

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
(Disciplinary Committee)

No. IBBI/DC/320/2026

03 June 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/139/2025/1899/234 dated 27.02.2026, issued to Mr. Piyush Garg, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP- P01133/2018-19/11883 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI (IIIP-ICAI).

1. Background.

- 1.1 The National Company Law Tribunal, New Delhi (AA) had admitted the application filed by a group of Homebuyers under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) for initiating Corporate Insolvency Resolution Process (CIRP) of M/s Hector Realty Ventures Private Limited (CD) *vide* its Order dated 09.12.2019 in CP(IB) No. 650/ND/2019 and appointed Mr. Mukesh Kumar Grover as IRP. Later, the AA rectified its order and appointed Mr. Piyush Garg as the IRP of the CD on 06.01.2020.
- 1.2 The Hon'ble National Company Law Appellate Tribunal (NCLAT) *vide* its order dated 20.08.2025 in Company Appeal (AT) (Ins.) No. 1545 of 2024 and I.A. No. 5594 of 2024, restored the CIRP, holding that the order dated 07.09.2022 passed by the AA, allowing withdrawal of the CIRP was vitiated by the fraud. The Hon'ble NCLAT also allowed the appeal against the order dated 14.05.2024 passed by the AA, dismissing the application seeking recall of the said withdrawal order. In its order dated 20.08.2025, the Hon'ble NCLAT made observations with respect to Mr. Piyush Garg's conduct in the capacity of IRP of the CD.
- 1.3 The observations of the Hon'ble NCLAT were, duly communicated to Mr. Piyush Garg *vide* email dated 13.10.2025 by the IBBI and Mr. Piyush Garg was asked to provide his reply. Subsequent reminders were sent *vide* emails dated 12.11.2025, 26.11.2025, followed by a letter dated 17.12.2025. *Vide* an email dated 07.01.2026, Mr. Piyush Garg acknowledged receipt of the said letter and sought 15 days' time to submit the information sought. As a matter of final opportunity, Mr. Piyush Garg was granted an additional 3 days' time *vide* email dated 09.01.2026 to furnish the information and required documents. However, despite the said communication, no response was received from Mr. Piyush Garg. The Board examined the observations made by the Hon'ble NCLAT on the basis of material available on record. Based on such examination the Board issued SCN to Mr. Piyush Garg on 27.02.2026. Mr. Piyush Garg submitted his reply to the SCN on 25.03.2026.
- 1.4 The SCN along with the response of Mr. Piyush Garg to the SCN were referred to the Disciplinary Committee (DC) for disposal. Mr. Piyush Garg availed the opportunity of

personal hearing before the DC through virtual mode on 26.05.2026 where he was present along with his advocate Mr. Milan Singh Negi.

2 Alleged Contraventions, Submissions of Mr. Piyush Garg and Findings of DC.

The contravention alleged in the SCN, submissions by Mr. Piyush Garg, analysis and findings of the DC are summarized as follows:

2.1 Misrepresentation of facts before the AA, Improper filing of application seeking withdrawal of CIRP and non-cooperation with the Board.

2.1.1 Section 12A of the Code provides that the AA may allow the withdrawal of application admitted under Section 7 or Section 9 or Section 10, on an application made by the applicant with the approval of ninety per cent voting share of the committee of creditors (CoC), in such manner as may be specified. Regulation 30A of IBBI (Insolvency Resolution process for Corporate Persons) Regulations, 2016 (CIRP Regulations), inter alia, provides that an application for withdrawal under Section 12A may be made to the AA -{a) before the constitution of the committee, by the applicant through the IRP; (b) after the constitution of the committee, by the applicant through the IRP or RP, as the case may be.

2.1.2 It was observed that the CIRP in the present matter commenced *vide* order dated 09.12.2019 passed by the AA and was allowed to be withdrawn *vide* order dated 07.09.2022. Thereafter, an application seeking recall of the withdrawal order was dismissed by the AA *vide* order dated 14.05.2024. Subsequently, the said orders dated 07.09.2022 and 14.05.2024 were set aside, and the CIRP was restored *vide* order dated 20.08.2025 passed by the Hon'ble NCLAT.

2.1.3 It was noted that in the application filed in September 2022 seeking withdrawal of CIRP under section 12A, Mr. Piyush Garg submitted that the CoC could not be constituted due to non-submission of claims. The relevant extracts are reproduced hereunder:

"10... in view of non-submission of claim, and ongoing settlement talks between the financial creditors and the suspended management, the CoC in the instant case could not be constituted."

