

# INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## (Disciplinary Committee)

No. IBBI/DC/328/2026

25<sup>th</sup> June 2026

### ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11011/79/2025-IBBI-1862/1844 dated 17.12.2025, issued to Shri Shyamsunder Purshottamlal Dhanuka, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-002/IP-N01104/2021-2022/13641 and a Professional Member of the ICSI Institute of Insolvency Professionals.

#### 1. Background.

- 1.1 M/s Topaki Media Private Limited (CD) was admitted to corporate insolvency resolution process (CIRP) by the National Company Law Tribunal, Mumbai Bench (AA) vide order dated 10.08.2023 on an application filed by Rajendra. P being Operational Creditor, under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC/Code) and Shri Shyamsunder Dhanuka was appointed as interim Resolution Professional (IRP) who was later confirmed as Resolution Professional.
- 1.2 On receipt of complaint regarding conduct of Mr. Shyamsunder Dhanuka with regard to his assignment as IRP and RP in the CIRP of CD, the Board *vide* an email date 28.04.2025 sought clarification from Mr. Shyamsunder Dhanuka. He submitted his response *vide* an email dated 04.05.2025. After this, the Board sought certain additional documents from the IP *vide* an email dated 26.05.2025 which he provided on the same day. Subsequently, the allegations in the complaint vis-à-vis reply of Mr. Shyamsunder Dhanuka was examined by the Board.
- 1.3 On perusal of the examination report, the Board formed a *prima facie* view that Mr. Shyamsunder Dhanuka has contravened provisions of the Code and Regulations made thereunder and issued the SCN to him on 17.12.2025 alleging contraventions of several provisions of the Code, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 (CIRP Regulations) and the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations). The reply of Mr. Shyamsunder Dhanuka on the SCN was received by the Board on 30.12.2025.
- 1.4 The SCN and its response by Shri Shyamsunder Dhanuka were referred to the Disciplinary Committee (DC) for disposal. Shri Shyamsunder Dhanuka availed the opportunity of personal hearing before the DC through virtual mode on 27.04.2026 where he appeared along with his advocate Mr. Ashish Makhija and submitted additional submissions thereafter on 07.05.2026.

## **2. Alleged Contravention, submissions of Shri Shyamsunder Dhanuka and findings of the DC.**

The DC has considered the SCN, the reply to the SCN, oral and additional submissions of Shri Shyamsunder Dhanuka and proceeds to dispose of the SCN.

### **2.1 Preliminary Objections/ Submissions.**

2.1.1 Mr. Shyamsunder Dhanuka submitted that the present Complaint has been filed through an alleged “Authorised Signatory”. However, as per the MCA Master Data, the Complainant has not filed any financial statements or annual returns since 31.03.2017 (for last 8 years), thereby attracting disqualification under Section 164(2) of the Companies Act, 2013. Once the directors stand disqualified, the Board itself becomes incapable, in law, of functioning, passing resolutions or delegating authority. Consequently, the alleged authorisation is void, and the present complaint, having been filed without authority, is void ab initio and liable to be dismissed solely on this ground.

### **Observations of the DC.**

2.1.2 The DC observes that section 217 of the Code as quoted below is unambiguously clear:

*“Any person aggrieved by the functioning of an insolvency professional agency or insolvency professional or an information utility may file a complaint to the Board in such form, within such time and in such manner as may be specified.”*

In light of above, Regulation 2 of IBBI (Grievance and Complaint Handling procedure) Regulations, 2017 provides as follows:

*“j) “stakeholder” means a debtor, a creditor, a claimant, a service provider, a resolution applicant and any other person having an interest in the insolvency, liquidation, voluntary liquidation, or bankruptcy transaction under the Code.”*

2.1.3 The above provisions do not require for any qualification for filing a complaint. The DC notes that the position of law is clear that complaint can be filed by any person having interest in insolvency resolution process of the CD. As in current case, the complainant is a claimant and has raised the issue of non-acceptance of claims by Mr. Shyamsunder Dhanuka in CIRP of CD. Its qualification or disqualification does not bar the Board from examining the complaint.

2.1.4 Further, the complaint has been filed by the complainant through advocate and its representative who is a Manager. The MCA records show us that he was not director of the complainant and hence, he does not attract disqualification under Section 164(2) of the Companies Act, 2013. Further there is no express order provided by Mr. Shyamsunder Dhanuka disqualifying complainant as a company. Hence, the contention raised by Mr. Shyamsundar Dhanuka that the complaint was filed by a disqualified person is not tenable.

## **Contraventions-I.**

### **2.2 Non-compliance with AA orders.**

- 2.2.1 Section 18(b) of the Code mandates that the IRP shall receive and collate all the claims submitted by creditors, pursuant to the public announcement. Section 25(2)(c) of the Code requires the RP to maintain an updated list of claims. Further, Regulation 13 of the CIRP Regulations requires the RP to maintain a list of creditors and update it. Such list is required to be filed on the electronic platform of the Board.
- 2.2.2 In the present matter, Recharge Express Private Limited (Recharge Express) submitted a claim for Rs.9.74 crore. Mr. Shyamsunder Dhanuka rejected the said claim vide email dated 07.09.2023. Pursuant thereto, the claimant filed an application bearing no. IA/5307/2023 before the AA. The AA vide order dated 27.11.2024 held "applicant to be a financial creditor and their claim ought to be considered by the RP". Despite the clear directions of AA, the claim was not accepted by Mr. Shyamsunder Dhanuka. Consequently, the claimant filed a contempt application bearing IA No. 178/2025. The AA vide order dated 14.02.2025 again directed Mr. Shyamsunder Dhanuka to comply with its earlier order dated 27.11.2024. It is noted that vide email dated 20.02.2025 Mr. Shyamsunder Dhanuka accepted the claim of the claimant as a financial creditor. During the hearings in IA No. 178/2025, the AA vide its order dated 18.07.2025 observed that Mr. Shyamsunder Dhanuka failed to comply with its directions contained in order dated 27.11.2024 and instead attempted to defend his actions by submitting that the claimant is a related party. The AA further clarified that there is no bar on a related party being classified as a financial creditor, although such related party shall not be entitled to representation, participation or voting in the Committee of Creditors (CoC). The AA categorically held that *"The Resolution Professional's action in not accepting the applicant as a financial creditor is not justified and amounts to defying the orders of the Tribunal."*
- 2.2.3 Mr. Shyamsunder Dhanuka submitted in his response to the Board that he had filed an affidavit on 21.02.2025 wherein he submitted that in order to adhere to the Order of AA dated 27.11.2024, it is pertinent to ascertain whether claimant is a related party, as in the absence of such information, it would not be possible to determine the claimant's voting share in the CoC. However, it is observed that the AA in its order dated 27.11.2024, had only directed Mr. Shyamsunder Dhanuka to consider the claim of the claimant and had not made any observation on its related party status. Section 21(2) of the Code only disentitles a related party of the corporate debtor from exercising voting rights in the CoC; it does not prohibit acceptance of such claim or its inclusion in the list of creditors. Further, even after accepting the claim on 20.02.2025 Mr. Shyamsunder Dhanuka failed to update the list of creditors and file it on the electronic platform of the Board.
- 2.2.4 In view of the above, it has been observed that Mr. Shyamsunder Dhanuka has failed to ensure timely admission of claim of Recharge Express Private Limited, despite clear directions of the AA. Further, Mr. Shyamsunder Dhanuka has failed to maintain an updated

list of creditors and file it on the electronic platform of the Board. Therefore, prima facie, Mr. Shyamsunder Dhanuka has contravened the provisions of Sections 18(b) and 25(2)(c) of the Code, Regulation 13 of CIRP Regulations, read with Clause 14 of the Code of Conduct specified in IP Regulations.

### **2.3 Submissions by Mr. Shyamsunder Purshottamlal Dhauka.**

2.3.1 Mr. Shyamsunder Dhanuka submitted that the allegation of non-compliance with the orders of the AA is factually incorrect, legally untenable, and contrary to the contemporaneous record. He states that he has acted in complete compliance with the Code, the CIRP Regulations, representation made and every direction issued by the AA. He submitted that pursuant to receipt of the Recharge Express's Form C, in discharge of his statutory obligations under Sections 18(b) and 25(2)(c) of the Code and Regulation 10 & 13 of the CIRP Regulations, he sought complete documentation from the claimant to enable verification. The claim suffered from multiple deficiencies, including inadequate stamping and absence of material establishing the debt as a "financial debt" under Section 5(8). Reliance is also placed on his filings in IA 5307/2023 during December 2023. These deficiencies were immediately communicated and remained unresolved, leading to non-verification of the claim on 07.09.2023 strictly in accordance with Regulation 10 of the CIRP Regulations, 2016. Mr. Shyamsunder Dhanuka also submitted that the AA, *vide* order dated 27.11.2024, directed him to "consider the claim" of the Recharge Express as a Financial Creditor (FC) in view of the changed circumstances. He fully complied with the said direction and accordingly accepted the claim on 20.02.2025. This acceptance was duly brought to the notice of the AA during the hearing dated 03.03.2025, wherein the Recharge Express themselves acknowledged receipt of his communication. In view thereof, the allegation that the Mr. Shyamsunder Dhanuka "did not accept" the claim is factually incorrect and contrary to the record. Furthermore, subsequent to the said acceptance, Recharge Express has consistently represented themselves as a FC before all forums and authorities, thereby reinforcing that the claim had indeed been duly admitted. Mr. Shyamsunder Dhanuka further submitted that the allegation overlooks the fact that the AA, during hearings dated 14.01.2025 and 14.02.2025, explicitly recorded that the issue of related-party status remained pending adjudication, and directed the Recharge Express to respond to the Respondent's email dated 18.12.2024 seeking clarification. He acted strictly in compliance with these judicial directions and was required to ascertain related-party status to determine voting share under Section 21(2) of the Code. Therefore, there was no defiance. He submitted that his actions were entirely aligned with the AA's operative directions, the Code and the obligation to maintain accuracy in CoC constitution and voting rights.

