

# INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## (Disciplinary Committee)

No. IBBI/DC/324/2026

10 June 2026

### ORDER

This Order disposes of the Show Cause Notice (SCN) No. IBBI/COMP/2022-23/00966/1920/328 dated 30.03.2026, issued to Mr. Narender Kumar Sharma, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-002/IP-N00125/2017-2018/10294 and a Professional Member of the ICSI Institute of Insolvency Professionals.

#### 1. Background

- 1.1. The corporate insolvency resolution process (CIRP) of M/s Indirapuram Habitat Centre Private Limited (CD/IHCPL) commenced *vide* order of the National Company Law Tribunal, New Delhi Bench (AA) dated 22.08.2019 on an application filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) by Diamond Traexim Private Limited. Mr. Pawan Kumar Goyal was appointed as Interim Resolution Professional (IRP) in the matter. Subsequently, Mr. Narender Kumar Sharma was appointed as Resolution Professional (RP) in the matter on 06.11.2019. The resolution plan approved by the CoC was not allowed by the AA *vide* order dated 24.07.2025 as it did not cover entire assets of the CD. The bid for the plan was again invited taking into account the entire assets of the CD and resolution plan was approved by the CoC which is pending for approval before the AA.
- 1.2. Subsequent to a reference made by the Disciplinary Committee (DC) of the Board, *vide* its order dated 11.07.2024, the Board in exercise of its powers under Section 218 of the Insolvency and Bankruptcy Code, 2016 (Code) read with Regulations 7(2) and 7(3) of IBBI (Inspection and Investigation) Regulations 2017 (Investigation Regulations) appointed an Investigating Authority (IA) to conduct investigation. After considering submission of Mr. Narender Kumar Sharma to the notice of investigation and material available on record, the Investigating Authority (IA) submitted the Investigation Report. After examining the investigation report, the Board formed a *prima facie* opinion that Mr. Narender Kumar Sharma contravened provisions of the Code and Regulations made thereunder and issued SCN to Mr. Narender Kumar Sharma on 30.03.2026. Mr. Narender Kumar Sharma submitted his reply to the SCN on 20.04.2026.
- 1.3. The SCN and its response by Mr. Narender Kumar Sharma were referred to the Disciplinary Committee (DC) for disposal. Mr. Narender Kumar Sharma availed the opportunity of personal hearing before the DC through virtual mode on 26.05.2026 where he was accompanied by advocate Mr. Praful Jindal.

## **2. Alleged Contravention, submissions of Mr. Narender Kumar Sharma and findings of the DC.**

The DC has considered the SCN, the reply to SCN, submissions of Mr. Narender Kumar Sharma, and proceeds to dispose of the SCN.

### **Contravention-I**

#### **2.1. Conflict of interest and non-disclosure of relationship with a Prospective Resolution Applicant (PRA).**

2.1.1 Section 208(2)(a) and (e) of the Code provides that an IP to take reasonable care and diligence while performing his duties and to perform his functions in such manner and subject to such conditions as may be specified. Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) specifies that the IP shall abide by the Code of Conduct specified in the First Schedule to this Regulations. Clause 8B of Code of Conduct requires that an IP shall disclose its relationship, if any, with the corporate debtor, other professionals engaged by him, financial creditors, interim finance providers, and prospective resolution applicants (PRA) to the insolvency professional agency of which he is a member, within the specified time.

2.1.2 It was observed from the available records that Mr. Narender Kumar Sharma and his wife are directors and shareholders of Daksh Compliance Management Private Limited (DCMPL). An amount of Rs.12.5 lakh was transferred from DCMPL's account to M/s SP Construction on 01.11.2021. In the present matter, M/s SP Construction was a consortium member of M/s ESWIN Infra Project Consortium, which was included in the final list of PRAs. Mr. Narender Kumar Sharma acknowledged in his response that as on the date of the said transaction, i.e., 01.11.2021, the CIRP was at the stage of submission of final resolution plans by the PRAs.

2.1.3 Mr. Narender Kumar Sharma further submitted that the aforesaid amount was lent at the request of his colleague, Mr. Sumit Sharma, who since returned the amount to DCMPL. Mr. Narender Kumar Sharma also submitted that the mentioned transaction was a private transaction between two entities that did not involve the CD. Mr. Narender Kumar Sharma contended that since there was no conflict of interest, there was no requirement to disclose the said transaction to the IPA.

2.1.4 It was noted that the obligation under Clause 8B of the Code of Conduct is not contingent upon the existence of an established or proven conflict of interest, but extends to the disclosure of any relationship, whether direct or indirect, with a PRA. In the present matter, DCMPL, a company in which Mr. Narender Kumar Sharma and his spouse hold directorship and shareholding, entered into a financial transaction with M/s SP Construction, which was admittedly a constituent of a PRA participating in the CIRP conducted by him. The timing of the transaction assumes critical significance. The transfer

of Rs.12.5 lakh was made on 01.11.2021, when the CIRP had progressed to the stage of submission of final resolution plans. At this stage, maintaining complete independence, transparency, and absence of any pecuniary linkage with PRAs is of paramount importance.

2.1.5 The contention that the transaction was undertaken at the behest of a third party (Mr. Sumit Sharma) does not mitigate the responsibility cast upon Mr. Narender Kumar Sharma. The Code of Conduct specifically requires disclosure of relationships with PRAs, irrespective of whether such relationship involves the CD. The objective of such disclosure is to ensure transparency and to enable the stakeholders to assess any potential or perceived conflict of interest.

2.1.6 In view of the above, it was observed that Mr. Narender Kumar Sharma failed to disclose relationship with the PRA M/s ESWIN Infra Project Consortium and therefore the Board held *prima facie* view that Mr. Narender Kumar Sharma had contravened Section 208(2)(a) and (e) of the Code, Regulation 7(2)(h) of the IP Regulations; and Clauses 1, 2, 3, 8B and 14 of Code of Conduct specified in IP Regulations

## 2.2. Submissions by Mr. Narender Kumar Sharma.

2.2.1 Mr. Narender Kumar Sharma submitted chronology of events, to establish and prove that the alleged financial transaction between DCMPL and M/s. SP Construction, had no relation whatsoever with the CIRP of CD.

Date	Events
07.11.2020	Second Form-G was published, in terms whereof, EOIs by resolution applicants were to be submitted till 22.11.2020.
08.11.2020 to 21.11.2020	Thirteen (13) PRAs participated and submitted their EOIs with the RP. <u>Note</u> M/s. Eswin Power Infra Consortium (one member of the consortium being M/s. SP Construction) submitted its EOI on 21.11.2020 along with Earnest Money Deposit (EMD).
19.12.2020	11 <sup>th</sup> CoC meeting was convened and details of EOIs received were informed to the CoC for consideration and deliberation.
29.12.2020	After due diligence and scrutiny of EOIs submitted, a final list of PRAs was published by the RP.
23.01.2021	Resolution Plan was submitted by M/s. Eswin Infra Projects Consortium (M/s. SP Constructions being one of the consortium members).