2.1.4 It was further noted that the withdrawal order dated 07.09.2022 also records Mr. Piyush Garag's submission that the CoC has not been constituted. The relevant extracts are reproduced hereunder:

"Counsel for Interim Resolution Professional has submitted that in this matter the CoC has not yet been formed. Counsel has further submitted that all the 07 Financial Creditors have given their consent for withdrawal of the matter; therefore, Interim Resolution Professional has moved this present application."

2.1.5 However, it was observed from the minutes of 1st CoC meeting held on 25.02.2020 and 2nd CoC meeting held on 07.09.2020 that the CoC had, in fact, been constituted and Mr.

Piyush Garg, as IRP, had apprised the CoC of various steps undertaken by him including constitution of the CoC.

2.1.6 The above facts indicate that Mr. Piyush Garg made contradictory statements and concealed material facts in the application seeking withdrawal and during the subsequent hearings before the AA.

2.1.7 It is further noted that the procedure of withdrawal of CIRP differs depending on whether the CoC has been constituted or not. After the constitution of CoC, approval of 90% voting share of CoC is required to move an application for withdrawal. In the present matter, no agenda item relating to withdrawal of CIRP is reflected in the available minutes of the CoC meeting, despite the CoC having been constituted. Thus, Mr. Piyush Garg filed an improper withdrawal application and failed to disclose the fact of CoC's constitution to the AA. In this regard, the Hon'ble NCLAT in its order dated 20.08.2025 also observed that:
"78. In the present case, it is clear that the CoC of Corporate Debtor was constituted prior to 07.09.2020 i.e. before the date of 2nd CoC meeting, minutes for which were placed on record by the appellants. However, the IRP, in the withdrawal application filed vide I.A. No. 4281 on 05.09.2022, falsely represented that no CoC had been formed.

"85. The Respondents have not provided any explanation for the inconsistency between the formation of the CoC in 2020 and the contrary claim made in 2022. The fact that minutes of CoC meetings exist, and yet the IRP stated under affidavit that no CoC had been formed, reveals a deliberate misrepresentation.

2.1.8 Further, it is pertinent to note that the Regulation 13(2) of the CIRP Regulations mandates that the list of creditors shall be filed on the electronic platform of the Board. Regulation 17(1) of CIRP regulations mandates that IRP shall file a report before the AA certifying the constitution of CoC. In the present matter, although the claims were received and the CoC was constituted, no such list of creditors was filed by Mr. Piyush Garg on the electronic platform of the Board, nor was a report certifying the constitution of CoC filed before the AA.

2.1.9 Additionally, Mr. Piyush Garg failed to file forms CIRP-2 and CIRP-6 with the Board as mandated under Regulation 40B of the CIRP Regulations. The said forms consist of information regarding constitution of CoC and premature closure of CIRP (on account of withdrawal, etc.).

2.1.10 Further, it was noted that Section 208(2)(a) of the Code requires an IP to take reasonable care and diligence while performing his duties. Additionally, Section 208(2)(e) of the Code read with regulation 7(2)(h) of IBBI (Insolvency Professional) Regulations, 2016 (IP Regulations) requires an IP to perform his functions in such manner and subject to such conditions as may be specified, including adherence to the Code of Conduct specified in the First Schedule to the said Regulations. It was noted that despite the several communications referred above having been duly issued to Mr. Piyush Garg, and despite

his acknowledgement of receipt thereof, he failed to submit the information/ documents in the matter.

2.1.11 Therefore, the Board held the view that *prima facie*, Mr. Piyush Garg contravened Sections 12A, 208(2)(a), 208(2)(c) read with Regulations 13(2), 17(1), 30A and 40B of CIRP Regulations and Clauses 1, 2, 12, 14, 18 and 19 of the Code of Conduct specified in First Schedule to IP Regulations.

2.2 Submissions on behalf of Mr. Piyush Garg.

2.2.1 Mr. Piyush Garg tendered unconditional apology for not having replied to earlier notices/ letters, due to certain issues at his end, which were beyond his control. He submitted that such non-reply of the earlier notices/ letters may not be treated to his prejudice.