2.3.2 Mr. Shyamsunder Dhanuka further submitted that the allegation that the list of creditors was not updated or filed is now rendered wholly academic. The updated list of creditors, duly incorporating the claim of the Recharge Express as a FC (without voting rights, pending adjudication of its related-party status), has already been filed with and approved by the Board on 19.12.2025 and subsequently filed before the AA on 23.12.2025. Mr.

Shyamsunder Dhanuka states that he had consciously refrained from filing any premature update earlier, as the issue was *sub judice*, and any such premature action would not have been consistent with the judicial process or the proper spirit of compliance. This demonstrates full compliance with Regulation 13 of the CIRP Regulations. Mr. Shyamsunder Dhanuka at no stage withheld, delayed, or refused to update the list rather, and he acted prudently pending judicial determination of the related-party issue, which directly impacts CoC configuration and voting distribution.

2.3.3 Mr. Shyamsunder Dhanuka further states that he accepted the claim instantaneously (even whilst still awaiting for the written orders from the AA) on 20.02.2025 upon the further directions of the AA *vide* order dated 14.02.2025 in IA/178/2025 and acted strictly in accordance with the AA's directions, avoided premature alteration of CoC constitution pending adjudication, filed the updated list of creditors with both IBBI and the AA and complied in full with Sections 18(b) and 25(2)(c), Regulation 13 and Clause 14 of the Code of Conduct.

2.3.4 Mr. Shyamsunder Dhanuka submitted that a comparable instance has already been examined by the DC in the matter of Kamal Agarwal, Insolvency Professional, *vide* Order dated 09.10.2023 in (SCN No. IBBI/IP/INVS/2022/02/821), wherein the Committee was presented with substantially similar facts and circumstances relating to the process of verification and treatment of claims during CIRP. In that matter also, the Resolution Professional had undertaken certain steps in the claim-verification process in a bona fide manner, guided by his perceived statutory obligation to ensure the correctness of claims and to safeguard the interests of other stakeholders. The DC, after examining the record, held that the issues involved were in the nature of an error of judgment committed in the course of performance of professional duties and not a result of any mala fide intention, misconduct, or personal gain. Accordingly, the DC disposed of the SCN by issuing a stern warning to Mr. Kamal Agarwal to exercise greater care and vigilance in the conduct of his present and future assignments. The reasoning applied therein squarely supports his submission that bona fide errors or differing assessments made during the complex process of claim verification, especially when followed by full compliance with subsequent judicial directions, do not warrant punitive disciplinary action. He submitted that the reasoning applied in Kamal Agarwal applies with equal, if not greater, force in the present case. He acted strictly in compliance with the AA's direction, did not benefit in any manner from the events in question, caused no prejudice to the stakeholders. Consequently, as in the case of Kamal Agarwal, once full compliance has been achieved and no live issue survives, a lenient view is warranted, and continuation of disciplinary proceedings serves no regulatory purpose.

2.3.5 Mr. Shyamsunder Dhanuka has additionally submitted that *vide* order dated 27.11.2024, the AA directed him to "consider" the claim of Recharge Express as FC, and no timeline has been specified given that the claim to be "Considered" rather than "Admitted". Admission of the claim without undertaking such due diligence would have seriously prejudiced the interests of all stakeholders in the CIRP. Instead of furnishing the requisite information and

documents, Recharge Express hastened to initiate contempt proceedings by filing I.A. No. 178/2025. That on the first hearing dated 14.01.2025 in I.A 178/2025, the AA expressly recorded that the issue of related-party status remained pending adjudication and directed Recharge Express to respond to the RP's communication of 18.12.2025, seeking clarification. This reflects and confirms that the RP's approach was in consonance with the statutory framework and judicial directions under the given circumstances.

2.3.6 Mr. Shyamsunder Dhanuka submitted that in order to ensure full compliance with the directions contained in the order dated 27.11.2024 passed by AA in I.A. No. 5307 of 2023, he admitted the claim of the Complainant as a Financial Creditor vide email dated 20.02.2025. However, in light of the hearings held on 14.01.2025 and 14.02.2025, the issue regarding the Complainant's status as a 'related party' to the Corporate Debtor which has a direct bearing on its eligibility for inclusion in the CoC remains pending adjudication before the Adjudicating Authority which should have been determined simultaneously with the determination of the claim. Accordingly, the said admission was made subject to the outcome of the Related Party status, in view of the hearings on 14.01.2025 & 14.02.2025. A copy of the said email dated 20.02.2025 was also placed on record during the hearing held on 03.03.2025 before the Adjudicating Authority. The Complainant acknowledged the receipt of the said email during the hearing and till date, has never raised any objection to its contents and has been admittedly representing as a Financial Creditor of the Corporate Debtor before all Forums.

Issue raised in the SCN is *sub judice* before the AA.

2.3.7 Mr. Shyamsunder Dhanuka submitted that the very grounds forming the basis of the present SCN for "Non-Compliance of AA orders to admit the Complainant as a Financial Creditor" & "File application for Extension of the CIRP period" are already sub judice before the AA in IA/178/2025 and IA/5254/2025 (the second extension application) respectively. Both applications pertain directly to the procedural aspects, including compliance with the orders of the Adjudicating Authority and for extension of the CIRP Period. Accordingly, the matters questioned in the SCN are presently under active judicial consideration.

2.3.8 Had the complaint been examined in light of the updated status of proceedings before the AA, it would have been evident that the matters now raised in the SCN were already addressed and are presently being adjudicated *suo moto* before the issuance of the SCN. Mr. Shyamsunder Dhanuka submitted that continuation of the present proceedings on issues already seized of by the AA may lead to parallel findings on the same subject matter.

2.3.9 Mr. Shyamsunder Dhanuka further submits that the principle that quasi-judicial or administrative proceedings ought not to pre-empt or undermine matters pending before a competent judicial forum, has been consistently recognised. Therefore, the SCN, to the extent it seeks to examine matters already placed before and awaiting adjudication by the AA and basis the representation herein-below, warrants to be dropped. He submits that the AA itself has recognised these circumstances and, in one of its orders, has observed that "*In view of the peculiar facts and circumstances of this case and considering the pending IA for*

*directions u/s 19(2), this Bench grants the extension of the CIRP period.*” This judicial finding reinforces that his actions were not only bona fide but necessitated by circumstances which were beyond his control.

2.3.10 Mr. Shyamsunder Dhanuka further submitted that the Complainant has never made any enquiry regarding the status or progress of the CIRP, nor has it extended any support in pursuing the application under section 19(2), despite repeated orders of the AA noting the suspended management’s non-cooperation. He submitted that it is a settled position of law that the disciplinary enquiry cases relating to professional misconduct are quasi criminal in nature in as much as such proceedings may affect the professional’s right to practice the profession. In other words, being quasi criminal cases, such cases ought to be proved beyond reasonable doubt (Emphasis given) and the onus to prove lies on the complainant.

#### 2.4 Analysis and Findings of the DC.

2.4.1 The Chronology of the series of events are enumerated below in the table:-

<b>Date</b>	<b>Particulars of Event</b>
10.08.2023	CIRP of the CD was admitted in CP IB No. 4278 of 2019 and Mr. Shyamsunder Dhanuka was appointed as IRP.
14.08.2023	Public Announcement was made in the newspapers namely <i>Financial Express</i> in English & <i>Prathakal</i> in Marathi.
30.08.2023	Recharge Express submitted its claim in Form-C
31.08.2023	Mr. Shyamsunder Dhanuka provided an opportunity to Recharge Express to furnish any further or supporting documents that may exist in order to substantiate the claim.
04.09.2023	The Complainant, however, vide its email categorically stated that “ <i>we have furnished the relevant documents in connection to the claim,</i> ” thereby asserting that no further documentation was required.
05.09.2023	Mr. Shyamsunder Dhanuka filed an application IA/4666/2023 under Section 19(2) of the Code stating non-cooperation from the suspended management.
07.09.2023	Mr. Shyamsunder Dhanuka informed Recharge Express regarding non-verification of the claim pointing out following deficiencies.  <i>1. Provisions of Bombay Stamp Act have been violated. 2. The Agreement is not adequately stamped. Hence needs adjudication. 3. The documents are barred pursuant to the provisions of the Law of Limitation. 4. Covenants of the Loan Agreement &amp; Other Documents.</i>
10.09.2023	Recharge Express responded that it was “ <i>in the process of consulting our legal counsels and shall be suitably replying to your email in detail in 4 working days together with all the relevant and applicable documents.</i> ”
14.09.2023	Recharge Express furnished a series of detailed communications purportedly exchanged between the lender and the borrower, along with an Amendment

