creditors of CD.**

2.8.1. Section 25(2)(e) of the Code provides that the RP shall maintain an updated list of claims. Further, Regulation 13(1) of the CIRP Regulations provides that the RP shall verify every claim, as on insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it. Furthermore Regulation 13(2)(ca) of the CIRP Regulations provides that the list of creditors shall be filed on the electronic platform of the Board for dissemination on its website.

2.8.2. It was observed by the Board from the minutes of the 19^{th} meeting of the CoC that the claim of Axis Trusteeship Services Limited (ATSL) was settled with the promoters of the CD, however, list of claims has not been updated on the website of the Board and doesn't reflect the aforesaid. On perusal of the list of claims available on the website of the Board, the latest list of claims is available as on 09.06.2022 indicating that Mr. Navneet Gupta failed to update the list of creditors post settlement and upload the same on the website of the Board. Further, Mr. Navneet Gupta did not inform the Board as to whether the claim has been revised and intimated to the AA, as per requisite provisions of the Code and regulations thereunder.

2.8.3. In view of the above, the Board *prima facie* held the view that Mr. Navneet Gupta has contravened Section 25(2)(c) and 208(2)(a) and (e) of the Code, Regulation 13(1) and 13(2)(ca) of the CIRP Regulations, Regulation 8(4) and (8) of the I & I Regulations 2017 and Regulation 7(2)(a) and (h) of the IP Regulations read with Clauses 18 and 19 of the Code of Conduct.

2.9. **Submission by Mr. Navneet Gupta**

2.9.1. Mr. Navneet Gupta submitted that the question of updation of list of creditors and settlement with Axis Trustee Services Limited ("ATSL") subsequent to approval of Resolution Plan is *sub judice* before the AA in multiple applications filed by the Suspended Directors and related parties alleging that such settlement amounts to modification of the Resolution Plan. In view of the pending litigations, any adverse observations or findings by the Board at this stage may result in parallel or inconsistent determinations on a matter already under judicial consideration. The applications currently pending adjudication before the AA, wherein the updation of list of creditors has been specifically challenged, are set out below: -

S. No.	Application	Particulars
1.	IA No. 180 of 2025 filed by Sanjeev Mahajan, pending before the AA.	It has been contended that the settlement with ATSL amounts to modification of the resolution plan which, in view of the same, the Resolution Plan is liable to be rejected.
2.	IA No. 1017 of 2025 filed by related party of CD pendingg before the AA	It has been contended that the settlement with ATSL amounts to modification of the resolution plan which, in view of the same, the Resolution Plan is liable to be rejected.
3.	IA No. 1021 of 2025 filed by related party of CD pending before the AA.	It has been contended that the settlement with ATSL amounts to modification of the resolution plan which, in view of the same, the Resolution Plan is liable to be rejected.
4.	IA No. 1073 of 2025 filed by Operational Creditor of the CD pending before the AA.	This application is filed by Daulat Leasing & Financial Services (Operational Creditor) seeking direction to place the Resolution Plan back before CoC for revision in pursuance of the settlement with Axis Trustee Services Limited.
5.	Civil Appeal No. 1 of 2025, dismissed by the Hon'ble Supreme Court of India	The Suspended Director challenged the order of the AA dated 20.08.2024 by way of which it was held that no settlement plan can be considered after approval of Resolution Plan. The Suspended Director has placed the factum of settlement with ATSL before the Hon'ble Supreme Court of India. However, his appeal was

		dismissed by Hon'ble Supreme Court of India *vide* Order dated 02.01.2025.

2.9.2. Mr. Navneet Gupta submitted that he acted in compliance with the provisions of the Code, applicable regulations, and the Code of Conduct. Specifically, with regard to the allegations referenced in the SCN, the RP has neither contravened nor failed to adhere to any statutory or regulatory requirement. He has diligently maintained and regularly updated the list of creditors in accordance with the requirements of the Code and the applicable regulations.

2.9.3. Mr. Navneet Gupta submitted that ATSL filed its claim in Form 'F' dated 23.03.2022 for an amount of Rs.549,66,84,332/- (Rupees Five Hundred Forty-Nine Crores Sixty-Six Lakhs Eighty-Four Thousand Three Hundred Thirty-Two Only), based on the debentures held by ATSL in a related party of the CD, in respect of which the CD had provided security. On the basis of the proof of claim filed by ATSL and records of the CD, ATSL was categorised as an "other creditor".

2.9.4. He submitted that the settlement had been arrived between ATSL and the promoters of the CD in connection with another CIRP proceedings filed by ATSL against a related party of the CD. He further submitted that the settlement between the promoters of the CD and ATSL was executed on 12.12.2024 and implemented only after the resolution plan submitted by the SRA, had already been approved by the CoC, on 08.01.2023. Pursuant to such approval, the Plan Approval Application, was filed before the AA on 19.01.2023, seeking approval of the Resolution Plan. The aforesaid application is presently pending adjudication before the AA.

2.9.5. During the pendency of the Plan Approval Application, and after more than 2 years of the approval of the CoC Approved Plan by the CoC, ATSL, *vide* email dated 12.12.2024, informed Mr. Navneet Gupta that it had received full and final payment in its capacity as Debenture Trustee for the existing bond-holders and therefore, was withdrawing its claim from the CIRP of the CD. He submitted that the CD was in no way involved in the settlement of ATSL debts and therefore no payment whatsoever has been made by the CD to ATSL during the CIRP.

2.9.6. Consequently, Mr. Navneet Gupta shared the aforesaid letter/communication received from ATSL with the CoC *vide* email dated 14.12.2024, without any delay whatsoever. Thereafter, Mr. Navneet Gupta also brought the Letter dated 12.12.2024 to the notice of the CoC during the 19th CoC Meeting, held on 31.12.2024, duly apprising the members of this development. The CoC discussed and deliberated on this development during the 19th CoC meeting held on 31.12.2024. The relevant paragraphs of Agenda Item No. A6, wherein the discussion on the settlement took place, are reproduced hereunder:

"Item No. A6

To Take note of the communication received from Axis Trustee Services Limited.

The Resolution Professional apprised the members regarding the communication received from Axis Trustee Services Limited pertaining to the withdrawal of claim based on settlement between Axis Trustee Services Limited and the Suspended Director of the Corporate Debtor. The Resolution Professional informed the committee that he has already shared the letter received on 12.12.2024 from Axis Trustee Services Limited with the sole member of the committee of creditors i.e. Indian Bank on 14.12.2024. The sole member of the committee also confirmed that they have received the communication forwarded by the Resolution Professional and they have taken note of the same. ...”

2.9.7. Subsequently, Mr. Navneet Gupta sought clarifications from ATSL on 13.01.2025 regarding the nature of the settlement and the source of funds. ATSL, by its email dated 29.01.2025, furnished the requisite details and clarified the nature of the settlement arrived at between the parties.

2.9.8. He submitted that the settlement with ATSL is already a subject matter of consideration before the AA in multiple applications, detailed above, and filed by the Suspended Board and their associates / affiliates / related parties, alleging that such settlement amounts to modification of the CoC Approved Plan, as detailed in the table provided hereinabove. Further, the RP has also brought this development to the attention of the AA through an Additional Affidavit dated 20.01.2025 filed in the Plan Approval Application filed vide diary number 0710102008782023/7.

2.9.9. Subsequently, the AA, *vide* Order dated 21.04.2025, in IA No. 180 of 2025 in C.P (IB) No. 1913/(ND)/2019, filed by one of the suspended directors, directed Mr. Navneet Gupta to confirm, by way of an affidavit, whether the CoC and the Resolution Professional have taken note of the settlement with ATSL, being an ‘other creditor’ of the CD, and to clarify the implications, if any, of such settlement on the CoC Approved Plan. Mr. Navneet Gupta, accordingly, filed the compliance affidavit dated 05.05.2025, *vide* diary number 0710102001732025/6, in IA No. 180 of 2025, before the AA, reaffirming that the CoC had been duly apprised, and that the settlement did not affect the CoC Approved Plan.

2.9.10. Furthermore, Indian Bank, the sole member of the CoC holding 100% voting share, has also filed an affidavit confirming that the settlement with ATSL was duly noted and taken into consideration by the CoC, and that the aforesaid settlement had no bearing on its decision to approve the CoC Approved Plan submitted by the SRA. He submitted that Mr. Navneet Gupta has transparently disclosed the factum of settlement with ATSL to the members of the CoC and the AA, in accordance with his duties and obligations under the Code and applicable regulations.

2.9.11. It is also important to highlight that the resolution plan also has adequate provisions to deal with a scenario if any portion of the resolution plan amount remains unutilised as *“It is further clarified that any amount (including amounts earmarked for Dissenting 'Financial Creditors and CIRP Cost) from the Total Resolution Amount that remains unutilized after distribution as per Section 1.2 of Part B (Financial Proposal) shall be available for distribution towards the*

Approving Financial Creditors." It is therefore obvious that the implication of the settlement of ATSL is only the reallocation amongst creditors of the total resolution amount. The RP is not empowered to modify claims after the approval of a resolution plan by the CoC . Regulation 13 of the CIRP Regulations is reproduced hereunder:

> *"13. Verification of claims. (1) The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it. ...*
>
> *(1B) In the event that claims are received after the period specified under sub-regulation (1) of regulation 12 and up to seven days before the date of meeting of creditors for voting on the resolution plan or the initiation of liquidation, as the case may be, the interim resolution professional or resolution professional, as the case may be, shall verify all such claims and categorise them as acceptable or non-acceptable for collation."*

In view of the aforesaid regulation, Mr. Navneet Gupta submitted that the Resolution Professional is not vested with any authority, either under the Code or the CIRP Regulations to amend, modify, or update the list of creditors after the CoC has approved the resolution plan.