30.10.2021	Mr. Sumit Sharma requested Mr. Narender Kumar Sharma to lend Rs. 12,50,000/- to M/s. SP Construction on his behalf.
01.11.2021	From the account of DCMPL, a company in which Mr. Narender Kumar Sharma is a director with his wife, Rs. 12,50,000/- was transferred to M/s SP Constructions.

From the above chronology of events, it is evident that the transaction between DCMPL and M/s. SP Construction, occurred almost after one year from the date of submission of EOI by M/s Eswin Infra Projects Consortium. Therefore, the said transaction had no bearing on the CIRP of the CD, either directly or indirectly.

2.2.2 He further submitted that the Proprietor of M/s. SP Constructions viz., Mr. Shashi Kumawat had approached Mr. Sumit Kumar Sharma for loan/ financial assistance in October 2021. As informed by Mr. Kumawat, he had participated in an Auction Sale organized by Bank of India, in which the bid of M/s. SP Construction had been accepted by the Bank of India. In furtherance thereto, M/s. SP Construction had to deposit 75% of the Bid Amount (equivalent to Rs. 10,86,32,250/-) on or before 14.11.2021. Accordingly, request for lending Rs. 22.50 Lakhs was made by Mr. Kumawat to Mr. Sumit Kumar Sharma. Since, at the time Mr. Sumit Sharma had spare funds of Rs. 10 Lakhs only, for the remaining amount of Rs. 12.50 Lakhs, Mr. Sumit Kumar Sharma requested Mr. Narender Kumar Sharma to lend the said amount to Mr. Kumawat/ M/s. SP Construction.

2.2.3 He further submitted that since M/s. SP Construction failed to return the said amount to DCMPL, Mr. Sumit Kumar Sharma returned the said amount of Rs. 12.50 Lakhs to DCMPL, since it was on the request of Mr. Sumit Kumar Sharma that M/s. DCMPL had advanced loan to M/s SP Construction. Further when M/s SP Construction did not return/ pay the said amount of Rs. 22.50 lakhs to Mr. Sumit Kumar Sharma, a criminal complaint against the proprietor of M/s. SP Constructions on 26.05.2023, being FIR No. 664/2023, was registered under Sections 420, 406, 504, and 507 of the Indian Penal Code, 1860, with P.S. Indirapuram, Ghaziabad. Subsequently, Non-Bailable Warrant (NBW) was issued by the Ghaziabad Police based on the criminal complaint lodged by Mr. Sumit Kumar Sharma for the recovery of the amounts.

2.2.4 Mr. Narender Kumar Sharma submitted that he had no financial and/or personal relationship with said PRA, which might have prejudiced the role/ responsibilities of Mr. Narender Kumar Sharma as the RP of the CD, and more particularly which would require disclosure before this Board and/or any Agency.

2.2.5 He further submitted that even assuming, without admitting, that any remote connection existed, the same does not satisfy the test of relationship/materiality, which is a well-recognized standard for assessing conflict of interest. He submitted that he had no role in utilization of funds advanced by M/s. DCMPL to M/s. SP Constructions, no engagement

with the PRA, and no benefit from the subject transaction. He further submitted that the amount of Rs. 12.50 Lakhs was refunded/ returned by Mr. Sumit Kumar Sharma to M/s. DCMPL on 23.12.2022. In *State Bank of India v. Metenere Ltd.*, the NCLAT held that the independence of a Resolution Professional must be tested on the basis of a real likelihood of bias, and not on mere apprehension or conjecture. Further, in *Phoenix ARC Pvt. Ltd. v. Spade Financial Services Ltd.*, the Hon'ble Supreme Court emphasized that only such relationships which demonstrate real control, influence, or collusion are relevant.

2.2.6 He referred to Explanation to Clause 8B & 8C of the IP Code of Conduct which provides definition and/or criteria for ascertaining the “relationship” between an IP and other stakeholders. He submitted that the Explanation to Clauses 8B and 8C of the IP Code of Conduct, clearly limits “relationship” to specific, quantifiable, and ongoing associations such as:

a) **Kind A (Revenue Threshold/ Dependency (>5%))**: This requires an IP to derive 5% or more of their annual gross revenue from professional services to the party. Since the said transaction was a single, isolated financial loan, it is not a source of professional fee income and does not meet the 5% revenue threshold.

b) **Kind B (Official Position)**: This applies if the IP is a shareholder, director, or partner of the related party. He had no direct relationship, directorship, or shareholding in M/s. SP Construction or with its Proprietor - Mr. Shashi Kumawat.

c) **Kind C (Relative Connections)**: This covers relationships held by close relatives. He confirmed that while he and his wife are the directors of DCMPL, neither him nor his wife or any other relatives of his or his wife held any relation/ position with the PRA.

d) **Kind D (Firm-level Links)**: This triggers a relationship if any partner or director of the IP's firm (like DCMPL) has a Kind A, B, or C link. Since Mr. Narender Kumar Sharma and his wife were the only directors of M/s. DCMPL and neither had a link with M/s. SP Construction, thus, Kind D is also inapplicable.

2.2.7 He submitted that as per the above noted definition/ explanation of “relationship”, the subject financial transaction between DCMPL and M/s. SP Constructions, does not fall within the same. The framework reflects the legislative intent to avoid subjective or remote interpretations and instead rely on clear, material, and demonstrable connections. Applying the above definition to the present case:

a) The transaction in question was a one-time, isolated financial accommodation, lacking continuity or commercial substance.

b) There was no revenue generation, professional engagement, or business association between me (or DCMPL) and M/s. SP Constructions.

c) He was neither a shareholder, director, partner, nor KMP of entity/s SP Construction.

d) No relative of Mr. Narender Kumar Sharma had any such relationship with M/s. SP Constructions.

2.2.8 In view of the above explanation Mr. Narender Kumar Sharma submitted that :

- a) Since no “relationship” existed within the meaning of the Code, the obligation of disclosure was never triggered.
- b) The transaction was independent of the CIRP, did not involve the CD, and had no bearing on the conduct of the resolution process.
- c) Disclosure requirements under the Code are intended to ensure transparency in cases of material conflict, not to mandate reporting of every remote, indirect, or third-party-driven transaction.
- d) Accordingly, the non-disclosure of the said transaction was bona fide, legally justified, and in full compliance with the applicable provisions of the IBC and applicable Regulations.