	to the Loan Agreement that had not been provided earlier and which the Recharge Express had asserted were not required as per its email dated 04.09.2023.
28.09.2023	Mr. Shyamsunder Dhanuka rejected the claim stating that “ <i>the Loan Agreement is inadequately stamped and hence can't be taken as document for evidence pursuant to provisions of Section 35 of the Indian Stamp Act. Also inadequately stamped document is not enforceable under law and thus void as per the provisions of Section 2(J) of the Indian Contract Act. Accordingly, the claim cannot be admitted</i> ”.
08.11.2023	Recharge Express responded that “ <i>We have applied for the Adjudication of the Stamp Duty payment on the Loan Agreement</i> ”.
10.11.2023	Recharge Express filed IA/5307/2023 before the AA challenging the non-admissibility of its claim by the IP.
27.11.2024	The AA directed Mr. Shyamsunder Dhanuka to “consider” the claim of the Recharge Express as a Financial Creditor.
04.12.2024	Order dated 27.11.2024 uploaded on the portal of NCLT. On the same day, Recharge Express e-mailed to Mr. Shyamsunder Dhanuka to admit his claim and reconstitute the COC.
10.12.2024	Mr. Shyamsunder Dhanuka wrote an email to complainant requesting to submit the complete set of accounts along with Audit Report and Notes to Accounts for his records.
13.12.2024	Recharge Express wrote an email to RP for inclusion in the CoC and reconstitution of the CoC.
18.12.2024	RP issued email seeking substantiation that Recharge Express is not Related Party. RP requested Recharge Express to submit additional documents and evidence which demonstrate that he is not a related party of the CD.
08.01.2025	IA/178/2025 filed by the Recharge Express initiating contempt for non-compliance of the order dated 27.11.2024 passed by the AA in IA/5307/2023.
14.02.2025	The AA in IA/178/2025 directed the RP to comply with the order dated 27.11.2024. As far as the issue of related parties is concerned, RP was given liberty to file response to the affidavit dated 24.01.2025 within one week.
20.02.2025	RP admitted the claim of Recharge Express as FC (without voting Rights). However, the issue regarding the status of Recharge Express as the Related Party is still pending adjudication.
28.04.2025	IBBI issued examination notice to Mr. Shyamsunder Dhanuka <i>vide</i> an email dated 28.04.2025
04.05.2025	Reply submitted by Mr. Shyamsunder Dhanuka to the examination notice
18.07.2025	While proceeding with the Contempt Application, the AA asked Mr. Shyamsunder Dhanuka to show cause as to why the contempt proceedings should not be initiated against him for not complying with the orders of the AA dated 27.11.2024 i.e. not admitting the claim of Recharge Express.

2.4.2 The DC notes that Recharge Express filed an application bearing no. IA/5307/2023 challenging the rejection of claim by the RP which was communicated *vide* email dated 07.09.2023. The AA *vide* an order dated 27.11.2024 directed the Mr. Shyamsunder Dhanuka, IRP therein to consider the claim of Recharge Express. The relevant extract of the order dated 27.11.2024 are reproduced below:-

“.....

*15. Considering the submission made above, we are of the considered view that violations under the Companies Act may be dealt by the Competent Authority under the Companies Act and Financial Institutions are free to take action in accordance with law. However, that cannot be a ground to reject the claim of the Applicant which has been established by various evidence placed before us.*

*16. In view of the above discussions, we hold applicant to be a financial creditor and their claim ought to be considered by the RP.*

*17. Accordingly, **I.A. is allowed and disposed of.** Needless to say all consequences will follow including reconstitution of CoC.”*

2.4.3 In the meantime, certain email conversations took place between Recharge Express and the Mr. Shyamsunder Dhanuka. Recharge Express *vide* an email dated 04.12.2024 requested RP to approve their claim as a financial creditor and reconstitute the CoC. The relevant extract of the email is reproduced below:-

*“This is with reference to IA No. 5307/2023 filed by us. As you are aware the Hon’ble bench of NCLT Mumbai has allowed the IA No. 5307/2023 filed by us and the Hon’ble bench of NCLT Mumbai has hold us as financial creditor. Accordingly, you are requested to approve our claim as a financial creditor, reconstitute COC and call COC at earliest.”*

2.4.4 In response, Mr. Shyamsunder Dhanuka, *vide* email dated 10.12.2024, acknowledged receipt of the communication and sought complete audited financial statements of Recharge Express, including Audit Reports and Notes to Accounts for the financial years 2016-17 to 2020-21, stating that incomplete accounts had earlier been furnished before the Adjudicating Authority. The relevant extract of the email is reproduced below:-

*“This is to acknowledge only the receipt of your email. As you would know during the hearings, it was mentioned that incomplete set of Accounts were filed by you during May 2024 (without any Audit Report & Notes to Accounts) for the years in reference from 2016-17 until 2020-21. In the interim, requesting you to kindly submit the complete set of Accounts alongwith Audit Report and Notes to Accounts for my records.*

2.4.5 Thereafter, Recharge Express, *vide* email dated 13.12.2024, alleged that the RP was deliberately delaying implementation of the AA’s order by seeking irrelevant documents instead of admitting its claim and reconstituting the CoC. Recharge Express contended that despite the unequivocal findings of the AA recognising it as a Financial Creditor, the RP had

failed to act in compliance with the judicial directions. It further alleged abuse of process, *mala fide* delay tactics, and non-compliance with statutory obligations under the Code. Recharge Express also warned that in the event of continued non-compliance, it would initiate contempt proceedings and file complaints before the IBBI and ICSI-IIP.

2.4.6 Thereafter, Mr. Shyamsunder Dhanuka, *vide* email dated 18.12.2024, pointed out several deficiencies with regard to claim and related legal compliances which ought to have been made by the claimant and the CD. It is noted by the DC that most of the deficiencies which have been pointed out in the email had been pointed out by Shri Dhanuka before the AA and considered by the AA in its order dated \_\_ before holding the claim of Recharge Express as financial claim. Further, DC also notes that the deficiencies pointed out relate to the legal compliances not made and are not in itself determine the admissibility of claim when the claim stands reflected in the books of the CD/ bank statement of the CD/ claimant. It is only when the same can not be established from the books/ bank statements, other factors help in establishing the fact of claim or nature of claim. Major deficiencies pointed out by Shri Dhanuka in his email dated 18.12.2024 and how the same have been considered by the AA along with the comments of the DC are given in the following table:-

Sr.	Issues	Submissions considered by the AA in its order dated 27.11.2024
	<i>During the hearing on 03-Apr-2024, the RP updated the AA that the CD has stated NIL indebtedness in its Annual Return filed for the year ending 31.03.2021 (a statutory Returns under the Companies Act) duly certified by the Statutory Auditors, the Practising Company Secretary &amp; Suspended Directors.</i>	<i>“10. The next submission by Learned RP is that there is no dispute regarding receiving of payment of Rs. 3.7 Crore by the Corporate Debtor, but that does not prove that amount was received as a Financial Debt, therefore, applicant cannot be treated as Financial Creditor.  11. In response, learned counsel for the Applicant submitted that vide order dated 09.10.2024 this Tribunal had passed following order:</i>
	<i>Violation of Schedule III requirements for presenting the Audited Statement of Affairs not showing the amount as Loans &amp; Advances and still presenting to NCLT as Loan.”</i>	<i>“We note that balance-sheet of the Corporate Debtor as on 31.03.2021, at Schedule-6 shows Other Current Liabilities of Rs. 25.02 crores. The Resolution Professional is directed to obtain the details of this liabilities from the auditor concerned and place on record it by way of affidavit. The auditor is directed to cooperate with the</i>
	<i>“The XBRL filings from your end in respect of the Financial year ending 31-Mar-2017 also never had any Loans &amp; Advances to the CD on the Asset side nor any interest income</i>	<i>is directed to cooperate with the</i>