2.9.12. The statutory scheme, particularly Regulation 13 read with Regulation 12, contemplates verification and updation of the list of creditors by the RP only up to seven days prior to the meeting of creditors convened for voting on the resolution plan or for initiation of liquidation. Beyond this stage, no discretion vests in the RP to entertain or process any belated claim; any such claimant must necessarily seek appropriate directions from the AA. Accordingly, the RP cannot undertake any updation of the list of creditors after the culmination of the statutory timelines, except pursuant to specific orders of the AA. However, in due compliance with his statutory duties, the RP has duly intimated the CoC, the AA, and all other relevant stakeholders regarding the settlement of claims pertaining to ATSL, in accordance with the requirements of the CIRP.

2.9.13. The approval of the Resolution Plan by the CoC crystallises the liabilities, freezes the admitted claims for the purpose of the Resolution Plan, and marks the attainment of statutory finality so far as claims of creditors are concerned. Consequently, no modification or updation to the list of creditors can thereafter be undertaken by the RP, nor can any settlement entered into by an "other creditor" outside the CIRP process reopen, disturb, or in any manner impact the list of creditors that formed the basis of the CoC's commercial wisdom. However, the AA needs to be duly apprised in the changed position of any claims in connection with the resolution plan which is sub-judice. Accordingly, Mr. Navneet Gupta had duly intimated the AA as detailed above. Needless to add, the decision of the CoC on the Approved Resolution Plan was not impacted in any manner as the said creditor whose claim was settled was not a financial creditor.

2.9.14. Accordingly, it is respectfully submitted that the allegation that the list of creditors was not updated on the website of the Board after the settlement with ATSL is misconceived and proceeds on an erroneous understanding of Regulation 13.

2.9.15. The obligation to "maintain and update" the list of creditors is with reference to the claim collation and verification phase of the CIRP, so as to enable the constitution of the CoC and facilitate evaluation of liabilities by prospective resolution applicants. In the present case, the list of creditors was duly verified, maintained and timely updated during the active CIRP period, and the same formed the basis for receipt, evaluation and approval of the Resolution Plan.

2.9.16. However, after approval of the CoC Approved Plan by the CoC and filing of the Plan Approval Application before the AA, any unilateral updation of the list of creditors to reflect a subsequent private settlement would not only have been ultra vires and beyond the scope of Regulation 13 but would also have been legally impermissible and misleading, as it could suggest a revision of admitted claims forming part of the CoC Approved Plan. Accordingly, Mr. Navneet Gupta, instead of undertaking any such unilateral updation, prudently chose the only legally permissible course by disclosing the development to the CoC and placing the same before the AA for appropriate consideration.

2.9.17. In view of the foregoing, Mr. Navneet Gupta submitted that he has neither failed to maintain or update the list of creditors during the CIRP period when such exercise was statutorily contemplated and was, in fact, duly and scrupulously complied with. The non-updation alleged in the SCN pertains to a stage when the CoC Approved Plan already stood approved by the CoC and was pending consideration before the AA, at which stage any unilateral alteration of admitted claims would have been contrary to the statutory scheme of the CIRP. The RP, therefore, acted with utmost prudence, transparency and in deference to the judicial process by placing the settlement before the CoC and the AA.

2.9.18. It is further submitted that no prejudice has been caused to any stakeholder, nor has the CIRP been impacted in any manner whatsoever. It bears importance to highlight that Mr. Navneet Gupta has not just intimated the AA, the resolution applicant and the CoC about the status of the claim about receiving the notification of settlement, but it has also duly filed compliance affidavits clearly noting the CoC's concurrence that the said settlement has no adverse implication on the resolution plan. Moreover, the resolution plan itself, has adequate provisions to deal with the reallocation of the resolution plan amount in case any amount remains unutilised (in the instant case, on account of the settlement of the Form-F creditor being ATSL).

2.9.19. Mr. Navneet Gupta that it is undisputed that the claim of ATSL was duly lodged before Mr. Navneet Gupta, examined in accordance with law and admitted as a valid claim against the Corporate Debtor. It is further undisputed that the admitted claim of ATSL formed part of the Resolution Process and stood recognised in the Resolution Plan, wherein a sum of Rs.25 lakhs was earmarked for distribution towards such claim. Subsequently, ATSL communicated that it desired to withdraw its claim on the basis of a purported settlement allegedly entered into outside the CIRP process. Upon receipt of such communication, Mr. Navneet Gupta specifically sought clarification regarding the nature of the alleged settlement and, in particular, whether ATSL had received any payment against the admitted claim forming part of the CIRP process. In response, ATSL confirmed that no amount had been received by it specifically towards the admitted claim.

2.9.20. Thus, the very creditor whose claim had been admitted did not assert that the debt standing against the CD been discharged through payment. Equally, no document evidencing assignment, novation, subrogation, transfer of debt or lawful extinguishment of the liability of the CD was ever produced before Mr. Navneet Gupta. No third party claimed to have stepped into the shoes of ATSL. No person asserted any subrogation rights. No material was furnished demonstrating that the liability recorded in the books of the Corporate Debtor had ceased to exist.

2.9.21. Without prejudice to the foregoing and in any event, even assuming that some material indicative of the alleged settlement such as the communication received from ATSL was available with the RP, the existence of such material could not, by itself, have empowered Mr. Navneet Gupta with the power to adjudicate upon its legal effect or to determine, on his own assessment, whether the underlying admitted debt stood discharged or extinguished. Such a determination is adjudicatory in nature and, under the scheme of the Code, vests exclusively in the Hon'ble Adjudicating Authority.

2.9.22. Accordingly, irrespective of whatever material may have come to Mr. Navneet Gupta's notice, Mr. Navneet Gupta could not have unilaterally altered the treatment of ATSL's admitted claim or modified the list of creditors after the Resolution Plan had been approved by the CoC and was pending consideration before the AA, without exceeding the limits of his own statutory role. Mr. Navneet Gupta therefore acted strictly within the confines of the authority vested in him by law and rightly left the determination of this question to the AA, before whom it remains pending.

2.9.23. Mr. Navneet Gupta further submits that the purported withdrawal of claim did not arise during the claim verification stage of the CIRP. The communication relied upon by ATSL was received after the Resolution Plan had already been approved by the CoC and after the application seeking approval of the Resolution Plan had been filed before the Adjudicating Authority. At that stage, the admitted claim of ATSL had already been taken into account while formulating and approving the Resolution Plan and the rights of all stakeholders had become intertwined with the distribution mechanism contemplated therein. Any alteration in the treatment of a creditor after approval of the Resolution Plan necessarily had implications extending beyond the individual creditor concerned and potentially affected the overall distribution architecture embodied in the Resolution Plan. It is therefore incorrect to suggest that he could simply remove the creditor from the list on the basis of a unilateral communication unsupported by any evidence of discharge of debt. Significantly, the Resolution Plan itself provided a mechanism for dealing with any surplus arising from non-utilisation of earmarked amounts, thereby ensuring that no stakeholder would suffer prejudice. Consequently, the continuation of ATSL in the list of creditors neither conferred any undue benefit upon ATSL nor caused any loss to any stakeholder.

2.10. **Analysis and Findings.**

2.10.1. The DC notes that as per Section 25 read with Regulation 13(1), it is the mandate of the RP to verify and update the claims of the list of creditors containing the amount claimed by them, the amount of their claims admitted and security interest if any in respect of such claims. It is also mandatory for the RP to update such list on the electronic platform of the Board as per Regulation 13(2)(ca).

2.10.2. The DC note chronology of events with regards to claims of ATSL:

Date	Events
23.03.2022	Form-F filed by ATSL
08.01.2023	Resolution plan approved by CoC where certain amount was earmarked to ATSL whose calm was admitted as Other Creditors
24.01.2023	Application no. IA/987/2023 filed by the RP for approval of Resolution Plan
12.12.2024	Letter received from ATSL withdrawing claim against CD and removal from List of Creditors.
14.12.2024	Mr. Navneet Gupta forwarded the letter received from ATSL to the CoC
19.12.2024	The 19th CoC meeting was held where the letter received from ATSL was discussed as follows: *"The Resolution Professional apprised the members regarding the communication received from Axis Trustee Services Limited pertaining to the withdrawal of claim based on settlement between Axis Trustee Services Limited and the Suspended Director of the Corporate Debtor. The Resolution Professional informed the committee that he has already shared the letter received on 12.12.2024 from Axis Trustee Services Limited with the sole member of the committee of creditors i.e. Indian Bank on 14.12.2024. The sole member of the committee also confirmed that they have received the communication forwarded by the Resolution Professional and they have taken note of the same.* *Mr. Sanjeev Mahajan, Suspended Director of the Corporate Debtor made submissions regarding this matter and informed the committee that he has prepared a note on the above said matter and requested the Resolution Professional to circulate the note along with minutes of the meeting. The Resolution Professional took note of the submissions made by Mr. Sanjeev Mahajan.*