2.2.9 He further submitted that conflict must be assessed at the relevant time, not retrospectively. In *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta*, the Hon’ble Supreme Court held that eligibility and disqualification must be determined at the relevant stage of the process, and not based on subsequent developments. Accordingly, a subsequent, unrelated transaction cannot retrospectively create a conflict or relationship. Further, in *ArcelorMittal*, it has been emphasized that the Code is designed to address real and substantive conflicts of interest, and not remote or hypothetical situations. In *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Hon’ble Supreme Court held that the provisions of the Code must be interpreted so as to promote its objectives of transparency, fairness, and value maximization, and not in a manner that leads to impractical or unintended consequences. It is submitted that the provisions relating to disclosure under the Code must be interpreted in light of the doctrine of purposive interpretation, i.e., in a manner that furthers the objective of the Code.

2.2.10 He further submitted that adopting the interpretation suggested in the SCN would lead to an over-expansive and impractical obligation of disclosure, requiring reporting of every remote, indirect, or subsequent transaction, even where:

- a) There is no nexus with CIRP;
- b) There is no influence on the resolution process;
- c) There is no benefit or control;

Such an expansive interpretation would defeat the very purpose of the Code and impose an unreasonable and unintended burden on insolvency professionals. Therefore, the provisions must be interpreted purposively, limiting disclosure obligations to material, relevant, and contemporaneous relationships, which is not the case here.

2.2.11 He further submitted that the allegations in the present SCN are contrary to the consistent approach adopted by the DC of IBBI in similar matters. In the matter of Manoj Kumar Jain (Insolvency Professional), the Disciplinary Committee acknowledged that actions taken under a *bona fide* interpretation of law, particularly in absence of clear applicability at the relevant time, do not warrant penal consequences.

2.2.12 He further submitted that he always acted in good faith and with proper due diligence and maintained complete independence in CIRP of the CD. He did not derive any/ no benefit from the subject transaction. The non-disclosure, if any, was firstly, based on reasonable interpretation of law and secondly, in absence of any reportable relationship. He submitted that since there was no direct relationship between him and M/s. SP Constructions and it definitely did not involve the CD, the same was not disclosed by him to the IBBI/ IP Agency. He reiterated that:

- a) The transaction was executed purely at the behest and instructions of a third party, namely Mr. Sumit Kumar Sharma.
  - b) The undersigned had no direct dealings, negotiations, or engagement with M/s. SP Construction.
  - c) The role of DCMPL was merely facilitative in nature, without any intention to establish a continuing financial arrangement or relationship.
  - d) There is a clear temporal gap of around one year between the EMD deposit/ CIRP Process and subject transaction;
  - e) Importantly, the entire amount was subsequently recovered/refunded by Mr. Sumit Sharma, demonstrating the absence of any enduring financial linkage or benefit accruing to him or DCMPL.
  - f) There existed no financial, professional, or personal relationship between him and the PRA or its consortium members.
  - g) There was no material circumstance that could impair independence or give rise to a reasonable apprehension of bias.
  - h) The alleged connection was neither material nor capable of influencing the CIRP and therefore does not give rise to any conflict of interest or disclosure obligation.
- (f) Absence of benefit, intent or prejudice to stakeholders weight against adverse findings. Consequently, there was no requirement of disclosure, as the threshold conditions for “relationship” or “conflict of interest” were not met.

### **2.3. Analysis and Findings of the DC**

2.3.1 The primary issue for consideration is whether Mr. Narender Kumar Sharma, by virtue of a financial transaction between DCMPL, a company in which he and his spouse hold directorship and shareholding and M/s SP Construction, a constituent member of a PRA participating in the CIRP conducted by him, failed to disclose his relationship with the said PRA.

2.3.2 The DC notes that when the financial transaction between DCMPL and M/s SP Construction was executed, M/s SP Construction was an active and identified consortium member of M/s ESWIN Infra Project Consortium, who had submitted revised resolution plan on 12.11.2021. All resolution plans, including resolution plan submitted by M/s ESWIN Infra Project Consortium were discussed in 21<sup>st</sup> CoC meeting dated 21.11.2021. Thus, the CIRP

had, by that date, progressed to the critical stage of approval of resolution plan where resolution plan of M/s ESWIN Infra Project Consortium was under active consideration.

- 2.3.3 The RP, who occupies the central and most sensitive fiduciary position within the CIRP ecosystem, transferred an amount of Rs. 12,50,000/- through its entity to M/s. SP Construction on 01.11.2021. The proximity of this financial transaction to the evaluation of the resolution plans is a matter of critical and damaging significance. An RP is expected to maintain an arm's-length relationship with all stakeholders to preserve the absolute purity of the insolvency process. By failing to proactively declare this transaction, Mr. Narender Kumar Sharma engaged in a profound lack of transparency, deliberately keeping the CoC in the dark at a time when utmost good faith was demanded. Such financial dealings through his own entity (DCMPL) with an PRA completely subverted the standards of fairness, neutrality, and professional rectitude expected of an insolvency professional.
- 2.3.4 The RP had an absolute, non-negotiable obligation to disclose this transaction before the CoC. Such disclosure is vital to enable the CoC and other stakeholders to independently assess any potential, actual, or even perceived conflict of interest that could taint the integrity of the bidding process. The statutory obligation of disclosure is strict, objective, and automatic; it is entirely independent and not contingent upon the IP's own subjective assessment of whether a conflict exists or not. By substituting the statutory mandates with his personal discretion, the RP violated the very foundation of fiduciary responsibility, which strictly requires spontaneous, full, and upfront disclosure of all material facts to the decision-making body i.e. CoC.
- 2.3.5 Further the DC rejects the submission of Mr. Narender Kumar Sharma that the transaction was undertaken at the behest of Mr. Sumit Sharma and that DCMPL acted merely as a facilitating conduit. It is an admitted and incontrovertible fact that DCMPL transferred Rs. 12.5 lakh directly from its corporate account to M/s SP Construction during the CIRP process and that to post receiving bid from consortium member M/s SP Construction. The interposition of Mr. Sumit Sharma as the originating party does not alter the factual reality that a pecuniary transaction took place between a company owned and controlled by the RP and his wife, and a consortium member of a PRA. The reasons behind the transaction, whether at the request of a colleague or otherwise, is irrelevant to the existence of the transaction itself and the consequent, immediate obligation of disclosure.
- 2.3.6 The DC also notes the submission that the amount was subsequently returned by Mr. Sumit Sharma to DCMPL on 23.12.2022 and that no benefit was derived from the transaction. The DC observes that the *ex post facto* return of the funds over a year later is completely immaterial and does not cure the initial misconduct, nor does it extinguish the strict liability that arose the moment the transaction was executed on 01.11.2021. The disclosure obligation under the code is triggered instantaneously when a relationship or transaction arises. It cannot be deferred, conditional, or neutralized by subsequent rectification. The

RP's failure to disclose this commercial proximity severely compromised the appearance of objectivity required in a CIRP. In view of the foregoing blatant disregard for transparency and statutory obligation, the DC holds the contravention.