<p>against the Loan which is again another violation of your Accounting Policy for Revenue Recognition &amp; Accounting requirements.</p> <p>(a) XBRL never reflected any loans – either Short Term or Long Term.</p> <p>(b) XBRL never reflected any interest income against the Loan</p> <p>(c) The Audit Report as stated in XBRL filing under the title “Emphasis of Matter states “Without qualifying our opinion we draw the attention to No. No. 31 of Notes to Financial Statements regarding the preparation of Financial Statements on going concern basis..... “(e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have adverse effect on the functioning of the Company.”</p> <p>(d) If that being the case, you still are claiming to have advanced Loan in the said year itself in March 2017 and further even extended the tenure of the loan in 2019 despite incurring further losses in FY 2017-18 &amp; 2018-19 and thus making the situation more worse than in 2016-17 with the said Auditors comments.”</p>	<p>Resolution Professional to provide the details of schedules and the grouping forming part of the audit papers. ”</p> <p>12. In compliance thereto, RP has tendered letter dated 26.11.2024 issued by the Statutory Auditor of the Corporate Debtor stating that current liabilities of the Corporate Debtor include an amount of Rs. 3.37 crore due to Recharge Express Private Limited.</p> <p>13. The next objection raised by the RP is no interest has either been acknowledged in the balance-sheet of the Corporate Debtor or in the balance sheet of the applicant. He further points out that though loan agreement stipulates interest at the rate mentioned in the documents of Loan or Loan agreement but no penal interest has been charged. Learned counsel for the applicant responded that as they have not received any interest and it was not perceived by them to be receiving in future, hence they have not taken it to the balance-sheet. The above explanation is as per the generally accepted accounting practice.”</p> <p>It is noted by the DC that the AA has satisfied about the amount of claim from the letter of statutory auditor and about the financial nature of the claim from the nature of agreement which provides for interest.</p>
<p>Adjudication of Loan without annexing the Amendment of Loan Agreement, extending the tenure of the loan.</p>	<p>“7. Learned counsel for the Applicant has brought our attention to the letter dated 21.09.2018, sent by the Corporate Debtor seeking extension of the Loan Agreement dated 21.03.2017 for 7 years from the date of disbursement i.e. upto 20.02.2024. In response, Applicant granted extension for 5 years instead of 7 years. Thus the</p>

		<p><i>loan become due and payable on 20.02.2022.</i></p> <p><i>8. On 10.02.2022 applicant has sent demand notice to the Corporate Debtor in response to which C.D. issued acknowledgment of debt vide letters dated 18.02.2022, 18.03.2022 and 16.05.2023.</i></p> <p><i>9. The acknowledgements issued by the Corporate Debtor have effect of extending the limitation period under Section 18 of the Limitation Act, and, therefore, the Debt is within Limitation.”</i></p> <p>The DC notes that the aspect of limitation has been already adjudicated by the AA as above.</p>
(i)	<i>No Filings of the Audited Accounts or the Annual Return or any forms made by you after FY 2016-17, as per the RoC records even till date. Its been 7 Financial years since then and no Financial Statements or Annual Returns filed with RoC.</i>	<i>“15. Considering the submission made above, we are of the considered view that violations under the Companies Act may be dealt by the Competent Authority under the Companies Act and Financial Institutions are free to take action in accordance with law. However, that cannot be a ground to reject the claim of the Applicant which has been established by various evidence placed before us.”</i>
(ii)	<i>No Extensions for conducting AGM is sought from RoC (Audited BS for FY 2019-20 &amp; FY 2020-21 in March 2024).</i>	<p>DC notes that these are in the nature of non-compliance of certain legal obligations and are not relevant for determining the claim when the same stands determined from the books and agreement.</p>
	<i>Adjudication of Loan without annexing the Amendment of Loan Agreement, extending the tenure of the loan.</i>	<i>“7. Learned counsel for the Applicant has brought our attention to the letter dated 21.09.2018, sent by the Corporate Debtor seeking extension of the Loan Agreement dated 21.03.2017 for 7 years from the date of disbursement i.e. upto 20.02.2024. In response, Applicant granted extension for 5 years instead of 7 years. Thus the</i>

		<p><i>loan become due and payable on 20.02.2022.</i></p> <p><i>8. On 10.02.2022 applicant has sent demand notice to the Corporate Debtor in response to which C.D. issued acknowledgment of debt vide letters dated 18.02.2022, 18.03.2022 and 16.05.2023.</i></p> <p><i>9. The acknowledgements issued by the Corporate Debtor have effect of extending the limitation period under Section 18 of the Limitation Act, and, therefore, the Debt is within Limitation.”</i></p>
(iii)	<i>The stamp paper for the Loan Agreement used was more than 6 months old.</i>	<i>“4. It is submitted on behalf of the applicant that the loan agreement evidencing loan amount of Rs.3.37 Crore was impounded and proper and adequate stamp has been adjudicated and paid. Therefore, the said the instrument becomes cognizable and can be received as evidence in any judicial process. In view of the above facts, we accept the loan agreement as one of the evidences of loan amount to the Corporate Debtor.”</i>
(iv)	<i>Inadequate Stamp Duty Paid on the Loan Agreement with an ulterior motive.</i>	<p><i>DC notes that these are in the nature of non-compliance of statutory requirement and are not relevant for determining the claim when the same stands determined from the books and agreement.</i></p>
(v)	<i>Adjudication of Loan without annexing the Amendment of Loan Agreement, extending the tenure of the loan.</i>	<i>“7. Learned counsel for the Applicant has brought our attention to the letter dated 21.09.2018, sent by the Corporate Debtor seeking extension of the Loan Agreement dated 21.03.2017 for 7 years from the date of disbursement i.e. upto 20.02.2024. In response, Applicant granted extension for 5 years instead of 7 years. Thus the loan become due and payable on 20.02.2022.</i>

		<p>8. On 10.02.2022 applicant has sent demand notice to the Corporate Debtor in response to which C.D. issued acknowledgment of debt vide letters dated 18.02.2022, 18.03.2022 and 16.05.2023.</p> <p>9. The acknowledgements issued by the Corporate Debtor have effect of extending the limitation period under Section 18 of the Limitation Act, and, therefore, the Debt is within Limitation.”</p>
(vi)	Violation of Provisions of Section 186 of the Companies Act, advancing loans beyond the limits.	<p>“14. Learned RP further submits Applicant is violating Section 186 of the Companies Act by advancing loan which is more than their share capital and the surplus. According to the balance-sheet of the applicant they have loan from the Financial Institution, however, without obtaining NOC from the Financial Institution, they have advanced short-term loan to the Corporate Debtor.”</p> <p>DC notes that these are in the nature of non-compliance of statutory requirements and are not relevant for determining the claim when the same stands determined from the books and agreement.</p>
(vii)	Violation of Provisions of Section 186 of the Companies Act for not getting the NoC from your lenders permitting you to advance the amount as Loan.	

2.4.7 The DC notes that after the observation by the AA in its order 27.11.2024, Mr. Shyamsunder Dhanuka was required to consider the claims of Recharges Express within the bounds of the direction given in order dated 27.11.2024 wherein the AA considered the claim as financial claim after going through the agreement, confirmation by statutory auditor of the CD that the claim of Rs. 3.37 crore is grouped under the head of current liabilities and after dealing with several other objections raised by the RP. The DC notes that the issues raised by Mr. Shyamsunder Dhanuka *vide* an email dated 18.12.2025 had already been adjudicated upon by the AA *vide* order dated 27.11.2004. Despite the clear adjudication on this issue Mr. Shyamsunder Dhanuka failed to admit the claim of the Recharge Express and again raised objection which had already been dealt by the AA in its order dated 27.11.2024. The contentions raised in the email dated 18.12.2025 are kind of challenging the claim of Recharge Express in garb of shifting the burden on the claimant for establishing that it is not a related party of the CD. If the RP was not satisfied with the order dated 27.11.2024 of the AA, the correct course of action was to prefer appeal against the order of the AA rather than challenging the claim in email dated 27.11.2024 on various grounds which had already

been dealt by the AA and which were not essential to the determination of claim when the same was determined as amount due as per the books of the CD and there was no dispute about the agreement which showed the interest bearing nature of the claim.

2.4.8 Further, Regulation 8(2) of the CIRP Regulations provides the documents for proving a financial debt as follows:

*“(2) The existence of debt due to the financial creditor may be proved on the basis of –*  
*(a) the records available with an information utility, if any; or*  
*(b) other relevant documents, including –*  
*(i) a financial contract supported by financial statements as evidence of the debt;*  
*(ii) a record evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor;*  
*(iii) financial statements showing that the debt has not been paid; or*  
*(iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any.”*

Here, the claimant has given the agreement which shows the interest-bearing nature of the claim. Further, the claim is established as per the financial statements of the claimant as well as the CD. Even there was an order of the AA establishing the same as financial claim. Hence the requirement of the above provision has been clearly met. Non-acceptance of the claim despite the requirement having been met is not correct.

2.4.9 Further, in *Bijendra Prasad Mishra v. HS Mercantile Pvt. Ltd. and Anr., CA (AT) (Ins) 2364/2024*, the Hon’ble NCLAT vide its judgement dated 15.09.2025 observed as follows:

*“53. One another issue which has been contended by Ld. Counsel for the appellant is with regard to the fact there is no written agreement of advancement of financial debt and in absence of the same the debt advanced by the financial creditor may not be termed as a financial debt. Hon’ble Apex Court in Innoventive Industries Limited v. ICICI Bank (2018) 1 SCC 407 has settled that to initiate CIRP under Section 7 of the IBC, the Adjudicating Authority is only required to determine as to whether a default has occurred and whether the legally payable debt was due and has remained unpaid. If the Adjudicating Authority is satisfied that the default has occurred of a legally payable debt and the amount of default is more than the threshold and also that application has been filed within limitation, the application is to be admitted unless it is incomplete.”*

The Hon’ble NCLAT further commented regarding the documents required under Regulation 8(2) of the CIRP Regulations as follows:

*“...this Regulation do not contemplate existence of all documents for the purpose of proving existence of financial debt and use of word “or” in above Regulation clearly indicates that such debt may be proved by any of the document referred to in Sub-regulation 2(b) also. Thus Claim of a financial Creditor may be proved by various documents mentioned therein and it cannot be assumed that in absence of a written*

*contract the existence of legally payable financial debt could not be established, per contra the existence of such debt may very well be proved by other documents referred therein.*

...