	The Resolution Professional apprised the committee that the future course of action, on the said letter for withdrawal of claim by Axis Trustee Services Limited, shall be decided as per the relevant provisions of law and after consulting his legal counsel."
09.01.2025	Application no. IA/180/2025 filed by the Suspended Management was listed placing on record certain additional documents on the basis of which they have sought dismissal of the approval of Resolution Plan filed through IA/987/2023. RP was given time to file affidavit.
20.01.2025	The RP filed additional affidavit informing about the letter received from ATSL and his consequent action like informing to CoC on 14.12.2024 and discussion it in 19th CoC meeting dated 31.12.2024. He further stated that *"10. That the above fact of receipt of payment by unsecured creditor does not: (a) require any modification/alteration to the Resolution Plan currently pending for approval by way of present application; or (b) in any manner tantamount to modification or alteration in the plan as one of the creditor has shown interest in not claiming the amount which does not fall under the parameter of modification or alteration in the plan since the Resolution Plan has already incorporated clauses which sufficiently deals with such situation, relevant part of which is reproduced hereunder:* *…* *It is further clarified that any amount (including amounts earmarked for Dissenting 'Financial Creditors and CIRP Cost) from the Total Resolution Amount that remains unutilized after distribution as per Section 1.2 of Part B (Financial Proposal) shall be available for distribution towards the Approving Financial Creditors…."* *…* *19. That it is clear from the terms of the Resolution Plan that there is no change in the financial proposal and conditions of the plan, by virtue of the letter received from Axis Trustee, since the matter only relates to the post approval distribution of the amount allocated to various creditors which does not tantamount to change in the nature and character of the plan. That the issue with respect to Axis Trustee is nothing more than post approval distribution of the proceeds to be paid by SRA and the clause with respect to post distribution of proceeds, in case where there is any change in circumstances, is already specified in the Resolution Plan approved by the Committee of Creditors."*
13.01.2025	Email sent by RP to ATSL as follows: *"In this regard, I request you to provide the following:*

	i. Clarification as to how the aforesaid settlement with respect to Nimitaya Hotel & Resorts Limited ("NHRL") is not in contravention of the Insolvency & Bankruptcy Code, 2016. *ii. All relevant documents pertaining to the settlement, including the settlement deed since the same has direct bearing on the CIRP of corporate debtor and the undersigned is duty bound to apprise the same to the Hon'ble Adjudicating Authority.* *iii. Amount received for settlement of claim against NHRL.* *Further, you are aware that a Resolution Plan has already been approved by the Committee of Creditors of the Corporate Debtor, NHRL on 08.01.2023 wherein certain allocation towards the admitted claim amount of ATSL has also been made by the Successful Resolution Applicant. The application filed by the undersigned for approval of the Resolution Plan is pending before the Hon'ble National Company Law Tribunal, New Delhi and it is a settled principal that once a resolution plan is approved by the CoC, it cannot be modified.* *Accordingly, the RP does not have the authority to amend the list of creditors post-approval of the resolution plan, as it would contravene the binding nature of the plan as established under the settled provisions of IBC, 2016.* *It is therefore informed that the RP is unable to accede to your request to delete the name of ATSL from the list of creditors of NHRL.* *Kindly note that this email is without prejudice to the RP's rights, in law and equity, all of which are hereby expressly reserved and therefore, any statutory & other filings for giving effect to withdrawal of your claim shall not be made since the matter is sub-judice."*
29.01.2025	ATSL explained the transaction to the RP stating that *"this payment arrangement is not to the detriment of NHRL and to our knowledge, no NHRL assets or properties have been transferred or collateralised in this regard. To the contrary, the payment arrangement benefits NHRL. This is because, even though the Debenture Holders are receiving a lesser amount than that owed to them, the Debenture Holders agreed to discharge NHRL of its liability to the Debenture Holders, and consequently, more funds are available for distribution among other creditors of NHRL."*
21.04.2025	While hearing IA/180/2025, the AA notes as follows: *"However, it has been pointed out that after approval of the Resolution Plan by the CoC, one of the Creditor (unsecured) has settled the matter with the Promoter. CoC and Resolution Professional is directed to file an affidavit stating that whether they have taken note of the settlement, and if so, what*

	would be the effect of the same in the Resolution Plan and to the amount which is earmarked for that Creditor in the Resolution Plan."
05.05.2025	Subsequently the RP filed affidavit where narrated details about the ATSL and his action regarding it. He stated that *"16. Notably, the Code does not confer any authority to the Resolution Professional to amend or modify the list of creditors after the approval of the Resolution Plan. Regulations 12 and 13 of the CIRP Regulations, 2016, explicitly mandates that the Resolution Professional must collate and verify all claims as of the insolvency commencement date, which, in the present case, is 24.12.2021. Accordingly, the Resolution Professional has collated all claims and prepared the list of creditors as on the insolvency commencement date, i.e., 24.12.2021. Therefore, the updation of a claim pursuant to the approval of the Resolution Plan by the CoC does not require any modification or alteration of the list of creditors. This position is endorsed by the CoC in their reply to the present application.* *…* *21. In light of the claim of ATSL being fully satisfied and updated as per Regulation 12A of the CIRP Regulations, 2016, the liability of the Corporate Debtor to ATSL is Nil. Consequently, the amount distributable to ATSL under the Resolution Plan as on date is Nil.* *22.Consequently, the amount of Rs.25,00,000/- (Rupees Twenty-Five Lakhs Only), which was previously earmarked for ATSL, shall now be available for distribution to the Approving Financial Creditors, in accordance with the Resolution Plan. In the present case, Indian Bank as a sole member of the CoC having 100% voting share has approved the Resolution Plan.* *23. The Committee of Creditors has further affirmed and reiterated this legal position, confirming that the amount will be allocated to the approving financial creditors in accordance with the provisions of the Resolution Plan. This position is supported in the reply filed by the CoC/Indian Bank in response to the present application.* *24. The Successful Resolution Applicant, Nehru Place Hotels and Real Estates Private Limited, has also categorically stated that the balance or remaining funds, instead of being disbursed to ATSL, will now be utilized for benefit of the approving financial creditors, as described in the addi affidavit filed in LA No. 987 of 2023."*
05.05.2025	Affidavit filed on behalf of Indian Bank, sole member of the CoC stating as follows:

	"3.2 That the dues of the M/s. Axis Trustees Services Ltd. against the CD have been admitted to the extent of Rs. 25 lacs by RP as Unsecured Creditor and the said classification including the amount of Rs. 25 lacs which has been admitted by RP in the present CIRP Proceedings against the CD, have not been challenged by M/s. Axis Trustees Services Ltd before this Ld. Adjudicating Authority in the present proceedings. *3.3 That the Resolution Plan dated 18.08.2022 submitted by SRA in Part- B (Financial Proposal) of the Resolution Plan has provided that if any amount from the total Resolution Amount remains unutilized after distribution the same will be available for distribution towards Approving Financial Creditors. It is submitted that the amount of Rs. 25 lacs which has become available now due to the settlement arrived at between M/s. Blue Bird Soft Tech Pvt. Ltd. and M/s. Axis Trustees Services Ltd, before approval of the Resolution Plan, the Respondent Bank is of the view that this surplus amount of Rs. 25 lacs should also be treated in the same manner as provided in Part-B (Financial Proposal) of the Resolution Plan i.e. the said amount should be treated as unutilized amount after distribution to the approving Financial Creditors and should be distributed to the Approving Financial Creditors."*

2.10.3. From the above chronology, the DC notes that Mr. Navneet Gupta has informed the CoC about letter for withdrawal of claim received from ATSL. He also timely informed the AA *vide* affidavit dated 20.01.2025 and again by affidavit dated 05.05.2025. Th sole CoC member has also filed affidavit dated 05.05.2025 stating its stand on the withdrawal letter received from ATSL.

2.10.4. The DC also notes that the question of withdrawal of claim by ATSL, and its consequential implications, if any, on the resolution plan is presently *sub judice* before the AA in application filed for approval of resolution plan and application filed by suspended director for dismissal of resolution plan on basis of the letter received from ATSL and along with other interim applications wherein same issue is being challenged.

2.10.5. The DC notes the submission of Mr. Navneet Gupta that *the updation of a claim pursuant to the approval of the Resolution Plan by the CoC does not require any modification or alteration of the list of creditors.* Further, the RP has informed the CoC and the AA about the events happened after approval of resolution plan and no prejudice appears to have been caused to any other stakeholder on account of the implications, if any, arising from the withdrawal of claim by ATSL. The final determination of the effect, if any, of such withdrawal on the resolution plan, however, remains a matter squarely within the domain of the AA, before whom the issue is pending consideration. Hence, the DC refrains from making any comments in light of pendency for resolution plan before the AA.

2.10.6. The DC notes that the purpose of the list of creditors maintained under Section 25(2)(e) of the Code read with Regulation 13 of the CIRP Regulations is to ensure that the creditors are duly informed of the claims admitted against the Corporate Debtor and that the Resolution Applicant is made aware of the liabilities to be addressed under the resolution plan. Regulation 13 further contemplates that any modification in the amount of a claim, including modification pursuant to verification of a claim or receipt of additional information, is required to be appropriately reflected in the list of creditors so as to ensure transparency and enable the creditors as well as the Resolution Applicant to exercise their respective rights and, where necessary, make corresponding adjustments to the resolution plan.

2.10.7. The DC further notes that Regulation 13(2)(ca) specifically provides for the manner in which a claim is to be dealt with where the claim is filed after the specified period. Where such a claim is considered after the approval of the resolution plan by the CoC, the Resolution Professional is required to seek the approval of the Adjudicating Authority before accepting such claim. The requirement assumes greater significance where the claim or modification has a bearing upon the distribution contemplated under an already approved resolution plan. In the present case, the claim of the ATSL(one of the creditor of the CD) had already been considered and dealt with in the resolution plan approved by the CoC with 100% voting share, and a specific amount had been provided to the said creditor. Any subsequent change in the amount admitted towards such claim, particularly where the amount proposed to be paid exceeds the amount actually due to the creditor, would necessarily have an impact upon the distribution amongst the other creditors and, in substance, would require modification of the resolution plan by the AA as the same is pending before the AA.

2.10.8. Therefore, the DC is of the view that, when the resolution plan incorporating the admitted claim and corresponding distribution is already pending adjudication before the AA, the Resolution Professional could not have unilaterally altered the amount of the claim in the list of creditors in a manner having the effect of altering the distribution contemplated under the resolution plan. Any such modification, having a direct bearing on the implementation and distribution under the resolution plan, ought to have been placed before the AA for appropriate directions. Therefore, pending adjudication of the resolution plan, the RP would not have been justified in modifying the amount admitted against the concerned creditor without obtaining the approval/direction of the Adjudicating Authority. Hence, the DC accepts the submissions made by Mr. Navneet Gupta made in respect of this contravention.