### **Contravention-II**

#### **2.4. Undertaking actions during CIRP without the approval of the CoC.**

- 2.4.1 A lease deed dated 03.02.2006 was executed between the Ghaziabad Development Authority (GDA) and the IHCPL Consortium in respect of a plot measuring 5.8 hectares at a premium of Rs.71,37,40,000/-. The CD and Madhuvan Tieu Private Limited (MTPL) are part of the said Consortium. Mr. Narender Kumar Sharma submitted that the Consortium made an initial payment of Rs.17,84,35,000/-, representing 25% of the total consideration, while the balance 75% was to be paid in instalments, which were not paid. Consequently, land dues amounting to Rs.67.93 crore became payable to GDA
- 2.4.2 It was observed by the Board that in the 10<sup>th</sup> meeting of the CoC held on 31.10.2020, Mr. Narender Kumar Sharma apprised the CoC that GDA had approved a One-Time Settlement (OTS) proposal at Rs.7.52 crore against the outstanding liability of Rs.67.93 crore. Subsequently, in the 11<sup>th</sup> CoC meeting dated 19.12.2020, the CoC decided that an enabling resolution for payment of the first instalment under the OTS be put to vote, subject to receipt of legal opinion from Advocate G. P. Madaan. Further, in the 14<sup>th</sup> CoC meeting dated 01.07.2021, Mr. Narender Kumar Sharma informed the CoC that as per the details made available by MTPL, they have deposited two installments against OTS of GDA dues of Rs. 7.52 Crores, thus avoiding cancellation of OTS Scheme approved by GDA. The Chairman further informed that 81% of the OTS dues belongs to IHCPL and the same will be part of CIRP cost. The Chairman further informed that the total OTS dues of Rs. 7.52 Crores have been conveyed to RAs as amount payable to GDA.
- 2.4.3 Mr. Narender Kumar Sharma submitted that due to lack of sufficient funds with the CD, MTPL paid the OTS amount on behalf of the CD to ensure continuity of the lease and prevent cancellation. It was further submitted that the amount paid by MTPL was categorised as CIRP cost, as decided in the 18<sup>th</sup> meeting of the CoC. However, it was observed that the minutes of the 18<sup>th</sup> CoC meeting dated 16.10.2021 did not reflect any substantive discussion regarding unpaid CIRP costs amounting to Rs.8,04,46,717/-, and only a brief note is appended in a tabular format without proper deliberation or voting. Therefore, it was observed that the OTS payment was made without prior approval or explicit authorization of the CoC, and the subsequent classification of the said amount as CIRP cost was not supported by any explicit deliberation or approval in the CoC meetings.
- 2.4.4 It was further observed that despite the CoC's explicit decision in its 11<sup>th</sup> meeting to obtain a legal opinion on the OTS arrangement, no such opinion was obtained. The issue of OTS settlement with GDA was intrinsically linked with the treatment of payments made by MTPL, whether as CIRP cost /interim finance, or otherwise, which required careful legal

and commercial consideration. However, no material was placed on record to demonstrate that the classification of such payments or the terms associated therewith were discussed in detail with the CoC.

2.4.5 The contention of Mr. Narender Kumar Sharma that no legal opinion was required since GDA had already approved the OTS in favour of MTPL was not found tenable. The requirement of legal opinion, as decided by the CoC, was not limited to approval of the OTS by GDA, but extended to examining the implications of such settlement on the CD, including the nature and treatment of payments made by a third party (MTPL) and their classification within the CIRP framework.

2.4.6 In view of the foregoing, it was observed that Mr. Narender Kumar Sharma appeared to have unilaterally accepted and acted upon the terms relating to the OTS arrangement with GDA, including acceptance of payments made by MTPL and their classification, without adequate consultation, disclosure, or approval of the CoC, and without obtaining the legal opinion as mandated by the CoC. Such conduct *prima facie* indicated lack of transparency and due diligence in conducting the CIRP and was in contravention of Section 208(2)(a) and (e) of the Code, Regulation 7(2)(h) of the IP Regulations; and Clauses 1, 2, 14 and 16 of Code of Conduct specified in IP Regulations.

## 2.5. Submissions by Mr. Narender Kumar Sharma.

2.5.1 Mr. Narender Kumar Sharma submitted that the CoC of the CD in its 8<sup>th</sup> & 9<sup>th</sup> Meeting dated 04.09.2020 & 15.09.2020 respectively, resolved to submit an application on behalf of the CD to the GDA, for approval of OTS of Rs. 7.52 Crores against the total liability of Rs. 67.98 Crores. Subsequently, the GDA *vide* its Letter dated 23.10.2020, approved the OTS Application filed on behalf of the CD. The CoC in its 11<sup>th</sup> Meeting held on 19.12.2020, voted for adopting the OTS as approved by the GDA. Mr. Narender Kumar Sharma submitted that without his knowledge and/or instructions, and/or the CoC of the CD, MTPL (in its capacity as IHCPL Consortium Member), made payment of two instalments of OTS amount to the GDA. This information was brought to the knowledge of Mr. Narender Kumar Sharma *vide* email dated 30.06.2021, issued by the MTPL to him. The decision of the MTPL to make payment of OTS amount to GDA, was not influenced by and/or orchestrated on the behest of Mr. Narender Kumar Sharma. MTPL having considerable share of 19% in the IHCPL Consortium, decided to make payment of OTS amount on its own volition, simply for the reason to avoid cancellation of the Lease Deed by GDA on account of non-payment of the OTS amount, which would have resulted in huge monetary losses to MTPL as well the CD.

2.5.2 Upon receipt of information regarding payment of OTS amount by MTPL, Mr. Narender Kumar Sharma placed the said information before the COC in its 14<sup>th</sup> Meeting held on 01.07.2021. Subsequently, since the CD did not have sufficient funds to make payment of

its share of the OTS amount paid by MTPL, with due approval of the CoC in its 18<sup>th</sup> Meeting held on 16.10.2021, Rs.8.04 Crore was categorized as “CIRP Cost”.

2.5.3 He submitted that though the One-Time Settlement (OTS) with the GDA was approved for Rs. 7.52 Crores, the amount classified as a CIRP Cost was increased to Rs. 8,04,46,717/-. This difference of approximately Rs. 51.45 Lakhs was a provision created for six months of interest payable to the GDA. Mr. Narender Kumar Sharma apprised the CoC that the GDA could demand interest for delayed payments at a rate of 12% per annum, and this provision was intended to cover that potential liability.