*Thus what is transpired from the perusal of the cases cited herein above is that a written agreement is not a condition precedent to prove the existence of a financial debt and the same very well be proved by other documentary evidence. Acknowledgment by the Corporate Debtor in balance sheet of date 31.03.2017 coupled with the TDS deduction certificate (26 AS) and other supporting documents e.g. demand notice given by financial creditor, matching of figures of loan amount along with interest as given in the notice and in the balance sheet of CD of dated 31.03.2017, in our considered opinion are sufficient to prove the existence of legally payable debt, default and filing of application within the extended period of limitation having regard to section 18 of the Limitation Act. The disbursement of money is otherwise also admitted to the appellant but he is claiming it as an advance to supply goods, and this fact has not been substantiated by the material made available on record and is not sufficient to negate the existence of a financial debt and default. Therefore, the conclusion of the Adjudicating Authority that there is financial debt, default and the application has been filed within extended period of limitation cannot be said to be not based on the material which was available on record. There is sufficient material on record to establish debt, default, acknowledgement of debt in the Balance Sheet dated 31.03.2017 and filing of application within extended limitation, restraining us not to interfere in the impugned judgement.”*

The above judgement also referred its judgment dated 04.07.2023 Satish Balan vs Mrs. Neeta Navin Nagda & Ors., CA (AT) (Ins) No. 718/2023, where it observed as follows:-

*“13. It is observed that a ‘Financial Creditor’ may file an application under Section 7 for initiating CIRP against the ‘Corporate Debtor’ when the default has occurred. It is for the ‘Financial Creditor’ to file an application along with the proof of default. If there is a financial debt, which is more than the prescribed amount of Rs. 1 Crore and there is a default and if the application is complete, the application is required to be admitted by the ‘Adjudicating Authority’. It is for the ‘Adjudicating Authority’ to look into the various documents, records and evidence of default as furnished in part V of Form 1 of the application filed under Section 7 of the Code.*

*14. This ‘Appellate Tribunal’ observe that the Code nowhere prescribes that there should be a written agreement between the parties to prove the loan and its disbursement to be treated as financial debts. It is also observed that if there are acknowledgments by the ‘Corporate Debtor’ and where the statements of accounts of the ‘Corporate Debtor’ are in position to proof disbursement of loan and payment of interest, the absence of formal written agreement would not bar the ‘Financial Creditor’ (the Respondent No. 1 herein) from initiating the CIRP.”*

The above observations establishes that even oral agreements substantiated by proof of transactions can be taken as proof of financial debt. And these bar of proofs are even

sufficient for admission of an application filed under Section 7 of the Code, which has much serious consequences of initiating an insolvency against a company.

Further, there is established jurisprudence that the procedural aspects are not required to be considered while admitting claims under CIRP as held by the Hon'ble Supreme Court in *SBI v. Doha Q.P.S.C. and Anr.(2026) ibclaw.in 234 SC* in its judgement dated 28.04.2026 observed as follows regarding the necessity of stamping on a document:

*“In any case, the legal position governing the effect of insufficiently stamped document is no longer res integra and the same does not become void or unenforceable merely on that account. The defect of insufficient stamping of the document is curable in nature and does not go to the root of validity of the instrument. Even otherwise, the Stamp Act is a fiscal measure enacted to secure revenue for the State on certain classes of instrument. It is not intended to be used as a weapon by a litigant to defeat the cause of the opponent. A Constitution Bench of this Court has held that “Non stamping or improper stamping does not result in the instrument becoming invalid. The Stamp Act does not render such an instrument void. The non-payment of stamp duty is accurately characterized as a curable defect.” Therefore, the contention that the corporate guarantees were not duly stamped as Stamp Duty under the Maharashtra Stamp Duty Act, 1958 was not paid is sans substance.”*

Hence, it is seen from the above that there is established jurisprudence that debt / claim cannot be denied based on technical grounds or placing very strict requirements of documents if it is otherwise established by the records of the CD/ claimant. In this case, besides furnishing of documents there was an order of the AA declaring the claim as financial claim which was not disputed. Therefore, non-acceptance of the claim is not justified.

2.4.10 It is further noted by the DC that the main ground on which the claim has not been accepted is that the claimant has not proved that it is not a related party of the CD. The DC has examined the claim form submitted by the claimant wherein the claimant has affirmed that it is not a related party of the CD. However, the RP does not believe that affirmation and suspects that Recharge Express may be a related party of the CD. The email dated 18.12.2024 which runs into five pages deals with the related party issue in following manner:

*“Further, it was admitted that you will submit and substantiate that you are not a Related Party to the Corporate Debtor, as required for me to determine for any creditor during the CIRP process.*

...

*The advocates for both you and the suspended directors were the same and when the point of cross verification & submission of Financial Statements were ordered and when anomaly pointed out to the bench, the Advocates states that she no more represents the Suspended Directors.*

...

*You (through your counsel) had agreed during the hearing on 28-Aug-2024 that you are a Group Company. Moreso, the Advocates for you in the said IA 5307/2023 and for the Suspended Directors in IA 4666/2023, filed by me for Non-Cooperation of Suspended Directors, were the same – Dakshita Garg & Associates – Practising Company Secretaries until 10-Apr-2024. The Statutory Auditors for FY 2019-20 & FY 2020-21 (in particular) is the Same – M/s Pachori Rupesh & Associates, Chartered Accountants (Firm Regn No. 427929).*

...

*In light of the above and common Directors at different point in time, kindly substantiate that you are not a Related Party to the Corporate Debtor as contradictory statements have been made by you / your counsel and furnish me to substantiate for timely execution of the said order of the Hon'ble NCLT.*

...

*Looking forward to the said Audit Reports & Notes to Accounts as per my email dated 10-Dec-2024 and substantiation, to the satisfaction, that you are not a Related Party to the CD in light of the above.”*

It is seen that Mr. Dhanuka is suspecting the claimant to be a related party to the CD based common statutory auditor, common counsel and some common director at different points of time. However, the definition of related party is governed by section 5(24) of IBC. The section does not have any reference to common statutory auditor and common counsel. The presence of common statutory auditor or common counsel may be a ground for starting the investigation about whether a claimant is a related party but cannot by itself make the claimant a related party of the CD. Whether the claimant is a related party of the CD is governed by clauses (a) to (i) of section 5(24). It is for the RP to specify that he suspects the claimant to be related party of the CD under certain clauses and then ask specific documents for ascertaining whether the requirements of those clauses are met. It is not correct to assert that the claimant should prove that it is not a related party of the CD to the satisfaction of the RP without specifying the clause or the documents required.

2.4.11 The DC notes that the RP has relied on Section 21(2) of the Code for contending that if the claim was admitted, he will have to be given voting rights and therefore the claim was not admitted as the claimant had not proved that it is not a related party of the CD. Relevant portion of Section 21 reads as under:-

**“21. Committee of creditors.**

*(1) The interim resolution professional shall after collation of all claims received against the corporate debtor and determination of the financial position of the corporate debtor, constitute a committee of creditors.*

*(2) The committee of creditors shall comprise all financial creditors of the corporate debtor: Provided that a [financial creditor or the authorised representative of the financial creditor referred to in sub-section (6) or sub-section (6A) or sub-section (5) of section 24, if it is a*

*related party of the corporate debtor,] shall not have any right of representation, participation or voting in a meeting of the committee of creditors: ...”*

The DC notes that as per Section 21(2) of the Code, all the financial creditors of the CD shall form part of the Committee of Creditors (CoC). Proviso of section 21(2), however, specifies that the claimants who are related party of the CD shall not have any right of representation, participation or voting in a meeting of the committee of creditors. So, the related party cannot exercise those voting rights.

2.4.12 After email dated 18.12.2024, Recharge Express filed contempt application on 08.01.2025 bearing no. IA/178/2025 against Mr. Shyamsunder Dhanuka for non-compliance with the order passed by the AA dated 27.11.2024. The AA *vide* an interim order dated 14.02.2025 directed the RP to consider the claim of Recharge Express herein. The relevant extract of the order dated 14.02.2025 is reproduced below:-

*“2. Ld. Counsel for the Applicant further submits that despite order passed on 27.11.2024 directing the RP to admit the claims of Applicant as Financial Creditor, the RP has not yet admitted the claims of the Financial Creditor. RP is directed to comply with the order dated 27.11.2024. As far as the issue of related parties is concerned, RP is given liberty to file response to the affidavit dated 24.01.2025 within one week.”*

Thus, the AA was also of the view that the claim can be admitted and the issue of related party can be deferred on ground of non-submission of documents. When the required documents are submitted along with claim form, the claim cannot be left pending for determination of its status as related party.