Contravention-IV

2.11. **Failure to convene the CoC Meetings.**

2.11.1. Regulation 18 of the CIRP Regulations, as amended on 15.02.2024, provides that a resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting: Provided that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter.

2.11.2. It was observed that the 18th meeting of the CoC was held on 27.12.2023 and thereafter the 19th meeting of the CoC was held after one year on 31.12.2024. Therefore, the Board held a *prima* *facie* view that Mr. Navneet Gupta has contravened Section 208(2)(a) and (e) of the Code, Regulation 18 of the CIRP Regulations and Regulation 7(2)(a) and (h) of the IP Regulations 2016 read with Clauses 13 and 14 of the Code of Conduct.

2.12. **Submissions by Mr. Navneet Gupta.**

2.12.1. Mr. Navneet Gupta submitted that the Resolution Plan was approved by the CoC, with 100% voting share, through e-voting which concluded on 08.01.2023. Subsequently, Mr. Navneet Gupta filed the Plan Approval Application on 20.01.2023, seeking approval of the CoC Approved Plan. The aforesaid application is presently pending adjudication before the AA. The statutory period for completion of the CIRP, as prescribed under the Code, expired on 27.01.2023. In any event, Mr. Navneet Gupta continued to manage the operations of the CD after the expiry of the insolvency resolution process period during the pendency of the Plan Approval Application before the AA in compliance with his obligations under Section 23 of the Code.

2.12.2. In this regard, he referred definition of "insolvency resolution process period" which is defined in Section 5(14) of the Code as the period of one hundred and eighty days beginning from the insolvency commencement date and ending on one hundred and eightieth day. Evidently, *"insolvency resolution process period" is a defined time period which expires after the expiry of the timeline prescribed for completion of CIRP in accordance with the provisions of the Code, which even including the extension of 90 days with the approval of the NCLT, expires on the 270th day*. Keeping this in mind, proviso to Section 23(1) was consciously added by the legislature whereby, the RP is required to manage the operations of the Corporate Debtor beyond insolvency resolution process period, until an order approving the resolution plan under sub-section (1) of section 31 or appointing a liquidator under section 34 is passed by the adjudicating authority. Section 23 (1) of the Code is extracted hereinbelow for your reference:

"23. (1) Subject to section 27, the resolution professional shall conduct the entire corporate insolvency resolution process and manage the operations of the corporate debtor during the corporate insolvency resolution process period:

Provided that the resolution professional shall continue to manage the operations of the corporate debtor after the expiry of the corporate insolvency resolution process period, until an order approving the resolution plan under sub-section (1) of section 31 or appointing a liquidator under section 34 is passed by the Adjudicating Authority."

Therefore, the legislature in order to ensure that the governance structure of the CD continues to remain with the RP until the decision of approval of resolution plan or for allowing liquidation of the CD added the proviso extending the role of the RP beyond the insolvency resolution process period and that too, for the limited purpose of 'managing the operations of the corporate debtor'.

2.12.3. Throughout the intervening period, he continued to keep the sole CoC member apprised of the operational status, legal developments and other material aspects of the CIRP, as evidenced by the communications exchanged with Indian Bank during this period.

2.12.4. He further submitted that during the pendency of the Plan Approval Application, the Board issued a notification bearing Notification No. IBBI/2023-24/GN/REG113 dated 15.02.2024, whereby Regulation 18 of the CIRP Regulations was amended. Notably, prior to its amendment, Regulation 18 of the CIRP Regulations, was as under:

"18. Meetings of the committee.
(1) A resolution professional may convene a meeting of the committee as and when he considers necessary.
(2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty three per cent of the voting rights.
Explanation: For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority."

A plain reading of the unamended Regulation 18 makes it unequivocally clear that no fixed frequency or timeline for convening CoC meetings existed prior to the expiry of the insolvency resolution process period of the CD.

2.12.5. He submitted that the explanation to sub regulation (2) of Regulation 18 of the CIRP Regulations was inserted *vide* amendment dated 16.09.2022. The insertion of the explanation extended the ambit of the RP calling for CoC meetings only on account of requisitions made by the CoC under Regulation 18(2) of the CIRP Regulations until the resolution plan was approved by the AA or an order for liquidation was passed to decide on matters which do not affect the resolution plan submitted before the AA. This is adequately clear with the express reference to sub-regulation (2) in the Explanation.

2.12.6. He submitted that *vide* amendment to Regulation 18, introduced on 15.02.2024, the Board amended Regulation 18(1) of the CIRP Regulations as below:

"A resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting:

Provided that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter"

However, it is pertinent to note that no change was made to the Explanation to Regulation 18(2) of the CIRP Regulations vide the 2024 amendment, extending its ambit to the amended sub-regulation (1).

2.12.7. Therefore, *vide* the amendment in 2024, the IBBI made a conscious decision that the explanation to sub regulation (2) of Regulation 18 of the CIRP Regulations applied only to sub regulation (2) and did not extend the ambit of the explanation to sub regulation (2) to sub regulation (1) of Regulation 18.

2.12.8. In view of the aforesaid, the legislative intent is clear that the requirement for convening CoC meetings at 30-day intervals is not intended to apply after the expiry of the insolvency resolution process period. The mandate for amendment to sub regulation (1) of Regulation 18 of the CIRP Regulations was to ensure the CIRP progresses in a timely manner. However, once the CoC has approved a resolution plan, there is no requirement for the RP to call for monthly meetings. In terms of Section 23(1) of the Code, after the expiry of the insolvency resolution process period, the RP may requisition a meeting of the CoC whenever required for managing the operations of the corporate debtor, unless otherwise requisitioned by the CoC in terms of Regulation 18(2) of the CIRP Regulations.

2.12.9. Mr. Navneet Gupta submitted that during the period between the 18th and 19th CoC meetings, no request was made by Indian Bank, the sole member of CoC holding 100% voting share, for convening a CoC meeting within that duration. At no point during the aforesaid period was any concern, objection, or dissatisfaction expressed by the CoC with respect to the conduct or progress of the CIRP. In the absence of any request or direction from the CoC, he had no occasion to convene a CoC meeting during the aforesaid period. He convened the 19th meeting of the CoC on 31.12.2024 to place before the CoC the letter dated 12.12.2024 received from ATSL regarding the withdrawal of its claim. The aforesaid meeting was convened to consider, discuss, and deliberate upon this significant development arising during the pendency of the Plan Approval Application before the AA.

2.12.10. During the intervening period, Mr. Navneet Gupta continued to keep the sole CoC member informed of the operational status, legal matters and any material developments in the CIRP of the CD and also provided requisite information and documents as requested during the period. Therefore, the sole CoC member has always been kept updated and informed of the developments and progress in the CIRP of the CD. The aforesaid issue was also discussed in the 21st meeting of the CoC held on 30.05.2025 and has been duly recorded in the minutes, relevant extracts of which is reproduced hereunder:

"Item No. A4

To conduct an audit of the going concern CIRP expenses for the entire CIRP Period in the matter of the Corporate Debtor as per Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

... Discussion on Conduct of CoC Meetings

Mr. Sanjeev Mahajan's Submission: Mr. Mahajan Submitted that the IBBI Regulations states that a CoC meeting shall be convened on monthly basis. However, in the matter of Corporate Debtor, the CoC meetings were not convened as per the prescribed regulations.

RP's Submissions: In response to Mr. Sanjeev Mahajan's submission, the Resolution Professional submitted that the Insolvency Commencing Date in the present matter is 24.12.2021 and there was no provision for conducting monthly meetings of the Committee of Creditors at the time of initiation of CIRP. The amendment to regulations inter alia prescribing monthly/quarterly CoC meetings was introduced on 15.02.2024 i.e. much after the initiation of CIRP, approval of the Resolution Plan by the committee of creditors in the matter of Corporate Debtor and expiry of the statutory time limit for completion of CIRP. Moreover, as per the legal provisions, the scope for discussions in the committee after the approval of the Resolution Plan by the CoC is limited as the committee cannot discuss and deliberate on any matters affecting the resolution plan after submission before the Hon'ble Tribunal. The operational status and the legal developments have been provided to the committee from time to time when requested."

2.12.11. Mr. Navneet Gupta submitted that between 15.03.2022 (i.e., the date on which the stay on CIRP proceedings was vacated by the Hon'ble NCLAT) and 08.01.2023 (i.e., the date on which the CoC Approved Plan was approved by the CoC), the RP convened sixteen (16) CoC meetings, at an average of one meeting every 20 to 30 days, in order to facilitate the expeditious resolution of the CD. It is submitted that the conduct of the RP is consistent with the intent and objective underlying the amendment introduced vide Notification dated 15.02.2024.

2.12.12. In addition to the aforesaid submissions, in any event, he submitted that no prejudice whatsoever has been caused to the CoC or to any stakeholder of the CD as a result of the non-convening of the meeting. It is further submitted that there was neither any intention on the part of the RP to avoid convening meetings, nor could any benefit, actual or perceived, accrue to the RP from not convening such meetings. The surplus generated and maintained in the bank account of the CD has increased from almost NIL to exceeding Rs. 56 crores as on date, is, in fact, sufficient testimony to reflect the efforts, efficiencies and responsiveness of the RP to the maximisation of the value of the Corporate Debtor. In view of the foregoing, Mr. Navneet Gupta submitted that the allegation of failure to convene meetings of the CoC is wholly misconceived.

2.13. **Analysis and Findings.**

2.13.1. The DC observed that as per Section 25(1)(f) of the Code, it is the duty of the RP to convene and attend all the meetings of the CoC. Regulation 18 of CIRP Regulations which explicitly requires mandatory convening of one CoC meeting within the period of 30 days before the lapse of last meeting or conduct at least one meeting of the CoC in every quarter. Further, if any extension between the timeline of the CoC meeting is decided, the same shall be supported by the resolution passed by the CoC with 33% of the voting share. Regulation 18(1) of the CIRP is reproduced as follows:

"Meetings of the committee.