2.5.4 Mr. Narender Kumar Sharma further submitted that he did not act unilaterally with regard to the OTS payment done by MTPL to the GDA. All information were duly placed before the CoC at the relevant times, and only with the due approval of the CoC, Mr. Narender Kumar Sharma accepted the OTS payment done by MTPL on behalf of the IHCPL Consortium to the GDA. In 37<sup>th</sup> CoC Meeting held on 05.09.2025, he presented the upto date CIRP Cost in respect of OTS Amount paid by MTPL to GDA (as on 31.08.2025), in the following manner:

S. No.	Particulars	Amount (in Rs.)
1	Total amount paid by MTPL including interest to GDA	7,92,40,944/-
2	Share of IHCPL (81%)	6,41,85,165/-
3	Applicable interest @ 8% on IHCPL share from respective dates of payment till 31.08.2025	2,26,27,828/-
4	Total (S. No. 2 + 3)	8,68,12,993/-

2.5.5 However, the CoC with majority voting had rejected the above noted CIRP Cost payable to MTPL. The relevant discussion of the COC for not accepting the said CIRP Cost towards MTPL, was reproduced as under -:

*“The Chairman proposed to approve an amount of Rs. 8,68,12,993.00 as clarified hereinabove, as Cost of Insolvency Resolution Process and to release the payment to MTPL. The matter was deliberated upon by the CoC and some of the CoC Members, present through VC, raised the objection regarding nonpayment of outstanding dues as reported under the Transaction Audit Report. The value of the 19% share in the consortium as per the report was approx. 162 Crore whereas MTPL paid only Rs. 97.97 Crore. Further, the land which is in possession of MTPL and is in excess of its 19% share has also not been reversed to CD. The Chairman clarified that the matter of reversal of land is sub-judice before the Hon'ble NCLAT as the erstwhile RP of MTPL moved the Appellate Tribunal against the order dated 23.09.2024 passed by Hon'ble NCLT, and the information shall form part of the Information Memorandum. Further the Chairman informed that MTPL is undergoing CIRP w.e.f 05.07.2023. The RP submitted its claim before the RP of MTPL, however, RP, MTPL vide communication dated 21.06.2024 rejected the Claim of IHCPL*

*with observation that the matter is sub judice. Keeping in view of the above and detailed discussion on the matter, the separate resolutions are placed before the CoC, for approval by way of e-Voting.”*

However, even though the COC rejected to admit the above-noted amount as CIRP Cost, the said amount remains as a liability in the books of account of the CD.

- 2.5.6 He submitted that the OTS amount paid by MTPL on behalf of IHCPL Consortium does not affect or harm the right and interest of the Financial Creditors or stakeholders of the CD. In fact, payment of OTS Amount of Rs. 7.92 Crores against the original liability of Rs. 67.98 Crores, as claimed by the GDA, was a commercially and economically wise decision, which resulted in safeguarding the assets of the CD.
- 2.5.7 He further submitted that MTPL was admitted to CIRP by the order of the AA, on 06.04.2026 in C.P. (IB) NO. 25 (ND)/ 2023. Insofar as issue of non-obtaining of the legal opinion on the subject is concerned, as decided by the CoC in its 11<sup>th</sup> Meeting held on 19.12.2020, he submitted that before legal opinion could have been sought on the subject matter, intimation/ information regarding payment of OTS dues/ amounts by MTPL to GDA was received. Resultantly, opinion on the subject matter could not be obtained and matter was placed before the CoC for categorizing the OTS amount as CIRP Cost. However, non-procurement of legal opinion on the subject matter does not imply that he unilaterally acted on his own volition with regard to approval/ acceptance of OTS amount paid by MTPL, as CIRP Cost. The due process as envisaged under the Code was followed for acceptance/ approval of the OTS amount as CIRP Cost of the CD. To conclude, the legal opinion was not obtained by the Mr. Narender Kumar Sharma, due to following reasons:
- a) Redundancy of Formality:** Since the Ghaziabad Development Authority (GDA) had already approved the One-Time Settlement (OTS) in favor of MTPL, there was "no necessity" to seek a separate legal opinion on the matter.
- b) Timing and Spontaneity:** Before the legal opinion could be sought, he received sudden intimation that MTPL had already independently deposited the installments towards OTS. In light of the spontaneous action by a third party (MTPL), he left with no opportunity to follow the CoC's earlier directive.
- 2.5.8 Mr. Narender Kumar Sharma submitted that he prioritized and prevented the cancellation of the GDA Lease Deed, which would have caused "*huge monetary losses*", to CD and all the stakeholders. Waiting for a legal opinion while the cancellation of the OTS and lease was at risk would have endangered the asset of the CD. He submitted that the timeline between COC's decision to obtain legal opinion and OTS instalments paid by MTPL, as hereunder:
- CoC Decision (to seek legal opinion): 19.12.2020.
  - First Payment by MTPL: 29.12.2020 (Rs. 5,00,000). Gap: 10 days.
  - Subsequent Payments: 04.01.2021 (Rs. 2.5 Crore) and 24.03.2021 (Rs. 2.64 Crore).
  - Intimation to RP: 30.06.2021 (via email from MTPL). Gap from CoC decision: Approximately 6 months and 11 days.

2.5.9 Mr. Narender Kumar Sharma submitted that he ensured and safeguarded the interest of the CD and all its stakeholders. No action was taken without due approval of the CoC of the CD. He reiterated that if the OTS Amount was not paid to the GDA at the relevant time, the valuation of the assets of the CD would have become negative and the entire CIRP in respect of the CD would have failed.

## 2.6. Analysis and Findings of the DC

2.6.1 The DC notes the submission of Mr. Narender Kumar Sharma that the CoC resolved to submit application on behalf of CD for OTS proposal to GDA in the 8<sup>th</sup> and 9<sup>th</sup> CoC meetings, however, in minutes of the aforesaid meeting, the CoC discussed regarding the OTS proposal however, no such resolution was placed either in 8<sup>th</sup> or 9<sup>th</sup> CoC meeting to submit any application.

2.6.2 The DC further notes that the GDA approved the OTS *vide* its letter dated 23.10.2020. Subsequently, in the 11<sup>th</sup> CoC meeting held on 19.12.2020, the following resolution was passed:

*"RESOLVED THAT the OTS settlement of GDA for an amount of Rs. 7.52 crore be and is hereby noted and taken on record.*

*FURTHER RESOLVED that to keep the OTS alive the payment against 1st instalment be paid to GDA subject to legal opinion to be taken from Adv. G. P. Madaan, Legal Advisor, regarding various options, including legal options, available to the CD for settlement of dues towards IHC project land."*

The DC notes that the above resolution has two aspects. First, it approved the payment of the first instalment of the OTS, and second, it made such payment expressly conditional upon receipt of a legal opinion from the designated legal advisor. The payment was therefore not freely authorized, it was authorized subject to a specific condition that was required to be fulfilled before any payment was made. The legal opinion, which was a precondition to payment under the CoC's resolution, had not been obtained within this period and was never obtained at all. Mr. Narender Kumar Sharma's submission that before the legal opinion could be sought, he received sudden intimation that MTPL had already independently deposited the installments towards OTS. The time gap between decision of CoC to seek legal opinion on 19.12.2020 and intimation received by him on 30.06.2021 is approximately 6 months. He cannot plead that he received sudden intimation and that he had not time to seek legal opinion. Secondly, he submitted at one place that MTPL acted on its own volition while at other place he submitted that he prioritized and prevented the cancellation of the GDA Lease Deed and that waiting for a legal opinion would have endangered the asset of the CD. The above submissions are contradictory of his intention. During this period of approximately six months Mr. Narender Kumar Sharma did not take any step for obtaining the legal opinion as advised by the CoC which shows utter disregard for the decision taken by the CoC.