2.4.13 While hearing the Contempt Application, the AA further *vide* an interim order dated 18.07.2025 in IA/178/2025 asked reason from Mr. Shyamsunder Dhanuka as to why the contempt proceedings should not initiated against him in defying the orders passed by this Tribunal. The relevant paras of this order are reproduced below:-

*“35. It is noted that in scant regard to the directions of this tribunal the Resolution Professional has not considered the Applicant as a Financial Creditor. He has attempted to defend his action by submitting that the Applicant is a related party.*

*36. The Code does not disqualify a related party to be considered as a Financial Creditor. Therefore, even for argument sake it is accepted that the Applicant will qualify as the related Party, the treatment for related party if any has been very clearly mentioned in the Code.*

*37. As per Section 21(2) of the Code the committee of creditors shall comprise all financial creditors of the Corporate Debtor:*

*Provided that a financial creditor or the authorised representative of the financial creditor referred to in sub-section (6) or sub-section (64) or subsection (5) of section 24,*

*if it is a related party of the corporate debtor.] shall not have any right of representation, participation or voting in a meeting of the committee of creditors.*

*38. On perusal of the Section, it can be inferred that there is no bar to consider a related party as a Financial Creditor if they fulfil conditions provided in the Code. However, they shall not have right of representation or voting. Therefore, this Applicant ought to have been considered as a Financial Creditor as directed by this Tribunal.*

*39. The Resolution Professional's action in not accepting the applicant as a financial creditor is not justified and amounts to defying the orders of the Tribunal. Thus we hold that the Resolution Professional has not complied with the order of this Tribunal dated 27.11.2024.*

*40. It is noted that the Applicant has prayed for initiation of Contempt proceedings against the Resolution Professional. Considering the circumstance of the case the action of the Resolution Professional deserves to be viewed seriously. Therefore, we feel that at this juncture the Resolution Professional may be asked to explain his action in light of the above.*

*41. The Resolution Professional is directed to show cause, as to why contempt proceedings cannot be initiated against him for not complying with the orders of this Tribunal, within **30 days**.*

*42. The Resolution Professional is once again directed to consider the Applicant as a Financial Creditor. The Resolution Professional may consider the claims of the Applicant as per law....”*

2.4.14 Mr. Shyamsundar Dhanuka submitted that identical issue arising from the same set of facts are presently pending before the AA in contempt petition no. IA/178/2025, and that the findings of the AA may materially influence the factual basis of the allegations in the SCN. The DC has taken cognizance of the facts which are established at present and not disputed and deciding the matter on basis of the same. The DC notes that scope of disciplinary proceedings and scope of contempt proceedings pending before the AA are independent of each other. While the AA will examine the compliance of its order dated 27.11.2024 in IA/5307/2024 and 18.07.2025 passed in IA/178/2025, the DC adjudicates the conduct of the IP in carrying out his duties while accepting claim during the process. Thus, the issue before the AA is regarding compliance of its direction while the issue before the DC is regarding compliance of the Code and its underlying Regulations. The underlying facts giving rise to the actions before the AA & the DC may be the same but actions proceed on different legal basis, i.e., NCLT Rules for contempt and Section 220 of IBC for the disciplinary actions.

2.4.15 The DC further notes that Mr. Shyamsunder Dhanuka, in support of his claim, has relied upon the order dated 09.10.2023 passed by the DC in matter of Mr. Kamal Agarwal where the IP had rejected the claim of the Operational Creditor (OC) on the ground that the debt was not substantiated through valid documentary evidence. Thereafter, the OC challenged the rejection of its claim before the AA by filing an appeal under Section 42 of the Code. The AA disposed of the appeal directing the IP therein to admit the claim of the OC. Mr. Kamal Agarwal admitted the claim of the alleged OC and amended the list of stakeholders thereafter. The DC therein observed that rejection of claim by Mr. Kamal Agarwal is an

issue of wrong interpretation of applicable provisions on behalf of the liquidator and he should have been careful in carrying out the orders of AA, in letter and spirit, which were delivered on the issue from time to time. The DC observed that not following the dictate of the AA is surely a negligent behaviour but also held that the said act of omission has not altered the course of the process anyway and hence took a lenient view is being taken. However, in the CIRP of Topaki Media Pvt. Ltd., the decision regarding claim of Recharge Express will change the composition of CoC in a substantial manner. Hence, the reliance placed by Mr. Shyamsunder Dhanuka on the said order does not support his contention as facts and circumstances of the two cases are different.

2.4.16 Regarding the issue of not updating the list of creditors in time, Mr. Shyamsundar Dhanuka has stated that the matter is academic as the updated list has been uploaded now. While the facts state that the claim of the complainant was admitted *vide* an email dated 20.02.2025, but as per his statement it was uploaded and approved by the Board on 19.12.2025 and subsequently filed before the AA on 23.12.2025 which is after the issuance of SCN on 17.12.2025. This gap of around eight months cannot be ignored by brushing it off as academic. Such disclosures are mandated to avoid any room for manipulation and for facilitating the stakeholders. Further, his submission that he consciously refrained from filing any premature update earlier, as the issue was *sub judice* is not tenable. It is seen that the claim had been accepted on 20.02.2025 and there was no dispute regarding acceptance of this claim. The only dispute was regarding whether the claimant was related party to the CD which is still not resolved. Hence, the disclosure of list of creditors from 20.02.2025 to 23.12.2025 is not explained by the contention that the issue was sub judice. Accordingly, the DC holds the contravention.

## **Contravention-II**

### **2.5 Failure to conduct the CIRP and to file application for extension of CIRP period.**

2.5.1 Section 12(2) of the Code requires the RP to file an application to the AA to extend the period of the CIRP beyond 180 days, on resolution passed by 66% voting share of CoC. Section 23 of the Code, *inter alia*, requires the RP to conduct the entire CIRP. Section 25 of the Code lists the duties of an RP and, *inter alia*, requires the RP to undertake actions for conduct of CIRP i.e. convene and attend all meetings of the CoC; prepare the information memorandum; invite prospective resolution applicants; present all resolution plans at meetings of CoC etc. Further, Regulation 18 of CIRP Regulations [w.e.f. 15.02.2024] requires the RP to convene a meeting of the committee within a period of thirty days from the date of the previous meeting, provided that the Committee may extend the interval between such meetings, subject to the condition that at least one meeting shall be held in each quarter.

2.5.2 In the present matter, CIRP commenced on 10.08.2023. It is observed that Mr. Shyamsunder Dhanuka conducted five meetings of the CoC on 16.09.2023, 28.09.2023, 03.11.2023, 14.02.2024 and 31.05.2024. On perusal of minutes of the said CoC meetings, it is observed

that Mr. Shyamsunder Dhanuka filed an application under Section 19(2) of the Code IA 4666 of 2023 seeking co-operation from the suspended management. He informed the CoC that further actions to conduct CIRP such as appointing transaction auditors, valuers and other actions are pending for want of directions and data, as sought under Section 19(2) application. It is observed that apart from issuance of public announcement, receiving claims and filing of application under section 19(2), Mr. Shyamsunder Dhanuka did not take any further substantive steps to progress the CIRP.

2.5.3 Further, in the 5<sup>th</sup> CoC meeting held on 31.05.2024, Mr. Shyamsunder Dhanuka mentioned that *“the next CoC will be called upon receiving the directions of the AA pursuant to the IA filed unless the members of the CoC have any specific agenda for discussion. The CoC noted the same.”* Regulation 18 of CIRP Regulations explicitly requires mandatory convening of one CoC meeting every quarter. It is observed that Mr. Shyamsunder Dhanuka failed to bring in the notice of the CoC, the applicable provisions of the Code and Regulations made thereunder and failed to convene any CoC meetings for more than a year.

2.5.4 Further, in the present matter, CIRP period expired on 06.02.2024. It is noted that Mr. Shyamsunder Dhanuka did not initially file any application seeking extension or exclusion of the CIRP period. Subsequently, as an afterthought, and only after the Board sought a copy of the extension application, Mr. Shyamsunder Dhanuka filed I.A. No.4369/2025 on 08.09.2025 (after a delay of 580 days from expiry of CIRP period) seeking exclusion of 736 days and extension of the CIRP period. The AA *vide* its order dated 18.09.2025 extended the CIRP period till 31.10.2025. No information of further extension of CIRP period is available on record.

2.5.5 In view of the above, the Board held the *prima facie* view that Mr. Shyamsunder Dhanuka has contravened the provisions of Section 12(2), 18(b), 23, 25, 208(2)(a) and (c) of the Code, Regulation 13 and 18 of CIRP Regulations, Regulation 7(2)(a) and (h) of IP Regulations, read with Clause 13 and 14 of the Code of Conduct specified in IP Regulations.

## 2.6 **Submissions by Mr. Shyamsunder Purshottamlal Dhanuka.**

### Delay Attributed To Suspended Management For Non-Cooperation

2.6.1 Mr. Shyamsunder Dhanuka also submitted that in the present matter, the CIRP could not progress as per the statutory timeline solely on account of persistent and wilful non-cooperation of the Suspended Directors, who failed to hand over the assets, books of accounts, statutory records and other documents of the Corporate Debtor, compelling the him to file IA No. 4666 of 2023 under Section 19(2) of the Code. The said application, filed on 05.09.2023, has remained pending for more than two years, consuming substantial judicial time and frustrating the CIRP. The Form G could not be issued without access to the Corporate Debtor's financials, business data, and asset information, all of which remained withheld by the erstwhile management despite repeated directions and issuance of notices under Sections 68 and 70 of the Code to the Suspended Directors for the misconduct during the CIRP proceedings and concealment of the property of the CD, as is evident from

the various orders of the Adjudicating Authority passed in IA 4666/2023. The Suspended Directors has been represented by the same Advocates on record and also the counsel as that of the Complainant which has been observed by the Adjudicating Authority during many of the hearings. The Respondent, therefore, has acted bona fide and in strict compliance with law.