[(1) A resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting:

Provided that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter.

(2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty three per cent of the voting rights.

[Explanation: For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority.]""

2.13.2. The DC notes that in this case, CIRP initiated *vide* order dated 24.12.2021 and the CoC approved the resolution plan of the CD on 08.01.2023. After the approval of resolution plan by the CoC, 18th CoC meeting was held on 27.12.2023 after which 19th CoC meeting was conducted on 31.12.2024 after the lapse of more than one year. The relevant events have been tabulated below:-

Date	Particulars of Events
08.01.2023	Resolution Plan submitted by M/s Nehru Place Real Estates Pvt. Ltd (SRA) was approved by the CoC with 100% voting share in 14th CoC Meeting E-Voting -10.12.2022-08.01.2022.
09.01.2023	16th CoC Meeting was held
10.01.2023	the RP issued a Letter of Intent ('LoI') in favour of M/s Nehru Place Hotels and Real Estates Pvt. Ltd.
12.01.2023	17th CoC Meeting was held.
14.01.2023	SRA submitted a Performance Bank Guarantee of ₹12.001 Crores (Rupees Twelve Crores and One Lakh), in addition to the ₹5 Crores.
19.01.2023	The RP filed I.A. No. 987 of 2023 for the approval of the Resolution Plan submitted by M/s Nehru Place Hotels and Real Estates Pvt. Ltd., before AA.
27.12.2023	The RP convened the 18th CoC Meeting on 27.12.2023 for appointment of professionals, including tax auditor and to take notice of the Order dated 01.12.2023 passed by AA.
12.01.2024	Sr. Adv Mr. Anand Chibbar appointed as counsel for CIRP- CD by the RP.
12.12.2024	Letter received from ATSL for settlement proposal
31.12.2024	19th CoC Meeting
30.04.2025	20th CoC Meeting
20.05.2025	21st CoC Meeting

2.13.3. The DC further notes that Mr. Navneet Gupta in his defence submitted that he conducted the meeting after the expiry of CIRP Period hence the requirement of 30 days interval does not apply. He asserted that as per Section 23(1) he is only required to manage the affairs of the CD till approval of resolution plan. The DC notes that after the 18th CoC meeting Mr. Navneet Gupta failed to apprise the CoC member about the amendment dated 15.12.2024 made in Regulation 18 which mandates the conveying of meeting before the lapse of 30 dates from the last meeting or conveying one meeting at least in each quarter as decided by the CoC. Merely informing the CoC about the affairs of the CD does not make the requirement of conducting CoC meeting redundant.

2.13.4. The submission of Mr. Navneet Gupta that Regulation 18(1) of the CIRP Regulations ceases to apply upon approval of the resolution plan by the CoC is not tenable. A plain reading of the unamended Regulation 18 makes it unequivocally clear that no fixed frequency or timeline for convening CoC meetings existed prior to the expiry of the insolvency resolution process period of the Corporate Debtor. The explanation to sub regulation (2) of Regulation 18 of the CIRP Regulations was inserted vide amendment dated 16.09.2022. The insertion of the explanation extended the ambit of the RP calling for CoC meetings only on account of requisitions made by the CoC under Regulation 18(2) of the CIRP Regulations until the resolution plan was approved by the adjudicating authority or an order for liquidation was passed to decide on matters which do not affect the resolution plan submitted before the adjudicating authority. This is adequately clear with the express reference to sub-regulation (2) in the Explanation.

2.13.5. The DC notes that the Explanation inserted under Regulation 18(2) on 16.09.2022 cannot be relied upon to restrict or dilute the independent obligation contained in Regulation 18(1). The Explanation expressly states that it operates "for the purposes of sub-regulation (2)" and, therefore, concerns meetings requisitioned under Regulation 18(2). It cannot be construed as an implied qualification to the periodicity requirement subsequently incorporated in Regulation 18(1). The DC further notes that Regulation 18(1), as amended on 15.02.2024, prescribes a specific periodic obligation upon the RP to convene a meeting of the CoC before the expiry of thirty days from the date of the last meeting, subject to the exception relating to a CoC decision to meet at least once in every quarter. The said provision does not carve out any exception for the period subsequent to approval of a resolution plan by the CoC but prior to its approval by the AA. Therefore, the RP could not have treated the approval of the resolution plan by the CoC as an event which automatically discharged him from the obligation under Regulation 18(1).

2.13.6. The DC further notes that the approval of the resolution plan by the CoC did not absolve Shri Navneet Gupta from complying with Regulation 18(1) of the CIRP Regulations. He was required to continue convening meetings of the CoC in accordance with the amended Regulation 18(1), until the resolution plan was approved by the AA or an order for liquidation was passed as the case may be. His failure to do so amounted to non-compliance with the statutory and regulatory framework governing the CIRP.

2.13.7. The Explanation under Regulation 18(2), inserted on 16.09.2022 by its own terms, operates "for the purposes of sub-regulation (2)" and was inserted to extend the RP's power to convene *requisitioned* meetings beyond the expiry of the resolution process period while putting restriction on agendas of the meeting. It cannot be read to qualify the subsequently inserted obligation under Regulation 18(1) (amended on 15.02.2024) to convene a meeting of the CoC before the lapse of thirty days from the last meeting (or at least once a quarter, where the CoC so decides). If the Board intended to confine the periodicity requirement under Regulation 18(1) to the period preceding CoC approval of a resolution plan, it would have said so expressly, as it did in the Explanation to sub-regulation (2). The deliberate absence of any such qualification in sub-regulation (1) indicates that the obligation is of general application and continues to operate for as long as the CoC subsists, i.e, until the resolution plan is approved by the AA under Section 31(1) of the Code or an order for liquidation is passed under Section 33. The RP's obligation to manage the operations of the CD under Section 23 of the Code, and the corresponding need for continued oversight by the CoC, does not abate merely because the CoC has cast its vote on the resolution plan. The RP was, therefore, obligated to convene meetings of the CoC in compliance with Regulation 18(1) of the CIRP Regulations even after plan approval by CoC. He should have informed the CoC about the amendment dated 15.02.2024 to CoC and conducted the CoC meeting as required by amended Regulation 18(1). Accordingly, the DC holds the contravention.

Contravention-V

2.14. **Unauthorized payments during CIRP.**

2.14.1. Regulation 34 of the CIRP Regulations provides that the committee shall fix the expenses to be incurred on or by the resolution professional and the expenses shall constitute insolvency resolution process costs. The Explanation to said regulation provides that for the purpose of this regulation, "expenses" include the fee to be paid to the resolution professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the resolution professional. Further, Regulation 31B of the said regulations inserted vide notification dated 15.02.2024 provides that the insolvency professional shall place in each meeting of the committee, the operational status of the corporate debtor and shall seek its approval for all costs, which are part of insolvency resolution process costs.

2.14.2. It was observed that an agenda for ratification of the expenses already incurred by Mr. Navneet Gupta amounting to Rs. 14,32,888/- and Rs. 9,30,86,919/- was placed before the CoC in its 19th meeting and 20th meeting, respectively, to form part of insolvency resolution process cost. However, the same was not approved by the sole CoC member. Moreover, the sole CoC member repeatedly addressed emails to Mr. Navneet Gupta asserting that said costs have not been approved by it and sought break up of said cost along with audit of CIRP cost.

2.14.3. Contrary to the aforesaid assertion of the sole CoC Member, Mr. Navneet Gupta recorded its assent to expense amounting to Rs. 14,32,888/-, in the minutes of the 19th CoC meeting.

2.14.4. Additionally, it was noted from the disclosure made by Mr. Navneet Gupta on the website of the concerned IPA that a professional namely Mr. Anand Chibbar was appointed on 22.01.2024, however, Mr. Navneet Gupta placed an agenda for ratification of his remuneration for the first time before the CoC in its 19th meeting held on 21.12.2024, i.e, almost after a year of his appointment.

2.14.5. Further to aforesaid, Mr. Navneet Gupta has recorded approval of the CoC with respect to fee of said professional in the said minutes contrary to assertion of the CoC member that the said cost was not approved by them.

2.14.6. In view of the above, the Board *prima facie* held the view that Mr. Navneet Gupta have contravened Section 208(2)(a) and (e) of the Code, Regulation 31B and 34 of the CIRP Regulations, and Regulation 7(2)(a) and (h) of the IP Regulations read with Clause 12 of the Code of Conduct.

2.15. **Submission by Mr. Navneet Gupta.**

A. In respect of expenses amounting to INR 14,32,888/-

2.15.1. Mr. Navneet Gupta submitted that the expenses incurred by him fall within the scope of the omnibus approval granted by the CoC in the 1st CoC meeting held on 02.04.2022. In the said meeting, the CoC expressly authorised Mr. Navneet Gupta to incur expenses towards execution of his duties as the RP. The relevant extract of the resolution is reproduced below:

"...RESOLVED FURTHER THAT the committee of creditors hereby authorise the RP to incur the expenses required to be incurred by him towards execution of his duties as RP including towards, NCLT filing(s) as and when needed, appointment of counsels /senior counsels etc. if required, information technology expenses, valuers costs, transaction audit expenses, compliance costs, accounting and audit costs, security expenses, other human resources costs, CoC Meeting expenses, any other out of pocket expenses and applicable taxes.

RESOLVED FURTHER THAT the Resolution Professional shall provide details of expenses incurred by him in CoC meeting for the information of the committee members and its subsequent ratification."

