

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.302- IA/905(AHM)2025
ITEM No.303- IA/267(AHM)2026
In
C.P.(IB)/53(AHM)2025

IA/905(AHM)2025

Under Regulation 12(3) of IBBI Regulation 2019 r.w. Section 149 & 150 of IB Code, 2016

IN THE MATTER OF:

Sunil Kumar Kedia & Bankruptcy TrusteeApplicant
V/s
Navin Kumar TayalRespondent

IA/267(AHM)2026

Under Section 138(1)(a) of IB Code, 2016 r.w. Rule 11 of NCLT Rules, 2016

IN THE MATTER OF:

Sunil Kumar Kedia Bankruptcy Trustee of PG Mr. Navin
Kumar TayalApplicant
V/s
Navin Kumar TayalRespondent

Order delivered on: 05/05/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

COMMON ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD**

I.A. No.905 (AHM) 2025

In

C.P. (IB)/53(AHM) 2025

[An Application under Regulation 12(3) of IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 read with Section 149 and 150 of the Insolvency Bankruptcy Code, 2016 for 'Non-Cooperation by Bankrupt']

I.A. No. 905 (AHM) 2025

IN THE MATTER OF:

Sunil Kumar Kedia

(Bankruptcy Trustee)

210-B, 21st Century Business Center,
Ring Road, Surat – 395002

Mob, No. +91 9374712689

Email id: ipsunikedia@gmail.com

...Applicant/IRP

VERSUS

Navin Kumar Tayal

(Personal Guarantor / Bankrupt)

Flat No. 131/A, 13th Floor, A-Wing,

N.C.P.A. Apartments,

Nariman Point, Mumbai – 400021

Email id: navin.r.tayal@gmail.com

...Respondents / Guarantor

AND

I.A. No.267 (AHM) 2026

In

C.P. (IB)/53(AHM) 2025

(An Application Section 138(1)(a) of Insolvency and Bankruptcy Code, 2016 Read with Rule 11 of NCLT Rules, 2016 filed by the Bankruptcy Trustee)

IA/267(AHM) 2026

IN THE MATTER OF:

Sunil Kumar Kedia
(Bankruptcy Trustee)
210-B, 21st Century Business Center,
Ring Road, Surat – 395002
Mob, No. +91 9374712689
Email id: ipsunikedia@gmail.com

...Applicant

VERSUS

Mr. Navin Kumar Tayal
(Personal Guarantor / Bankrupt)
Flat No. 131/A, 13th Floor, A-Wing,
N.C.P.A Apartments,
Nariman Point, Mumbai – 400021
Email id: navin.r.tayal@gmail.com

... Respondent/Guarantor

Order pronounced on 05.05.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Petitioner : Mr. Atul Sharma, Adv a.w. Mr. Sunil
Kumar Kedia, BT
For the Respondent : Mr. Saurabh Soparkar, Sr. Adv. a.w.
Mr. Aditya Chaudhary, Proxy Adv. for
: Mr. Parth J Contractor, Adv
Mr. Navin Kumar Tayal,
Bankrupt (in VC)

COMMON ORDER
(Per: Bench)

I.A. No. 905 of 2025

1. The present Interlocutory Application, being **I.A. No. 905 of 2025**, has been filed on 01.08.2025 by the Applicant, Mr. Sunil Kumar Kedia, in his capacity as Bankruptcy Trustee of Mr. Navin Kumar Tayal (Personal Guarantor/Bankrupt), under Regulation 12(3) of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, read with Sections 149 and 150 of the Insolvency and Bankruptcy Code, 2016, seeking directions against the bankrupt on account of non-cooperation in the bankruptcy process, along with the following reliefs:-

- a. *To direct the Bankrupt to provide 'Succession Certificate' or 'Legal Heirs Certificate' and to update his name as legal heirs in the properties belonging to his deceased father Mr. Rampratap Tayal particularly with respect to the immovable properties situated in Valsad Region in the name of his father.*
- b. *To direct the Bankrupt to provide the whereabouts of M/s. KK Jajodia Foundation (Trust) being the owner of Residential Property situated at 131/A, NCPA*

Apartment, Nariman Point, Mumbai where the Bankrupt is residing with his family.