2.6.2 Mr. Shyamsunder Dhanuka further submitted that the suspended management failed to adhere even to the orders of the AA, which made compliance by the Respondent practically impossible. Despite issuance of notices under Sections 68 and 70 of the Code for non-cooperation, concealment of assets, and misconduct, no consequences have yet ensued for the erstwhile management. The time taken during this entire course was due to the Complainant in making good the deficiencies and no time loss was attributed to him. Brief chronology of relevant events of the case are tabulated below:-

<b>DATE</b>	<b>EVENT</b>
10.08.2023	CIRP Admission and Respondent appointed as IRP
14.08.2023	Public Announcement issued inviting claims
30.08.2023	Claim in Form C submitted by complainant
Aug-Sep 2023	Extensive email correspondence; RP sought supporting documents; deficiencies admitted by complainant (including inadequate stamping).
07.09.2023	RP conveyed inability to verify claim due to deficiencies including deficient Stamp Duty.
03.11.2023	Aggrieved with the decision of RP, complainant filed I.A 5307/2023
27.11.2024	IA No. 5307/2023 allowed; ordered claimant held to be a Financial Creditor and their claim ought to be considered by RP; Related Party status not adjudicated.
04.12.2024	Order dated 27.11.2024 was uploaded on the NCLT Portal
18.12.2024	RP issued email seeking submission / substantiation that complainant is not a Related Party as was brought before the AA during Aug – Sep 2023
03.01.2025	Complainant filed I.A No. 178/2025 for initiation of contempt against the Respondent
14.01.2025	Hon'ble Tribunal recorded that issue is determination of Related Party status, not contempt; hence directed complainant to reply to RP's email dated 18.12.2024 within two weeks.
14.02.2025	NCLT clarified that the claim be admitted, with liberty to the Respondent to file a reply on the related-party issue
20.02.2025	RP admitted claim as Financial Creditor without voting rights pending Related Party decision in view of hearings on 14.01.2025 & 14.02.2025 in IA 178/2025
03.03.2025	Email of RP dated 20.02.2025 placed before Hon'ble Tribunal during the hearing. Complainant acknowledged receipt of email. Detailed

	hearing on the subject of Related Party to CD, continued. Order for written submissions as to Related Party to be filed.
03.04.2025	Written submissions on Related Party issue filed; matter reserved for orders.
18.07.2025	Show Cause Notice issued to the Respondent by the Hon'ble NCLT.
12.01.2026	Next date of hearing in I.A 178/2025. Since 18.07.2025, the matter is adjourned due to paucity of time.

- 2.6.3 Mr. Shyamsunder Dhanuka further submitted that under the Code, an application for liquidation is required to be moved by the Resolution Professional, in the circumstances contemplated under Section 33, and only upon approval of the Committee of Creditors (“CoC”) by the requisite majority under Section 33(2). In the present matter, however, the Complainant, on its own accord, has preferred I.A.(Liq) No. 45/2025 seeking liquidation of the Corporate Debtor without any authority, consent, approval, or voting mandate of the CoC, as required by the Code and not made anyone as a Party to the said IA which further shows the intent. The filing of such an application, in a hurried and unilateral manner, is therefore *ex facie* contrary to the statutory framework and ultra vires the provisions of the Code.
- 2.6.4 Mr. Shyamsunder Dhanuka further submitted that the Complainant has never sought any information from him regarding the status or progress of the CIRP, nor has the Complainant at any stage supported or suggested expediting the proceedings under Section 19(2) or offered any assistance in enabling the handover of assets or records of the Corporate Debtor steps that are fundamental to both resolution and liquidation. Despite being a Financial Creditor pursuant to the order of the Hon'ble Adjudicating Authority, the Complainant has not engaged in any constructive manner with the CIRP. The Complainant's conduct, therefore, reflects a sustained pattern of choosing litigation over cooperation, and of seeking outcomes that undermine the possibility of resolution contrary to the core objective of value maximisation embedded in the Code. Such a liquidation application, filed without locus or statutory mandate and in disregard of the resolution framework, reinforces that the Complainant is seeking to influence or control the process in a manner inconsistent with the provisions of the Code.
- 2.6.5 Mr. Shyamsunder Dhanuka submitted that convening CoC meetings or progressing critical CIRP actions such as appointment of valuers and transaction auditors, preparation of the Information Memorandum, issuance of Form G, and other steps mandated under Section 25 was factually impossible in the absence of access to the CD's financial statements, statutory records, asset details, and operational information. These records were never handed over by the suspended directors despite repeated requests by him and even specific directions issued by the AA. A plain and isolated reading of the statutory provisions and timelines under the Code may not present a fair or complete picture; rather, the applicable regulations must be construed in conjunction with the prevailing facts and circumstances of the case. This approach has been rightly adopted by the AA, which, while granting extension of the

CIRP period, expressly recorded that “*In view of the peculiar facts and circumstances of this case and considering the pending IA for directions u/s 19(2), this Bench grants the extension of the CIRP period.*”

- 2.6.6 Mr. Shyamsunder Dhanuka further submitted that in view of this persistent non-cooperation, he filed IA/4666/2023 under Section 19(2) of the Code. This application has remained pending for over two years and is presently listed for further consideration on 29.01.2026. The prolonged pendency of the said application has materially impeded the progress of the CIRP. In such circumstances, the timelines prescribed under the Code cannot be viewed in isolation or imposed exclusively upon the Resolution Professional; they must be appreciated in the context of the prevailing facts and the legal impossibility created by the suspended management’s non-cooperation and the pending adjudication of the Section 19(2) application.
- 2.6.7 He submitted that he undertook all actions that were reasonably possible in the circumstances, including issuance of public announcement, verification of claims, constitution of CoC, conduct of CoC meetings, filing the Section 19(2) application seeking cooperation and issuing repeated communications to the suspended directors to hand over the assets, books and records to move further in the CIRP. These steps clearly demonstrate that he was conducting the CIRP diligently within the constraints faced. Alleging that “no substantive steps were taken” is therefore inconsistent with the documentary record.
- 2.6.8 Mr. Shyamsunder Dhanuka further submitted that in the 5<sup>th</sup> CoC meeting held on 31.05.2024, the CoC apprised that further meetings would be convened upon receiving directions in IA/4666/2023 or if any substantial agenda arose. The CoC expressly presented this position and he is duty bound to the acts of the CoC. More critically, during hearings of IA/5307/2023, the AA upon assertion of the Recharge Express, categorically directed him verbally not to convene the CoC meetings until determination of the matter of its claim admission, since reconstitution of the CoC is a live issue which is still pending until determination of the Related Party. This direction was binding under Section 208(2)(a) of the Code. Non-convening of CoC meetings was thus not by omission and he is duty bound to adhere to the directions of the AA and the CoC. He submitted that Regulation 18 must be read harmoniously with binding judicial orders and the impossibility of progressing CIRP in the absence of handing over the assets, financials, books of accounts, operational data and other statutory records none of which were provided due to wilful non-cooperation of the suspended management and recorded in various orders of the AA. He also submitted that the Suspended Directors have repeatedly failed to appear before the AA despite specific directions requiring their presence, thereby causing additional delays in the adjudication of the said application for directions.
- 2.6.9 Mr. Shyamsunder Dhanuka submitted that in order to regularise the CIRP timelines, he filed IA/4369/2025 seeking exclusion and extension. The AA, *vide* order dated 18.09.2025, accepted the factual difficulties and granted extension until 31.10.2025, recognising he was prevented from progressing the CIRP due to non-cooperation of the suspended management

and had also recorded in the said order “*In view of the peculiar facts and circumstances of this case and considering the pending IA for directions u/s 19(2), this bench grants the extension of the CIRP period*”. The said order was, surprisingly, challenged by Recharge Express before the Hon’ble NCLAT and the said appeal was dismissed by Hon’ble NCLAT vide order dated 01.12.2025.

2.6.10 In view of the CIRP period extension upto 31.10.2025, Mr. Shyamsunder Dhanuka submitted that he has already filed a fresh application bearing IA/5254/2025 before the AA seeking further extension of the CIRP period. The question of extension is therefore presently *sub judice* before the AA. It appears that this updated position may not have been available at the time of issuance of the SCN. Had the current status been considered, the issue relating to extension of the CIRP period would not have arisen in the SCN.