- 2.6.3 The DC further notes that after being informed by MTPL *vide* email dated 30.06.2021 that two instalments had been paid, Mr. Narender Kumar Sharma informed the CoC about this in the 14<sup>th</sup> CoC meeting held on 01.07.2021. Further, even after being informed on 30.06.2021 of the payments made by MTPL at which point the last of the OTS instalments had already been paid, Mr. Narender Kumar Sharma made no effort to obtain the legal opinion before classifying the amount as CIRP cost in the 18<sup>th</sup> CoC meeting held on 16.10.2021, which was over three months after he received this information. Further, submission of Mr. Narender Kumar Sharma that the CoC in the 18<sup>th</sup> meeting duly approved the classification of the OTS amount as CIRP cost is also misleading as the minutes do not bear out the existence of a specific deliberation or a dedicated resolution or vote on this item. The DC notes that the deliberation actually happened in 37<sup>th</sup> CoC meeting held on 05.09.2025 where CoC rejected to admit the OTS payment as CIRP Cost. This discussion clarifies that the discussion on OTS payment was camouflage and avoided in 14<sup>th</sup> and 18<sup>th</sup> CoC meeting. Moreover, the issue of OTS was placed for discussion before the CoC after issue was referred for investigation *vide* order of DC dated 11.07.2024.
- 2.6.4 The DC observes that when the OTS settlement was so necessary to preserve a valuable asset of the CD and cancellation of the lease would have caused significant monetary loss, it is incomprehensible why the RP did not seek legal opinion and avoided discussion before the CoC for its inclusion in CIRP cost. Any treatment or recording any expenditure as CIRP cost without the explicit, informed, and formal approval of the CoC is an egregious violation. In view of the foregoing, the DC holds the contravention.

### **Contravention-III**

#### **2.7. Inconsistent submissions before IA and DC.**

- 2.7.1 Section 208(2)(a) and (e) of the Code provides for an Insolvency Professional (IP) to take reasonable care and diligence while performing his duties; and to perform his functions in such manner and subject to such conditions as may be specified. Regulation 7(2)(h) of the IP Regulations specifies that the IP shall abide by the Code of Conduct specified in the First Schedule to these Regulations. Clause 2 of Code of Conduct requires that an IP must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.
- 2.7.2 It was observed by the Board that in the 13<sup>th</sup> meeting of the CoC held on 22.02.2021, Mr. Narender Kumar Sharma apprised the CoC that Power Infra Consortium (Successful Resolution Applicant/SRA) had submitted a Bank Guarantee (BG) issued by a third party, namely Presidium Education and Charitable Trust (PECT), and further informed that PECT is a related party of the CD. It was noted that Mr. Narender Kumar Sharma made submissions before the IA that there exists no relationship between the CD and PECT. Later

he submitted before the DC, who passed order dated 11.07.2024, (hereinafter referred to as “earlier DC”) denying the relationship between the CD and PECT, was a bona fide error.

- 2.7.3 Mr. Narender Kumar Sharma further submitted that PECT was recognised as a related party of the CD based on the attornment agreement executed by the CD. The Board observed that despite acknowledging PECT as a related party of the CD, he advised the PRA/SRA to submit an undertaking from PECT with respect to compliance under Section 29A of the Code.
- 2.7.4 In the present case, it was evident that Mr. Narender Kumar Sharma made contradictory submissions on a material aspect, i.e., the relationship between PECT and the CD - while acknowledging PECT as a related party before the CoC, he denied the existence of such relationship before the IA and later admitted before the earlier DC. Such inconsistent statements on a material issue cannot be treated as a mere procedural lapse. It is further observed that despite being aware that PECT is a related party of the CD, Mr. Narender Kumar Sharma advised the PRA/SRA to furnish an undertaking from PECT regarding compliance under Section 29A. In this regard, it is pertinent to note that the Code does not envisage submission of a BG by a third party on behalf of the resolution applicant. Instead of directing the SRA to furnish a compliant BG in its own capacity, Mr. Narender Kumar Sharma advised to obtain an undertaking from a third party, particularly one identified as a related party of the CD, demonstrates failure to exercise due care and diligence.
- 2.7.5 It was noted that the AA *vide* order dated 23.09.2024 adjudicated the issue of the assets/shares of the IHC Project fraudulently put under ownership of M/s. Alluvion Buildcon Pvt. Ltd., Alan Buildcon Pvt. Ltd and MTPL. It, *inter alia*, directed that the land in possession of M/s Alluvion Buildcon Pvt. Ltd., M/s Alan Buildcon Pvt. Ltd. would be restored to the corporate debtor through RP and any land possessed by M/s Madhuvan Tieup Pvt. Ltd. (MTPL) in excess of 19% mentioned in MoU would also be restored to CD. It was further noted that as per the supplementary agreement dated 14.03.2007, the proportionate share of MTPL was 0.640% and the same was increased to 19% *vide* supplementary agreement dated 25.07.2013. However, Mr. Narender Kumar Sharma submitted before the earlier DC that the shareholding of MTPL decreased from 38% to 19%. There is no material on record supporting the assertion that the shareholding of MTPL was ever 38% prior to its reduction to 19%. In this regard, submission of Mr. Narender Kumar Sharma before the earlier DC that the shareholding of MTPL decreased from 38% to 19% was found to be factually inconsistent and unsupported by documentary evidence available on record.
- 2.7.6 In view of the above, the Board held *prima facie* view that Mr. Sachin Naveen Sinha had contravened Section 208(2)(a) and (e) of the Code, Regulation 7(2)(h) of the IP Regulations; and Clauses 1, 2 and 14 of Code of Conduct specified in IP Regulations.