2.15.2. Mr. Navneet Gupta further submitted that the aforesaid omnibus approval continues to remain valid and operative till date, as there has been no modification, withdrawal, revocation, or objection thereto by the CoC at any stage. Accordingly, he has acted strictly within the framework of the authority granted and in compliance with the resolutions passed by the CoC. Therefore, the allegation that the expenses incurred by him were unauthorised is wholly devoid of any merit. In fact, these expenses were placed before the CoC in the 19th CoC meeting only for ratification in accordance with the earlier authorisation conferred upon Mr. Navneet Gupta by the CoC in the 1st meeting.

2.15.3. Mr. Navneet Gupta further submitted that the expenses were incurred strictly in accordance with the resolution passed at the 1st CoC meeting and were presented to the CoC thereafter only to ensure full disclosure subsequent to their incurrence and to enable proper verification by the Committee. As will be evident from the submissions below, not only were these expenses authorised under the earlier resolution, but they were also duly ratified by the CoC in the 19th meeting, thereby fully validating their legitimacy and adherence to the approval granted by CoC. He submitted that during the 19th meeting of the CoC held on 31.12.2024, the expenses forming a part of the CIRP costs amounting to ₹14,32,888/- (Rupees Fourteen Lakhs Thirty-Two Thousand Eight Hundred Eighty-Eight Only) were placed before the CoC for ratification under Agenda Item No. B1. The aforesaid expenses were ratified by the CoC during the meeting itself. Mr. Dharamraj Roshan, Chief Manager, representing Indian Bank, being the sole member of the CoC, was present and ratified the aforesaid expenses during the meeting. The ratification was duly recorded in the minutes of the 19th CoC Meeting, which were circulated to the CoC on 02.01.2025. No observations or objections to the aforesaid minutes were received from the CoC thereafter. Thereafter, 20th CoC meeting was convened on 30.04.2025 during which Mr. Navneet Gupta sought confirmation of the minutes of the 19th CoC meeting. No objections were raised by any of the CoC members regarding the aforesaid minutes. Accordingly, the minutes of the 19th CoC meeting were confirmed in the 20th CoC meeting. It is pertinent to highlight that no contention, objection, or reservation whatsoever was raised by the CoC members in respect of the ratification of CIRP expenses amounting to ₹14,32,888/- (Rupees Fourteen Lakhs Thirty-Two Thousand Eight Hundred Eighty-Eight Only) for a substantial period of approximately four months following the circulation of the minutes of the 19th CoC meeting on 02.01.2025. Significantly, even during the 20th meeting of the CoC held on 30.04.2025, no objection was raised with respect to the aforesaid ratification as recorded in the minutes of the 19th CoC meeting. It is pertinent to highlight that the first communication disputing the aforesaid ratification was received much later, only vide email dated 05.05.2025. Thereafter, in the 21st CoC meeting held on 30.05.2025, the RP reiterated that the CIRP expenses of ₹14.32 Lakhs had already been ratified by the CoC in the 19th CoC meeting itself. Nevertheless, and without prejudice to the said position, in order to demonstrate utmost transparency and to allay any concerns of the members, the RP proposed to once again place the agenda for ratification of the aforesaid expenses before the CoC. The members took note of the same and did not raise any objection to the aforesaid course suggested by the RP.

2.15.4. Further, in the 21st CoC meeting, upon the request of the CoC, an agenda for conducting audit of CIRP and going concern expenses was also placed for discussion and deliberation of the members. In the 24th CoC meeting held on 23.08.2025, the CoC resolved to appoint Mr. Naresh Munjal, for undertaking audit of CIRP and going concern expenses of the CD in the voting conducted pursuant to the 24th CoC Meeting. The said cost auditor submitted his final audit report on 09.11.2025. The audit report does not record any adverse findings against the RP or the expenses incurred during the process, thereby affirming the propriety of his conduct throughout the CIRP.

2.15.5. He submitted that the CIRP expenses amounting to Rs. 14,32,888/- was incurred in furtherance of the resolution passed by the CoC in its 1st meeting, put for ratification and ratified by the CoC in the 19th CoC meeting held on 31.12.2024 and thereafter, pursuant to the issues raised by the CoC subsequently seeking to dispute its earlier ratification, a cost auditor was appointed by the CoC. The aforesaid auditor has also duly returned a clear finding confirming the validity of the expenses in its final report. Therefore, any allegation to the contrary is completely false, baseless and misconceived.

B. In respect of expenses amounting to Rs. 9,30,86,919/-

2.15.6. Mr. Navneet Gupta submitted that the sole member of the CoC was already aware that the CD was a going concern, operating a four-star hotel unit at Gurugram. It is further relevant to note that, while placing the CIRP cost pertaining to Rs.14,32,888/- for approval of CoC, the RP duly informed the members in the 19th CoC meeting that the expenses towards maintaining the CD as a going concern are regularly being processed and debited, which are inclusive of statutory dues and salary of employees of the CD. The members therein made no observations and instead appreciated the efforts of the RP in running the CD as a going concern during challenging times under CIRP. Relevant extracts of the minutes of 19th CoC Meeting held on 31st December 2024 are reproduced hereunder:

> *"The Resolution Professional deliberated regarding the operational status of the Corporate Debtor in the meeting in detail comparative statement month wise for the financial year 2022-23 & 2023-24 and upto 30th Dec 2024 was shared and discussed during the meeting, RP further and informed the committee that the operational payments essential for keeping the unit as going concern were processed and all other statutory payments including but not limited to GST, TDS, EPFO, ESIC have also been made, where ever increments are to be given same are considered and paid to the employees time to time, as per industry parameters . ... The committee appreciated the efforts RP and his team for attaining the best parameters of the industry and operation efficiency achieved by the unit during the CIRP .... The Resolution Professional also screen shared the statements of deposits in the matter of Corporate Debtor and apprised that the combined value of balance in fixed deposit accounts is Rs. 37.82 crores (approx.) plus accrued interest, current & escrow accounts balance in Indian Bank is approximately Rs. 2.61 crores (approx.)."*

Additionally, the RP also shared the operational figures of the CD for the years 2023–2024 and 2024–2025 during the meeting. These figures were subsequently circulated to the CoC members along with the minutes. The email dated 02.01.2025, through which the operational figures were shared, along with annexures.

2.15.7. During the 20th CoC meeting held on 30.04.2025, the expenses amounting to Rs. 9,30,86,919/- (Rupees Nine Crores Thirty Lakhs Eighty-Six Thousand Nine Hundred Nineteen Only), which pertained to costs incurred to maintain the CD as a going concern as well as other CIRP costs, were placed before the Committee for approval vide Agenda Item No. B1. He submitted that during the 20th CoC meeting, the suspended directors of the CD sought to create a misleading impression that the expenses amounting to ₹9,30,86,919/- incurred for operating the CD a going concern were extraordinary and beyond the normal course of business, despite the fact that such expenses were incurred strictly in furtherance of preserving the value of the CD and ensuring continuing business operations and in accordance with the objectives of the CIRP.

2.15.8. He submitted that the aforesaid expenses, aggregating to Rs. 9,30,86,919/-, were incurred over a period of four months and were entirely met from the revenue generated during the same period. During this timeframe, the CD recorded profits of approximately Rs.6.5 Crores, thereby clearly demonstrating that the expenditure was neither extraordinary nor unwarranted, but was integral to sustaining profitable operations and safeguarding the interests of all stakeholders. Notwithstanding the above, it is respectfully submitted that no objection was raised by the CoC members regarding these expenses during the 20th CoC meeting. The first communication raising any objection was received only by way of email dated 05.05.2025, i.e., after the conclusion of the meeting. It is respectfully submitted that neither the Code nor the applicable regulations require prior approval of such costs before their incurrence. A plain reading of Sections 17, 18, and 20 of the Code, read with Regulation 31B, makes it evident that there is no requirement for 'prior' CoC approval before the RP incurs expenses in the course of the CIRP. The very term "ratification" contemplates post-facto approval. This principle is further reinforced by the practical necessities of the CIRP, wherein the IRP/RP must incur expenditures for essential activities such as issuing the public announcement, verifying claims, and taking control and custody of the CD, actions that necessarily precede the constitution of the CoC and any opportunity for approval therefrom.

2.15.9. Mr. Navneet Gupta submitted that the allegation proceeds on an incorrect assumption that expenditure incurred during the CIRP becomes "unauthorised" merely because formal approval or ratification by the CoC was pending at a particular point in time, The statutory scheme of the Code casts upon the RP a continuing obligation to preserve and protect the assets of the CD and to keep the CD as a going concern. The discharge of such obligation necessarily requires day-to-day operational decisions and expenditure relating to employees, statutory dues, vendors, operations and professional assistance.

2.15.10. The audit covered the entire period from 24.12.2021 to 31.05.2025 whereas the complaint questioned only a limited segment of expenditure. Despite examining a substantially larger period than that covered by the complaint, the auditor did not identify any diversion of funds, misappropriation, fictitious expenditure or personal enrichment on the part of the RP. This circumstance substantially undermines the factual foundation of the allegation itself.

2.15.11. The CoC never returned a finding that the expenditure was illegitimate, fictitious, inflated, diverted or unrelated to CIRP. Moreover, the complaint was examined and acted upon without awaiting completion of the very fact-verification process initiated by the CoC in relation to the same allegations. The resultant *prima facie* opinion therefore stands vitiated by non-consideration of highly material evidence.

2.15.12. The question, therefore, is not whether expenditure was incurred before formal approval was recorded, but whether the expenditure was incurred bona fide for purposes connected with preservation, operation and management of the CD.

2.15.13. The SCN does not identify any payment which is alleged to have been made for a non-CIRP purpose, for a personal purpose, for an extraneous purpose or for any purpose unconnected with operation of the CD as a going concern. Nor does the SCN identify any diversion of funds, personal enrichment, conflict of interest or dishonest gain arising out of the payments in question. The allegation therefore concerns the timing and manner of approval of expenditure and not the legitimacy of the underlying expenditure itself. In the absence of any allegation of mala fides, diversion of funds or expenditure unrelated to CIRP objectives, the characterization of such payments as "unauthorised payments" is not supported by the factual record.