## 2.7 Analysis and Findings.

2.7.1 The relevant events concerning the CIRP conducted by the IP are summarized in chronological order in the table below:-

Date	CIRP Details	Remarks
10.08.2023	CIRP Initiated	To be Completed in 180 days -06.02.2024
15/16.09.2023	1 <sup>st</sup> CoC Meeting	
05.09.2023	Filing of application no. IA/4666/2023 under section 19(2) of the Code	Pending adjudication.
28.09.2023	2 <sup>nd</sup> CoC meeting	
03.11.2023	3 <sup>rd</sup> CoC Meeting	
14.02.2024	4 <sup>th</sup> CoC Meeting	
06.02.2024	Completion of 180 days from ICD.	
15.02.2024	Regulation 18 of the CIRP Regulations, 2018	Regulation 18 of CIRP Regulations was amended on 15.02.2024 to provide that RP has to conduct CoC meeting within 30 days unless the CoC decides otherwise. Even then, one CoC meeting every quarter is mandated.
31.05.2024	5 <sup>th</sup> CoC Meeting	Violation of amendment dated 15.02.2024- After the lapse of 30 days and without any resolution being passed by the CoC for extension of COC meeting for such an extendable period. Further no agenda for exclusion and extension CIRP Period was placed before the CoC by the IP. It was also decided that the next CoC will be called after the order of the AA on IA under section 19(2) unless the members require a meeting.

28.04.2025	Examination notice sent by the Board.	
29.08.2025	6 <sup>th</sup> CoC Meeting	After the delay of 455 days from the date of last CoC Meeting, i.e., 31.05.2024.
08.09.2025	Application no. IA/4369/2025	Exclusion application bearing no. IA/4369/2025 was filed seeking exclusion of 736 days from 05.09.2023 till 10.09.2025. This Application is filed after delay of 580 days from 06.02.2024, i.e., end of CIRP Period of 180 days).
18.09.2025	Application no. IA/4369/2025	The application was disposed of extending the CIRP period from 05.09.2023 to 31.10.2025
11.11.2025	Application no. IA/5254/2025	RP filed an application bearing no. 5254 of 2025 seeking further (second) extension from 01.11.2025 till 29.01.2026 of CIRP Period along with condonation of delay of 10 days in filing this application which is pending adjudication.
18.04.2026	7 <sup>th</sup> CoC Meeting	

2.7.2 The DC observed that as per section 25 of the Code, it is the duty of the RP to convey and attend all the meetings of the CoC along with 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.”*

2.7.3 The DC notes that in this case, CIRP was initiated on 10.08.2023, followed by conclusion of 1<sup>st</sup> meeting on 16.09.2023, and further next 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> meetings of the CoC were held on 28.09.2023, 03.11.2023 and 14.02.2024 respectively. During the 4<sup>th</sup> CoC meeting, Mr. Shyamsunder Dhanuka failed to apprise to the CoC about the new amendment which mandates the requirement for conduct of the CoC meeting within 30 days from the last date of CoC Meeting as given in the CIRP Regulations. The DC observed that in the 5<sup>th</sup> CoC meeting held on 31.05.2024 it was recorded that *“Shyamsunder Dhanuka mentioned that the next CoC will be called upon receiving the directions of the NCLT pursuant to the IA*

*filed unless the members of the CoC have any specific agenda for discussion. The CoC noted the same.”*

- 2.7.4 As per amendment dated 15.02.2024 in regulation 18 of the CIRP Regulations, it mandated to convey the next CoC meeting before the lapse of 30 days from the last CoC meeting unless the CoC approves to *extend the interval between such meetings*. Further, even this interval cannot be more than a quarter.
- 2.7.5 Mr. Shyamsunder Dhanuka did not convey 5<sup>th</sup> and 6<sup>th</sup> meetings of the CoC as the statutory guideline given under the Code. Further, the 6<sup>th</sup> CoC meeting was held on 29.08.2025, after a gap of 455 days from the date of the 5<sup>th</sup> CoC meeting, i.e., 31.05.2025. The DC notes that Mr. Shyamsunder Dhanuka failed to bring to the notice of the CoC, the applicable provisions of the Code and Regulations made thereunder and failed to convene any CoC meetings for more than a year which is in violation of regulation 18 of the CIRP Regulations. This conduct demonstrates that Mr. Shyamsunder Dhanuka has continued to act in contravention of the provisions governing the CIRP.
- 2.7.6 The DC further notes that it is the duty of the RP to regularly conduct CoC meetings to apprise the CoC members of the progress of the CIRP and facilitate various decisions with respect to the CIRP of the CD. The contention of Shyamsunder Dhanuka that he did not conduct CoC meetings as there was no request for the same from the members of the CoC shows incorrect understanding of the provisions and objectives of the Code as the IP has to share the progress of the CIRP with relevant stakeholder at a regular interval.
- 2.7.7 The DC observed that section 12 of the Code, provides the timeline for completion of CIRP within 180 days. The RP is required as per Section 12(2) to file an application before the AA for extension of CIRP period beyond 180 days. In this case, CIRP initiated *vide* an order dated 10.08.2023 against the CD and 180 days completed on 06.02.2024. However, Mr. Shyamsunder Dhanuka failed to apprise the CoC about the completion of CIRP period and that an extension is required to be sought from the AA as per Section 12 of the Code.
- 2.7.8 The DC notes that after the Board issued an examination notice on 28.04.2025 on receipt of complaint seeking *“Reasons for delay in completing the CoC within timeline and if any application is filed before the AA with regards to exclusion/ extension of CoC. Kindly also provide a copy of the order granting such extension/exclusion”*, Mr. Shyamsunder Dhanuka in the 6<sup>th</sup> CoC Meeting held on 29.08.2025 placed an agenda before the CoC for seeking extension of CIRP Period. Thereafter, he filed an application IA/4369/2025 on 08.09.2025 seeking exclusion of 736 days from 05.09.2023 till 10.09.2025 due to pendency of application IA/4666/2023 under section 19(2) of the Code. He sought exclusion of 736 days before the AA after the delay of 580 from the date of completion of CIRP Period, i.e., 06.02.2024. He also sought extension of CIRP period lost due to pendency of IA/4666/2023. He submitted that due to non-cooperation by the suspended directors of the CD, no information regarding audited financial statements was available with him leading to delay in conduct of CIRP. Further, the DC also notes that Mr. Shyamsunder Dhanuka filed an

application IA/5254/2025 on 11.11.2025 for seeking further extension of CIRP Period from 01.11.2025 till 29.01.2026. The DC observes that Mr. Shyamsunder Dhanuka failed to apprise the CoC Members about the end of CIRP Period and failed to put the agenda before the CoC before the expiry of CIRP Period about the requirement to extend the CIRP Period by filing an extension application before the AA. He started taking action for seeking exclusion from and extension of the CIRP period only after he became aware of the issues through examination notice sent by the Board on 28.04.2025.

- 2.7.9 The DC notes that Mr. Shyamsunder Dhanuka did not appoint any registered valuers despite being in possession of certain documents and being fully aware of the statutory requirement under the Code. His awareness of the said obligation is evident from the minutes of the 5<sup>th</sup> CoC meetings, wherein it was specifically mentioned that *“The RP stated that the compliances have to be made during the CIRP and further to appoint the transaction auditors, the valuers and other actions are pending for want of directions and the data.”* The DC also notes that Mr. Shyamsunder Dhanuka ought to have appointed valuers on the basis of the documents available with him and furnished such documents to the valuers for carrying out the valuation of the CD. However, instead of taking proactive steps to discharge his statutory duties, he chose to remain dependent solely on the cooperation and support of the directors of the CD. No *bona fide* effort has been demonstrated by him to ensure compliance with the requirements of the Code.
- 2.7.10 The DC notes that Mr. Shyamsunder Dhanuka was not required to await the cooperation of the erstwhile management for carrying out the CIRP of the CD, appointing valuers for valuation of the assets of the CD, analysing available bank statements and other records of accounts and financial statements, examining transactions and bank statements for potential preferential, undervalued, fraudulent and extortionate transactions, and publishing Form G for inviting prospective resolution applicants. The DC further observes that publication of Form G requires only limited information regarding the CD, which was already available with him. Despite the CIRP Regulations mandating publication of Form G within sixty days from the insolvency commencement date, Mr. Shyamsunder Dhanuka failed to take any steps towards inviting EOI. Such inaction defeats the objective of the Code, leading to derailment of CIRP of the CD.
- 2.7.11 The DC concludes that Shri Shaymsunder Dhanuka failed to adhere to the statutory timelines provided under the Code and the CIRP Regulations in filing the extension and exclusion application, not conducting CoC meeting in a timely manner and not proceeding further with the actions during CIRP of the CD which were possible to be taken forward even during pendency of section 19(2) application. Accordingly, the DC holds the contravention.

### **3. Order**

- 3.1 In view of the foregoing discussion, 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. Shyamsunder Dhanuka (Registration No. IBBI/IPA-002/IP-N01104/2021-2022/13641) for a period of two years.

- 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. Shyamsunder Purshottamlal Dhanuka is providing his services, and the respective CoC will recommend the appointment of new RP.
- 3.4 A copy of this order shall be forwarded to the ICSI Institute of Insolvency Professionals where Mr. Shyamsunder Dhanuka is enrolled as a member.
- 3.5 A copy of this order shall also be forwarded to the Registrar of the National Company Law Tribunal, Principal Bench, for information.
- 3.6 Accordingly, the show cause notice is disposed of.

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

Dated: 25<sup>th</sup> June 2026

Place: New Delhi