## 2.8. Submissions by Mr. Narender Kumar Sharma.

- 2.8.1 Mr. Narender Kumar Sharma submitted that only at one place/ point in the reply dated 03.01.2023 submitted to the Investigation Notice dated 14.12.2022, he inadvertently stated that CD and PECT do not have a “related party” status/ connection. In fact, in the same reply, he categorically stated the BG submitted by PECT on behalf of SRA was not accepted, and duly returned to the SRA, as per the decision of the CoC in its 13<sup>th</sup> Meeting held on 22.02.2021, since PECT was a related party of the CD, and could not have submitted a BG on behalf of the SRA. Furthermore, it was categorically stated in the said reply, that he had objected to the submission of BG by PECT on behalf of SRA. Therefore, he submitted that with regard to related party status of PECT was clerical error and there was no ambiguity with regard to the correct status of PECT.
- 2.8.2 He submitted that that as recorded in the minutes of the 13<sup>th</sup> COC Meeting, he did not advise the SRA to submit an undertaking under Section 29A with regard to PECT. The wordings of the minutes gives impression that he advised the SRA to submit an undertaking under Section 29A with regard to submission of BG by PECT. However, in fact the correct interpretation of the statement in the minutes would be “*if the SRA was confident that PECT was not a related party of CD, it should give an 29A undertaking*”. To this point, the SRA categorically declined to submit a Section 29A undertaking, knowingly that PECT was a related party of the CD. Reading the minutes of the 13<sup>th</sup> CoC meeting in the manner provided, would clarify that Mr. Narender Kumar Sharma never suggested/ advised SRA to submit an undertaking rather it posed the issue as a rhetorical question, which was answered in negative by SRA.
- 2.8.3 Mr. Narender Kumar Sharma submitted that as far as the statement with regard to MTPL shareholding being reduced from 38% to 19% is concerned, he submitted that it is wrongly interpreted. By way of MOU dated 08.08.2011, executed between CD and Presidium Education Institute Pvt. Ltd. (PEIPL), land admeasuring 2,08,000 Sq. Ft (1.93 Hectares), which constituted 38% of the total allotted area of 5.08 Hectares by GDA, was leased-out to PEIPL for running a school. As per Supplementary Consortium Agreement dated 25.07.2013, in lieu of consideration/ amount paid by MTPL, CD transferred its 18.36% share to MTPL (which was at that point holding 0.640%), taking its entire shareholding to 19%.
- 2.8.4 Mr. Narender Kumar Sharma submitted that he never asserted and/or stated that MTPL shareholding in IHCPL Consortium was reduced from 38% to 19%. There appears to be some misunderstanding/ misinterpretation with regard to the submissions made by him. In his submissions before the earlier DC, two different points have been clubbed together to come to a conclusion that he stated that the shareholding of MTPL in IHCPL Consortium was reduced from 38% to 19%. Therefore, it is submitted that there is no inconsistency

and/or misstatement given by him to the DC. MTPL's Shareholding Evolution, is provided hereinbelow:

- a) Original Share: MTPL initially held a 0.640% share in the consortium.
- b) The Increase: This share was increased to 19% via a Supplementary Consortium Agreement dated 25.07.2013.
- c) The Method: The increase was granted in consideration of a payment of Rs. 97.97 crore made by MTPL to the CD.

2.8.5 The shareholding of the IHCPL Consortium members evolved significantly from its inception to the final regulatory interventions. The following table outlines these changes:

<b>Date</b>	<b>IHCPL (Lead) Share</b>	<b>MTPL Share</b>	<b>Other Key Members</b>	<b>Event / Nature of Change</b>
Feb 2006 / Mar 2007	91.73%	0.64%	AEZ Infratech (4.46%), SM Towers (2.2%), others	Original Formation: Established via Initial and Supplementary Consortium Agreements.
25.07.2013	52.48%	19.00%	Alan Buildcon (11%), Alluvion Buildcon (10%)	Capital Infusion: MTPL paid ₹91.91 crore to increase its stake from 0.64%; Alan and Alluvion joined.
30.04.2015	60.00%	19.00%	Alan Buildcon (11%), Alluvion Buildcon (10%)	Third Supplementary Agreement: Consolidated shareholding into four main members.
23.09.2024	81.00%	19.00%	Shares of Alan and Alluvion cancelled	NCLT Restoration: Court rejected Alan and Alluvion's shares for lack of consideration, restoring 21% ownership to IHCPL.

2.8.6 Therefore, the shareholding of MTPL was never 38%. It was increased from 0.64% to 19% on account of its contribution of Rs. 97.97 Crores.

2.8.7 He submitted that the present case does not meet the threshold for any disciplinary action. The AA order dated 23.09.2024 passed in I.A. No. 3463/2020, is a definitive proof of diligence and success achieved by the undersigned in protecting the Corporate Debtor's assets. He submitted that

- a) Evidence of Proactive Recovery: Filing of IA No. 3463/2020 was a direct action taken to "preserve and protect" the CD's primary asset. The fact that the AA subsequently ordered

the restoration of 3,889.975 square meters of land from MTPL and 21% land from Alan Buildcon Pvt. Ltd. and Alluvion Buildcon Pvt. Ltd., are the results his investigative efforts which yielded tangible benefits for the creditors and all stakeholders.

b) Successful consolidation of assets: He submitted that by securing the Order dated 23.09.2024, that recognized the CD as the owner of 81% of the Project Land (thereby reviving/ restoring 21% of Project Land), he successfully fulfilled his statutory duty to maximize the CD's value. I.A. No. 3463/2020 was filed by him seeking restoration of project land, within six (06) months of his appointment as the RP of the CD.

c) Successful completion of CIRP (twice): He submitted that the during the first round of CIRP, he managed to receive successful resolution plan in respect of the CD, within 18 months from CIRP commencement date. The said resolution plan was rejected by the AA on account of restoration/ addition of Project Land *vide* order dated 23.09.2024, which resulted in maximization of assets of the CD. In the second round of CIRP also, a successful resolution plan has already been approved by the COC, and is pending adjudication before the AA (IA No 16(Plan) 2026).

2.8.8 Mr. Narender Kumar Sharma submitted that he acted towards protection and maximization of the assets of the CD, and his efforts yielded receipt of a successful resolution plan for the CD, preserving the rights and interests of all the stakeholders.

## 2.9. Analysis and Findings of the DC

2.9.1 The DC notes that in the 13<sup>th</sup> CoC meeting held on 22.02.2021, Mr. Narender Kumar Sharma himself informed the CoC that PECT had submitted a BG on behalf of the SRA and that PECT is a related party of the CD. This statement, made by the RP before the CoC, constitutes a contemporaneous acknowledgment of the related party status of PECT. Subsequently, in his reply to the IA, Mr. Narender Kumar Sharma stated that no related party relationship existed between the CD and PECT. Thereafter he sought to characterise this as a bona fide clerical error and reverted to the correct position that PECT is indeed a related party of the CD. An insolvency professional is expected to submit accurate and consistent statements before regulatory and investigating authorities, and to exercise care in verifying factual positions before making them.

2.9.2 The DC notes the submission of Mr. Narender Kumar Sharma that the minutes of the 13<sup>th</sup> CoC meeting have been misread and that his statement regarding the Section 29A undertaking was a question posed to the SRA essentially asking whether, if the SRA was confident that PECT was not a related party, it would give a Section 29A undertaking. The DC observes that the minutes of a CoC meeting are formal records of proceedings and it reflects the substance of discussions as recorded at the time. The minutes recorded that "*The Chairman further informed that Presidium Education and Charitable Trust (PECT) is a*

*related party of the CD and accordingly RP advised PRA to submit undertaking from these two Entities to the provisions of Section 29A of IBC 2016. However, the PRA declined to submit such undertaking.”*. A reading of the relevant portion of the minutes indicates that Mr. Narender Kumar Sharma advised the SRA to obtain an undertaking from PECT regarding compliance under Section 29A.