2.15.14. Mr. Navneet Gupta submitted that the expenditure forming the subject matter of the allegation was not concealed from the CoC. On the contrary, the expenditure was placed before the CoC and became the subject matter of discussion in the 19th and 20th meetings. The sole member of the CoC did not conclude that any misappropriation, diversion of funds or financial impropriety had occurred. Instead, the Committee considered it appropriate to obtain an independent audit and verification of the expenditure.

2.15.15. Mr. Navneet Gupta further submitted that the audit directed by the Committee was not confined merely to the four-month period referred to in the complaint but extended to the larger period from commencement of the CIRP up to 31.05.2025. The decision to commission such audit demonstrates that the Committee itself considered the matter to be one requiring factual verification rather than one involving an established instance of financial misconduct. The audit was accordingly entrusted to an independent Chartered Accountant for objective examination of the transactions, payments and CIRP expenditure.

2.15.16. The auditor ultimately did not report any misappropriation, diversion of funds, financial irregularity or improper utilisation of CIRP funds by Mr. Navneet Gupta. The absence of any adverse finding in the audit report assumes particular significance because the allegation in the SCN is founded substantially upon concerns regarding the propriety of expenditure and payments made during the CIRP. The independent audit thus substantially undermines the factual foundation upon which the allegation has been framed.

2.15.17. He submitted that at the time the complaint was being examined by the Board, the process of independent verification initiated by the CoC was still ongoing. The Board was specifically informed that the allegations concerning CIRP expenditure and payments were under examination by an independent auditor appointed by the CoCs.

2.15.18. The Board was therefore aware that a material fact-finding exercise concerning the very allegations under consideration was in progress. Despite such knowledge, the examination process proceeded without awaiting the outcome of the audit and without the benefit of the findings ultimately recorded therein. While the Board was not bound by the conclusions of the auditor, the findings of an independent professional appointed by the sole member of the CoC constituted highly relevant material having a direct bearing on the allegations under examination. The subsequent audit report did not substantiate the allegations of financial impropriety, misappropriation or irregular utilisation of CIRP funds. The circumstances therefore demonstrate that the complaint itself, as well as the prima facie view formed thereon, preceded completion of the very verification process designed to ascertain whether the allegations had any factual basis.

2.15.19. The allegations concerning due diligence, maintenance of the list of creditors, convening of meetings of the CoC and utilisation of CIRP funds arise either from bona fide professional judgments, differing interpretations of the regulatory framework or issues which were themselves under active examination by the CoC and independent professionals. Significantly, no allegation of fraud, mala fide conduct, personal enrichment, diversion of funds, conflict of interest or dishonest intention is either pleaded or established. The independent audit commissioned by the sole member of the CoC has not reported any misappropriation, diversion of funds or financial impropriety. No stakeholder has demonstrated any actual loss attributable to the conduct of the RP. Equally, no material has been placed on record to show that the RP derived any unlawful gain from any act complained of in the present proceedings.

2.16. **Analysis and Findings.**

2.16.1. The DC notes that the issue concerning the unauthorised payment/expenses incurred by RP are governed by the Regulation 34 and Regulation 31B of the CIRP Regulations. Regulation 31B, as introduced on 15.02.2024, states that entire CIRP Expenses shall be placed before the CoC for their approval. The RP shall, at each meeting of the committee place statements of estimate of income, expense and cash flow for the period up to the next meeting. Regulation 31B and Regulation 34 states as follows:-

***31B. Approval of committee for insolvency resolution process costs**.*

(1) All insolvency resolution process costs incurred till the first meeting of the committee, along with the justification for incurring such costs, shall be placed by the resolution professional for the approval of the committee at its first meeting.

(2) The resolution professional shall prepare a Going Concern Assessment Report which shall include —

> *(a) estimated income, expenditure and cash flows arising from continuation of operations; (b) details of working capital requirements, if any; and*
>
> *(c) material risks of value erosion arising from continuation or suspension of operations.*

(3) The resolution professional shall place the Going Concern Assessment Report prepared under sub-regulation

(2) at the first meeting of the committee and based on such Going Concern Assessment Report, the committee shall decide whether the operations of the corporate debtor shall be continued and, if so, the scope and duration of such operations.

(4) After the first meeting of the committee of creditors, all insolvency resolution process costs shall be incurred only with the prior approval of the committee.

(5) For the purpose of sub-regulation (4), the resolution professional shall, at each meeting of the committee—

(a) place statements of estimate of income, expense and cash flow for the period up to the next meeting;

(b) seek approval for insolvency resolution process costs proposed to be incurred until the next meeting; and

(c) place a statement comparing actual insolvency resolution process costs with the estimates of costs approved by the committee in the previous meeting.

Regulation 34 Resolution professional costs*. The committee shall fix the expenses to be incurred on or by the resolution professional and the expenses shall constitute insolvency resolution process costs.*

Explanation. - For the purposes of this regulation, "expenses" include the fee to be paid to the resolution professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the resolution professional.

The DC notes that in the instance case, Mr. Navneet Gupta in the 19th CoC Meeting held on 31.12.2024 placed the agenda for approval of Rs. 14,32,888.00/- (Rupees Fourteen Lakhs Thirty-Two Thousand Eight Hundred Eighty Eight Only) before the CoC. The said agenda was again placed before the CoC for their approval and CoC rejected the said approval.

2.16.2. The chronology of events with respect to the expenses of Rs. 9,30,86,919/- and Rs. 14 Lakhs are tabulated below:-

Date	Particulars of Events
31.12.2024	19th CoC Meeting - the agenda for approval and ratification of CIRP expenses amounting to Rs. 14,32,888.00/- was placed before the CoC for consideration and ratification. It was recorded that *"The members of the committee accorded their assent for this Resolution in the meeting itself."*
02.01.2025	Minutes of 19th meeting sent to the CoC through an email.
30.04.2025	20th CoC Meeting was held wherein the expenses amounting to Rs. 9,30,86,919/-, which pertained to costs incurred to maintain the CD as a going concern as well as other CIRP costs, were placed before the Committee for approval vide Agenda Item No. B1.
05.05.2025	The sole CoC member Indian Bank sent an email dated 05.05.2025 stating as follows: *"We have following observations/requirement as under:* *1.We inform that details of Rs.9,30,86,919.00 was not shared on screen and amount was not disclosed during CoC meetings.* *2.Kindly share recordings of the meeting for our records.*

	3.Kindly provide us bills of the expenses of Rs.9,30,86,919.00 mentioned in the attached MoM. *4.You are also requested to provide the list of expenses debited in Bank account of CD till 31.12.2024,which are pending for submission before CoC."*
07.05.2025	The Resolution Professional informed the CoC that considering the voluminous nature of records, he was in the process of collating and compiling all the invoices, bills and supporting documents and would share the same with CoC upon completion of the process.
08.05.2025	Indian Bank informed RP as follows: *"We wish to inform you that our stand is dissent on agenda put for voting in 20th CoC meeting. In continuation with our request to convene a CoC meeting vide trailing email dated 05.05.2025, we once again request you to convene a CoC after providing bills/invoices/approvals/ documents and thereafter put this agenda for voting after discussion and deliberation on expenses amounting to Rs.Rs.9,30,86,919.00 (20th CoC MoM circulated by you) and Rs.14,32,888.00(19th CoC MoM circulated by you).* *We also request you to add 02 more agenda items in the proposed CoC:* *i) Discussion /negotiations of RP fees.* *II)To conduct an audit of the CIRP expenses for the entire CIRP Period as per IBBI going entity concerns Regulations."*
10.05.2025	Further, the Resolution Professional requested Indian Bank to provide a suitable time slot for handing over of all the requested invoices, bills and supporting documents.
12.05.2025	The RP forwarded the voting results of the 20th meeting of the CoC, wherein the agenda item relating to the approval and ratification of expenses amounting to ₹9,30,86,919/- was rejected by the CoC.
13.05.2025	RP informed Indian Bank that he is in the process of handing over the required information and documents to your good offices and the same will be done by today only. Indian Bank, on the very same date, sent an email dated 13.05.2025 as follows: *"We understand that referred CIRP expenses Rs.14,32,888.00/- and Rs.9,30,86,919.00/- are not debited from the CA of Corporate Debtor since matter has to be presented before ensuing CoC meeting. In this connection, (a) We need your confirmation for non-debiting above expenses from the Curren account.*

<table>
<tr><td></td><td>(b) In case these entries are debited without decision (assent/dissent/abstention) of CoC, please arrange to provide us relevant provisions/regulations of the IBC Code which permit debiting of such CIRP expenses without decision of CoC.”</td></tr>
<tr><td>14.05.2025</td><td>RP sought additional time to submit supporting documents and bills/invoices/approvals/documents/vouchers for going concern expenses</td></tr>
<tr><td>15.05.2025, 17.05.2025 and 21.05.2025</td><td>Indian Bank requested RP to convene a CoC meeting after providing bills/invoices/approvals/documents on expenses amounting to Rs.9,30,86,919/- and Rs.14,32,888/-. They also requested to add two agenda items as i) Discussion /negotiations of RP fees. ii)To conduct an audit of the CIRP expenses for the entire CIRP Period as per IBBI going entity concerns Regulations.</td></tr>
<tr><td>22.05.2025</td><td>RP sent an email to Indian Bank stating that he personally visited their office on 13.05.2025 with the complete set of physical records, which were not accepted. Pursuant to the same, he had initiated the process of digitizing the entire set of records for submission. Given the voluminous nature of the documents, this process also took time. He submitted the details of CIRP expense details via OneDrive link.