- c. To direct the Bankrupt to provide the details of Capital Account of the Bankrupt in M/S. Shree Ganesh Knitting & Manufacturing Mills (PAN ABNFS9736P) along with other details such Partnership Deed, last financial statement till the bankrupt was a partner in the said firm.*
- d. To direct the Bankrupt to provide the details relating to Transfer of shares on 21/08/2014 belonging to Bankrupt in the company M/s. Bilpower Textile And Realpro Pvt Ltd CIN U45201MH2006PTC165339 PAN: AADCB0082H more particularly amount of consideration received and the bank account in which said consideration received and share transfer documents and other details as asked for in our communication with the bankrupt.*
- e. To direct the Bankrupt to provide the details relating to Transfer of shares on 08/09/2014 belonging to Bankrupt in the company M/s. Delux Polymers Private Limited CIN: U18101MH1989PTC052705 PAN: AAACD4132B more particularly amount of consideration received and the bank account in which said consideration received and share transfer documents and other details as asked for in our communication with the bankrupt.*
- f. To direct the Bankrupt to provide the details relating to Transfer of shares on 10/09/2011 belonging to*

Bankrupt in the company M/s. Encare Textiles And Properties Private Limited CIN U45201MH2006PTC165340 PAN: AABCE6834E more particularly amount of consideration received and the bank account in which said consideration received and share transfer documents and other details as asked for in our communication with the bankrupt.

g. To direct the Bankrupt to provide the details relating to Transfer of shares on 10/09/2011 belonging to Bankrupt in the company M/s. Gamin Traders Private Limited CIN: U51420MH2002PTC135071 PAN: AABCG5485F more particularly amount of consideration received and the bank account in which said consideration received and share transfer documents and other details as asked for in our communication with the bankrupt.

h. To direct the Bankrupt to provide the details relating to Transfer of shares on 10/09/2011 belonging to Bankrupt in the company M/s. Hotline Textiles And Infrastructure private Limited CIN: U45201MH2006PTC165461 PAN: AAGCA0353F more particularly amount of consideration received and the bank account in which said consideration received and share transfer documents and other details as asked for in our communication with the bankrupt.

i. To direct the Bankrupt to provide the details relating to Transfer of shares on 21/08/2014 belonging to Bankrupt in the company M/s. Joindre Textile &

*Infrastructure Pvt Ltd CIN U45201MH2006PTC165444
PAN: AABCJ7773P more particularly amount of
consideration received and the bank account in which
said consideration received and share transfer
documents and other details as asked for in our
communication with the bankrupt.*

*j. To direct the Bankrupt to provide the details relating to
Transfer of shares on 27/08/2018 belonging to
Bankrupt in the company M/s. Comrade Lease Finvest
Pvt Ltd CIN U65900MH1996PTC102145 PAN:
AABCJ0405E more particularly amount of consideration
received and the bank account in which said
consideration received and share transfer documents
and other details as asked for in our communication
with the bankrupt.*

*k. Such other consequential, supplementary and incidental
relief or direction as this Hon'ble Tribunal may deem fit
and necessary to meet the ends of justice.*

2. The Applicant has placed the facts through this IA in
following manner: -

2.1. The Bankruptcy Process against Mr. Navin Kumar
Tayal, Personal Guarantor to M/s. Krishna Knitwear
Private Limited, was initiated by this Adjudicating
Authority vide order dated 27.01.2025. Pursuant
thereto, Mr. Sunil Kumar Kedia (IBBI Regd No.
IBBI/IPA-001/IP-P00028/2016-17/10064) was

appointed as the Bankruptcy Trustee. The Code to investigate the affairs of the bankrupt.

- 2.2. Pursuant to the said order, the Bankruptcy Trustee assumed charge and became vested with the rights over the estate of the bankrupt, including custody and control of assets, actionable claims, and authority to investigate the affairs of the bankrupt in terms of Sections 149 and 154 of the Code.
- 2.3. It is further submitted that in terms of Section 150 of the Code read with Regulation 12 of the applicable Regulations, the bankrupt is under a statutory obligation to extend full cooperation and provide all necessary information and documents required for the effective conduct of the bankruptcy process.
- 2.4. The Bankruptcy Trustee issued a public announcement inviting claims from the creditors of Mr. Navin Kumar Tayal on 30.01.2025 in three newspapers, namely Financial Express (Gujarati Edition, Ahmedabad), Financial Express (English Edition, Ahmedabad), and Economic Times (English Edition, Ahmedabad). The last date for submission of claims was 07.02.2025.
- 2.5. The list of claims received against the Personal Guarantor/Bankrupt, Mr. Navin Kumar Tayal, in C.P. (IB) No. 53/AHM/2022, has been prepared in accordance with Regulation 20(1) of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for

Personal Guarantors to Corporate Debtors) Regulations, 2019.