- 2.9.3 Though he advised replacing the EMD / BG of Rs. 5.00 Crores from the Consortium Members but after noting that PECT is related party of the CD and the BG submitted by PECT for the Power Infra Consortium should have advised PRA that PECT being the related party to the CD, the BG submitted by PECT, cannot be accepted rather than asking to make compliance of Section 29A under the Code.
- 2.9.4 The DC notes that EMD by way of a BG is a core financial commitment designed to secure the integrity and seriousness of the resolution process. When such BG is provided by a third party who is an entity conclusively established as a related party to the CD, it introduces an immediate, incurable conflict of interest. This is not a technical or clerical irregularity. By allowing a related party to financially anchor a PRA's bid, the assets or credit of the defaulting management's network are effectively used to re-enter the CIRP. Consequently, the RP cannot treat such a fundamental structural defect as a curable omission; it requires an immediate, outright rejection of the financial instrument and the associated expression of interest.
- 2.9.5 Furthermore, the IBC explicitly charges the RP with a proactive, non-delegable duty to act as the primary gatekeeper of the insolvency framework. Under Section 25(2)(h) of the Code, the RP is mandated to invite resolution plans only from applicants who meet criteria that strictly regard the provisions of Section 29A. This is reinforced by Section 30(1), which obligates the RP to examine each plan to confirm it does not contravene any provision of the law. By entertaining the tainted BG and proposing a pathway to regularize the submission via an undertaking, the RP effectively abdicated these statutory duties.
- 2.9.6 This failure elevates from simple procedural negligence to a gross violation of the Code due to the compounding elements of prior knowledge and inconsistent representations. The minutes of the 13<sup>th</sup> CoC meeting demonstrate that the RP possessed contemporaneous, recorded knowledge of PECT's status as a related party. Despite this clear understanding, the RP chose to accommodate the submission rather than enforce an outright rejection. This omission was further aggravated by the RP's subsequent flip-flopping in pleadings, initially denying the relationship before the IA under the guise of a "bona fide clerical error" and later reverting to the original position before the DC. Such conduct fails the standard of care, accuracy, and absolute consistency expected of an insolvency professional before regulatory authorities, creating systemic risks that undermine public and institutional trust in the integrity of the resolution ecosystem.

**Whether the submission regarding MTPL shareholding decreasing from 38% to 19% is factually consistent.**

- 2.9.7 The DC notes that the query raised to Mr. Narendar Kumar Sharma *vide* email dated 02.02.2024 by the earlier DC was that *“The sequence of events detailing your objection to draft transaction audit report regarding recovery from Presidium Education Institution Pvt Ltd. who allegedly occupies 38% of the leased land (while it pay rent to MTPL who has only 19% share in consortium) and final transaction audit report and also any clarification/rectification done in transaction audit by which share of MTPL mentioned in the transaction audit report was revised from 38% to 19%”* Mr. Narendar Kumar Sharma in his reply dated 05.02.2024 submitted before the earlier DC that *“The previous recorded shareholding of 38% was amended vide Memorandum of Understanding dated 17.12.2015, executed between members of IHCPL Consortium, in terms whereof, share-holding/ ownership of MTPL was reduced to 19% in lieu of payment of Rs. 97.97 Crores, paid by MTPL to Corporate Debtor”*
- 2.9.8 While the Transaction Audit Report stated that *“IHCPL and Presidium Education Institution Private Limited "PEIPL" signed memorandum of understanding "MoU" dated 08 August 2011 whereby IHCPL had leased the land measuring 208,000 Sq. Ft (1.93 hectares) i.e. 38% of total allotted area (5.08 ' hectares) to PEIPL for running a school. This MoU was signed for 50 years with the clause to review the agreement after every 10 years.”*  
*...“Members of IHCPL consortium holding 81% share namely IHCPL, Alluvion and Alan agreed to transfer to MTPL the whole building which constituted a school run by PEIPL along with undivided rights to the land, on which such school is established measuring 13,541 sq. meters (1.35 hectare) "Presidium Area", Further, it is to noted that MTPL was entitled to exclusively use, utilize, operate, convey, sale, transfer, manage and further develop the Presidium area through this MoU.”*
- 2.9.9 Mr. Narendar Kumar Sharma submitted in IA/3463/2020 that *“It is also submitted that 19% of the project land has also illegally been transferred to one Madhuvan Tieup Pvt. Ltd. (MTPL) through the stratagem of Consortium.”* Later IA-3463/2020 was disposed of *vide* order dated 24.07.2025 with direction that *“any land possessed by M/s Madhuvan Tieup Pvt. Ltd. in excess of 19% mentioned in MoU would also be restored to corporate debtor.”*
- 2.9.10 The DC observes that a holistic reading of the Transaction Audit Report alongside the explicit admissions made by Mr. Narendar Kumar Sharma (in his reply dated 05.02.2024), shows that MTPL's shareholding of 38% was reduced to 19%. However, the RP subsequently distanced himself from his statement. Mr. Narendar Kumar Sharma was not clear in his submission before the DC and confusion was created by his subsequent clarification that the 38% figure referred to land leased to PEIPL. By failing to candidly bring this discrepancy to light and later deposing contrary to his own written submissions,

the RP actively obscured the facts, thereby creating systemic confusion over the actual extent of the Corporate Debtor's estate. An insolvency professional is duty-bound to protect, verify, and report the assets of the CD with absolute transparency. Shifting stands on material asset allocations directly impedes the statutory duties of the RP and misguide the DC.

2.9.11 The DC notes that the sequence of events, spanning from the initial inquiries to the formal submissions before both the IA and DC, reveals a systemic lack of care, diligence, and precision on material facts. Mr. Narender Kumar Sharma failed to maintain the professional standards expected of resolution professional. This pattern of making misleading and volatile statements before regulatory and judicial bodies severely compromises the integrity of the insolvency process. In view of the foregoing, the DC holds the contravention..

### **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 cancels/suspends registration of Mr. Narender Kumar Sharma (Registration No. IBBI/IPA-002/IP-N00125/2017-2018/10294) for a period of two years. During the suspension period, Mr. Narender Kumar Sharma will be ineligible to continue with the present assignment i.e., Indirapuram Habitat Centre Private Limited (IHCPL). The CoC of IHCPL will recommend the appointment of new RP. He shall handover records of the CD to new RP appointed by the CoC/AA.

3.2. This order shall come into force after 30 days from the date of issuance of this order.

3.3. A copy of this order shall be forwarded to ICSI Institute of Insolvency Professionals where Mr. Narender Kumar Sharma is enrolled as a member.

3.4. 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.

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

Sd/-

(Ravi Mital)

Chairperson

Insolvency and Bankruptcy Board of India

Dated: 10 June 2026

Place: New Delhi