2.2.2 Mr. Piyush Garg admitted that this was his first and only IBC assignment and he lacked professional experience and expertise. The situation got worse due to the COVID-19 breakdown. The continuous request from the allottees and the suspended director to keep the CIRP on hold also added to the problem and all of this resulted in the closure of the CIRP in an undesirable manner. He made all attempts to follow the procedure prescribed under IBC and rules & regulations framed thereunder, however, the lack of experience and expertise might have impacted the conduct adversely.

2.2.3 Mr. Piyush Garg further submitted that the settlement negotiations between the directors of the suspended board and the 10 Financial Creditors (allottees) began shortly after the public announcement in January 2020 but were stalled for over two years due to the national Covid-19 lockdowns. Negotiations only resumed in mid-2022, leading to the execution of settlement agreements between the Allottees and the Corporate Debtor. Following the settlement, the said 10 FCs/ allottees also provided the duly executed Form-FA as per Regulation 30A of CIRP Regulation to him to withdraw the CIRP. He submitted that the books of the CD were not made available to him as such he was not in a position to provide the details of the same and no report of constitution of CoC was filed with the Ld. Adjudicating Authority.

2.2.4 Mr. Piyush Garg submitted that the claims were received only from the original petitioners/ applicants and during such times the settlement talks were going on. Further, the appellants before the Hon'ble NCLAT had never filed their claims with him till the AA restored the CIRP. He states that there was no malafide in his conduct, but the said inconsistency was attributable to the inexperience and impact of Covid-19 during the said times. The non-inclusion of the allottees, other than the original petitioners, was attributable to the fact that during the relevant times no document and/ or record of the CD were made available to him. When he attempted to ask for the documents from the director of the suspended board, he was informed about the settlement which was also echoed by the original petitioners. Given such circumstances, he failed to file appropriate application for non-cooperation against the suspended directors/ management.

2.2.5 Mr. Piyush Garg submitted that his understanding of the provisions of Section 12A of IBC and Regulation 30A of CIRP Regulations was very limited and as such he made the submissions before the AA that the CoC was not constituted. Such submission was premised on the practical aspect of the matter where the FCs/ allottees had executed settlement deeds and had given Form-FA to him for withdrawal of the CIRP.

2.2.6 He submitted that he might have violated certain provisions of IBC and the CIRP regulations however there was no malafide intention on his part. He was always acting in the interest of the stakeholders/ allottees so that the settlement could be worked out and the issue could be resolved. He submitted that there has been no unlawful gain to him from the present CIRP. Also, his acts did not cause any unlawful losses to any stakeholder or the CD.

2.3 Analysis and Findings by the DC.

2.3.1 The chronology of the events taken place in the present matter are tabulated below:-

| DATE | CHRONOLOGY OF EVENTS |
|------------|---|
| 09.12.2019 | CIRP of the CD was admitted. |
| 06.01.2020 | Mr. Piyush Garg was confirmed as IRP. |
| 09.01.2020 | Public Announcement made in <i>Financial Express</i> and <i>Jansatta</i> |
| 25.02.2020 | 1 st CoC Meeting was held. |
| 07.09.2020 | 2 nd CoC Meeting was held. |
| 05.09.2022 | IA/4281/2022 filed under Section 12A read with Regulation 30A of the CIRP Regulations seeking withdrawal of CIRP |
| 07.09.2022 | The AA allowed IA/4281/2022 for withdrawal of CIRP |
| 09.10.2023 | Recall Application IA No. 5659 of 2023 preferred by Ms. Bharti Goyal (Allottee of Real Estate Project of the CD) for recalling order dated 07.09.2022 allowing withdrawal of CIRP against the CD. |
| 14.05.2024 | The AA dismissed an application IA/5659/2023 of Ms. Bharti Goyal seeking recall of withdrawal order. |
| 19.06.2024 | Company Appeal No. 1545 of 2024 filed by Ms. Bharti Goyal before the Hon'ble NCLAT. |
| 20.08.2025 | CIRP restored by the Hon'ble NCLAT in Company Appeal (AT) (Ins.) No. 1545 of 2024 & I.A. No. 5594 of 2024 |

2.3.2 The DC notes that the CIRP against the CD was admitted on 09.12.2019 and Mr. Piyush was appointed as IRP on 06.01.2020. He issued Public Announcement on 09.01.2020. He constituted CoC and conducted first meeting of CoC on 25.02.2020 and second meeting on 07.09.2020. Mr. Piyush Garg updated the CoC about steps taken by him in the CIRP. He recorded in the CoC minutes that *“other than the allottees of residential/commercial space, there are no other financial creditor, either secured or unsecured who have filed their claim against the CD.”* It is also recorded that *“IRP also informed CoC that there was delay in submission of claim by Financial Creditors resulting in delay in Constitution*

of Committee of Creditors.” He narrated the steps taken by him like visiting registered office of the CD and sending a letter intimating directors about commencement of CIRP which was returned as not accepted. The CoC also informed IRP that they are in discussion with the CD for settlement and will let the IRP know about the same at the earliest.