Vide another email he shared total of going concern expenses as tabulated below:
<table>
<tr><td>Particulars</td><td>Amount</td></tr>
<tr><td>Dec-24</td><td>₹ 2,46,14,216.00</td></tr>
<tr><td>Jan-25</td><td>₹ 2,51,42,929.00</td></tr>
<tr><td>Feb-25</td><td>₹ 2,01,03,102.00</td></tr>
<tr><td>Mar-25</td><td>₹ 2,30,61,490.00</td></tr>
<tr><td>Total</td><td>₹ 9,29,21,737.00</td></tr>
</table></td></tr>
<tr><td>29.05.2025</td><td>RP submitted the details of CIRP expense details via OneDrive link (due to size limitations) of Expenses for the 19th CoC Meeting containing the relevant invoices and supporting documents pertaining to the CIRP Expenses amounting to Rs. 14,32,888.</td></tr>
<tr><td>30.05.2025</td><td>21st CoC meeting held wherein it was decided to conduct an audit of the CIRP expenses incurred by the RP in the matter of CD from 24.12.2021 till 31.05.2025 and it was agreed that quotations from eligible auditors shall be invited. The sole member of the committee had also suggested certain auditors for conducting audit of CIRP expenses.</td></tr>
<tr><td>26.06.2025</td><td>The RP had sent emails to the proposed eligible auditors on 26.06.2025 for providing their respective quotes for conducting the audit of the CIRP Expenses of the CD in terms of the provisions of Regulation 30B of CIRP Regulations by 27.06.2025 till 04:30 PM.</td></tr>
<tr><td>27.06.2025</td><td>22nd CoC Meeting was held wherein CoC suggested to obtain quotations for conducting the Audit of the Corporate Debtor.</td></tr>
</table>

01.07.2025	Indian Bank endorsed the publication vide email dated 01.07.2025.
02.07.2025	Public Advertisement was made in Newspapers 'Financial Express' and 'Indian Express'. For inviting bids from eligible auditors.
08.07.2025 and 09.07.2025	23rd CoC Meeting held where the quotations received from cost auditors pursuant to public announcement were placed before the CoC in the 23rd CoC Meeting held on 08.07.2025 and 09.07.2025.
05.08.2025	24th CoC Meeting was held where the appointment of auditor was placed for voting.
23.08.2025	The CoC appointed Mr. Naresh Munjal for conducting audit of the CIRP Expenses and of the CD as a going concern.
25.09.2025	25th CoC Meeting
29.10.2025	Auditor submitted draft of Audit Report
03.11.2025	Auditor informed to RP that Indian Bank on 31.10.2025 called him to discuss draft Report and was asked to cover following areas in the audit report; 1. Booking occupancy status of hotel during pre- CIRP period 2. employees status Pre-CIRP and during CIRP 3. Statutory compliance status during and on CIRP commencement date 4. Examination of CoC minutes and their impact on CIRP expenses 5. Prolonged/Delayed Resolution plan approval by AA impacting CIRP expenses under audit. I view the above comments by Indian Bank, the undersigned will work on changes in the draft Audit Report.
06.11.2025	The auditor sent an email to the CoC that DGM of Indian Bank asked the Auditor to withdraw the draft audit report in his personal meeting on 04.11.2025. He further clarified, through his email, that he will incorporate suggestions of the CoC, however, it would not be possible for him to withdraw his audit report.
09.11.2025	The auditor submitted his final audit report on 09.11.2025
15.11.2025	26th CoC Meeting was held where the RP placed the final audit Report submitted by the Auditor, before the CoC during the 26th CoC meeting. It was noted by the CoC that *"in the CoC's view, the auditor had not completed the assignment in accordance with the terms of his appointment. The members of the Committee, thereafter, proposed that, in view of the above-mentioned points, the CoC is unable to accept and take on record the Report of the Auditor. The members of CoC informed that they would suggest the further course of action with respect to Regulation 30B of the CIRP Regulations, 2016, in due course."*
19.11.2025	Shri Navneet Gupta communicated all the clarification to the Auditor.
24.11.2025	Auditor submitted his clarification with respect to objections raised in the Audit Report by the CoC.

2.16.3. The DC notes that after the appointment of Auditor, when the Final Audit Report dated 09.11.2025 was placed before the CoC Member, certain objections were raised by the CoC which were communicated to the Auditor vide an email dated 19.11.2025 in response to which Auditor submitted his clarifications on 24.11.2025.

2.16.4. The DC notes that the issue of ratification/approval of expenses incurred for running the Corporate Debtor ("CD") as a going concern along with CIRP Expense and ratification of remuneration of Sr. advocate Anand Chibbar remains under consideration before the COC. The Cost & Revenue Auditor, Mr. Naresh Munjal, was appointed by the CoC (comprising the sole member, Indian Bank) pursuant to voting in the 24th CoC Meeting, and submitted his Final Audit Report on 09.11.2025, after incorporating comments received from both the RP and the CoC on the Draft Report dated 29.10.2025. In the 26th CoC Meeting held on 15.11.2025, members of the CoC raised several observations regarding the manner in which verification/examination had been captured in the Report relating to room revenue, food & beverage revenue, vendor payments, salaries, and CIRP cost reconciliation, among others. The RP, in response, clarified that the underlying documents for the complete audit period had been made available to and examined by the Auditor, and that the CoC's observations pertained largely to the express articulation of verification in the Report rather than any demonstrated irregularity in the expenditure itself. The CoC itself confirmed during the meeting that no written comments had in fact been communicated to the Auditor either on the Draft Report or thereafter, despite the RP's specific query on this point. The CoC declined to accept or take the Report on record, stating that it would communicate the "further course of action" <u>under Regulation 30B "in due course</u>," without recording any specific finding of irregularity in the expenses being raised by the CoC.

2.16.5. The DC notes that the issue relating to ratification and approval of CIRP expenses, as well as the manner in which the "CD" was to be operated as a going concern, remained under consideration before the CoC. The minutes of the 22nd COC Meeting held on 27.06.2025 state that the sole member of the CoC, Indian Bank, had not approved the expenses incurred by the Resolution Professional. The relevant extract of the same as follows:-

Item No. A5 To take note and discuss on the Budget share by the Resolution Professional for operational Expenses of the Corporate Debtor for June & July 2025

"…

on the request of the sole member of the committee that Agenda Item No. A-7 were taken up i.e, *"To discuss and deliberate on the appointment of Auditor for conducting the audit of CIRP expenses in accordance with the provisions of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate Persons Regulations) 2016." was taken up. After the discussion on Agenda Item No. A-7 was concluded, a significant amount of time was over.*

<u>*As a result, the Committee of Creditors decided to defer this agenda. In view of these facts and circumstances, the Resolution Professional also requested the committee to guide regarding way forward since agendas pertaining budget and ratification of CIRP expenses were pending. In response to this query from the Resolution Professional, the Committee suggested the RP to*</u>

continue operating the unit in the same manner as before, until a decision is made regarding the budget.

...”

2.16.6. The DC notes that the CoC advised the Resolution Professional to continue operating the unit in the same manner as it had been operated previously. Thus, while the CoC did not approve or ratify the expenses incurred, it did not direct cessation or reduction of the operations of the CD and, instead, required the RP to continue running the business as a going concern. The DC notes that a CD undergoing CIRP is required to be run as a going concern, and the RP is duty bound under Section 20 of the Code to preserve and protect its assets, including continued business operations, he cannot discharge this duty without incurring the ordinary expenses of running the business. Non-approval of such expenses, or of the audit examining them, cannot be indefinitely withheld without the CoC recording specific reasons or identified irregularities; approval may only be declined where an expenditure is shown to be irregular, and such a finding must be coupled with cogent reason This is not a desirable state of affairs for a CD which as per the figures given in the Audit Report is being run profitably and yielding Gross Operating Profit of roughly 45–48% of revenue consistently through the CIRP period — e.g., ₹18.02 Crore GOP in 2024 on revenue of ₹37.95 Crore, and ₹8.67 Crore GOP for just the first five months of 2025 (Jan–May) on revenue of ₹18.24 Crore. The DC considers it appropriate to refer the matter to Indian Bank which may decide on the issue of approval of expenses expeditiously as the delays may bring to halt the operations of a profit yielding CD. Since the existing CoC representative from Indian Bank is taking undue time in this respect, a copy of this order may be sent to Managing Director & CEO of the Indian Bank to look in to the matter.

2.16.7. Mr. Navneet has tried to make out a case that no irregularity has been found in incurring of expenditures as per the Audit Report. However, the same has not been approved by the CoC but the reasons for its non-approval after the receipt of clarifications from the Auditor are not known to the DC. The Indian Bank may look into the matter as suggested above and any irregularities in the expenditure incurred after examination of Audit Report may be brought to the notice of the Board which may examine the same after giving due opportunity to Mr. Navneet Gupta. Therefore, no view is being taken by the DC on this contravention pending such actions.

3. Order.

3.1. The DC in exercise of the powers conferred under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends the registration of Mr. Navneet Gupta (Registration No. IBBI/IPA-001/IP-P00361/2017-18/10619) for a period of one year.

3.2. This Order shall come into force on expiry of 30 days from the date of its issue.

3.3. A copy of this order shall be sent to the CoC of all the corporate debtors in which Mr. Navneet Gupta is providing his services. The CoC of the respective corporate debtors shall replace Mr. Navneet Gupta with another Resolution Professional in terms of Section 27 of the Code.

3.4. A copy of this order shall also be sent to Managing Director & CEO, Indian Bank as observed in paragraph no. 2.16.7 for necessary action.

3.5. A copy of this order shall be forwarded to Indian Institute of Insolvency Professionals of ICAI where Mr. Navneet Gupta is enrolled as a member.

3.6. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.

3.7. Accordingly, the show cause notice is disposed of.

-sd/-
(Sandip Garg)
Whole Time Member
Insolvency and Bankruptcy Board of India

Dated: 21 August 2026
Place: New Delhi