2.3.3 Subsequently, application under Section 12A of the Code for seeking withdrawal of the CIRP was filed in 05.09.2022. Mr. Piyush Garg stated in said application as follows:

“5. However, despite publication of the said notice, for submission of claims by the creditors/ stakeholders, no claims were received by the applicant herein. Being so, the applicant approached the financial creditors, who had initiated the instant CIRP, whereinafter the applicant herein was informed that the suspended management and the said financial creditors were settling the matter.

...

10... also, in view of non-submission of claim, and ongoing settlement talks between the financial creditors and the suspended management, the CoC in the instant case could not be constituted.”

2.3.4 The DC notes that Section 12A read with Regulation 30A of the CIRP Regulations mandates that when the CoC is constituted, the Resolution Professional is required to take approval of 90% the CoC voting share for withdrawal of application initiating CIRP against the CD. It is evident that claims were received and CoC was constituted by Mr. Piyush Garg. He even noted that settlement was going on between suspended management and FC in class. But he misrepresented facts in his application filed under Section 12A of the Code. He further bypassed the statutory requirement under Section 12A of the Code by avoiding conducting of CoC meeting and seeking approval of the CoC. The misconduct is further substantiated by the fact that he did not file any report regarding constitution of the CoC before the AA nor updated the status of claims of the CD on the electronic platform of the Board. The DC also notes that Mr. Piyush Garg also failed to file forms CIRP 2 and CIRP 6 with the Board as mandated under Regulation 40B of the CIRP Regulations. The said forms consist of information regarding constitution of CoC and premature closure of CIRP (on account of withdrawal, etc.).

2.3.5 The DC further notes that despite several reminders and extensions granted by the Board from 13.10.2025 to 09.01.2026 for submission of para-wise reply to the observation made by the Hon’ble NCLAT in order dated 20.08.2025 along with relevant documents, Mr. Piyush Garg did not submit the requisite response and documents within the prescribed timeline. By not cooperating or supplying the requested documents and information, Mr. Piyush Garg violated Regulations 8(4) and 8(8) of the Inspection and Investigation Regulations, as well as clauses 18 and 19 of the Code of Conduct.

2.3.6 The DC is of the view that naivety of first assignment and Covid -19 cannot be excuse for hiding the fact of settlement from the Board and misrepresentation before the AA. cannot

be excuse of naivety of first assignment. The first meeting of the CoC had been conducted on 20.02.2020 when no lockdown had been imposed

2.3.7 In terms of the aforesaid non-compliances made by the Mr. Piyush Garg in conducting the CIRP of the CD and misrepresentation done before the AA, establish that Mr. Piyush Garg contravened provisions of the Code and Regulations made thereunder. Accordingly, the DC hold the contraventions.

3 Order.

3.1 Misrepresentation made by Mr. Piyush Garg before the AA regarding non-constitution of CoC is not justified by his little knowledge of IBC and Regulations made thereunder. His conduct reflects gross negligence and unethical practice which cannot be allowed to continue. He submitted that he has not renewed his Authorisation for Assignment (AFA), which makes it clear that Mr. Piyush Garg is not interested in continuing his practice as Insolvency Professional. 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. Piyush Garg (Registration No. IBBI/IPA-001/IP-P01133/2018-2019/11883) for a period of 2 years. During the suspension period, Mr. Piyush Garg will be ineligible to continue all his present assignments under the IBC. He shall handover records of the CD(s) to new RP appointed by the AA.

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. Piyush Garg 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 Indian Institute of Insolvency Professionals of ICAI where Mr. Piyush Garg is enrolled as a member.

3.5 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.

3.6 Accordingly, the show cause notice is disposed of.

-sd/-

Ravi Mital
(Chairperson)

Insolvency and Bankruptcy Board of India

Date: 03 June 2026

Place: New Delhi