- 2.6. The Applicant submits that, pursuant to the public announcement dated 30.01.2025, the updated list of claims reflects admitted claims aggregating to Rs.6,575.81 crore, entirely comprising Financial Creditors, with no claims admitted from Operational Creditors or Government authorities.
- 2.7. The total admitted claims of creditors aggregate to Rs 6,575.81 crore, comprising primarily of financial creditors, with major exposure held by Bank of Baroda (14.71%), UCO Bank (13.22% and 9.17%), Indian Overseas Bank (8.99%), Union Bank of India (8.76%), Punjab & Sind Bank (7.82%) and State Bank of India (5.66%), along with other institutional and operational creditors holding the remaining voting share, cumulatively constituting 100% of the Committee of Creditors (as per petition pg. 15).
- 2.8. The Bankruptcy Trustee has constituted the Committee of Creditors on the basis of the list of creditors prepared in accordance with Regulation 20 of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019. As per petition the chart of composition of the Committee of Creditors is at pg. 16 of the petition.

- 2.9. After assuming office, the Bankruptcy Trustee called upon the bankrupt to submit the Statement of Financial Position within seven days in accordance with Section 129 of the Insolvency and Bankruptcy Code, 2016. However, the bankrupt failed to submit the said statement in Form E under oath.
- 2.10. The Applicant submits that, pursuant to filing of an Interlocutory Application under Regulation 12 of the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, the bankrupt furnished a notarised Form E (Statement of Financial Position), which has been taken on record. As per the said disclosure, no immovable property or significant financial investments have been declared. The disclosed assets comprise a car valued at Rs.50,000/-, jewellery including a gold ring and other ornaments aggregating Rs.1,15,000/-, classified as excluded assets, and shareholdings in K Lifestyle & Industries Ltd (Rs.2,33,97,693/-) and Eskay Knit (India) Limited (Rs.4,20,197/-), both under CIRP and treated as non-excluded assets.
- 2.11. During the course of discharge of his duties, the Applicant, in his capacity as Bankruptcy Trustee, while investigating the affairs of the bankrupt under Section 149 of the Insolvency and Bankruptcy Code, 2016, came across certain transactions entered into by the bankrupt in the past, as well as certain suspicious

investments and properties requiring detailed examination to ascertain the true estate of the bankrupt.

- 2.12. Accordingly, the Bankruptcy Trustee sought various details and documents from the bankrupt in respect of such transactions, investments, and properties; however, the same have not been furnished till date. In view thereof, the Applicant submits that a separate application has been/will be filed before this Adjudicating Authority seeking appropriate directions, after granting a final opportunity to the bankrupt.
- 2.13. The Bankruptcy Trustee has appointed an investigation agency, namely M/s. Kanitkars Advisory LLP, having its office at Office No. D-5, Ground Floor, Building No. 3, Sumer Nagar CHSL, Off S.V. Road, Borivali (West), Mumbai - 400 092 (Email: kanitkarsadvisoryllp@gmail.com; Contact No.: +91-9702000114 / +91-9702000113), on 29.03.2025 to identify and trace the undisclosed assets of the bankrupt; however, the report from the said agency is yet to be received.
- 2.14. It is further submitted that specific directions were issued to the said agency, vide a separate letter, to trace and ascertain the whereabouts and beneficial ownership of M/s. K.K. Jajodia Foundation (Trust), being the owner of Flat No. 131/A, NCPA Apartments,

approximately 3,475 sq. ft., with maintenance charges of around Rs.2,75,000/- per quarter.

- 2.17. The Applicant submits that, in order to ascertain the ownership and/or beneficial interest of the bankrupt in the said property, the Bankruptcy Trustee conducted inquiries with Apsara Co-operative Housing Society Ltd. through email, which revealed that the flat stands in the name of M/s. K.K. Jajodia Foundation (a trust), while maintenance charges are being paid by M/s. Shree Krishna Silk Industries Pvt. Ltd. (CIN: U19000MH1986PTC040812). Pursuant thereto, the Applicant undertook further steps to identify and trace the real/beneficial ownership of the said trust.
- 2.18. The Applicant observed that the bankrupt, Mr. Navin Kumar Tayal, had submitted his last financial statement for the period ended 31.03.2010 to the financial creditor, State Bank of India, wherein it was disclosed that he was a partner in M/s. Shree Ganesh Knitting and Manufacturing Mills (PAN: ABNFS9736P), having assets in Mumbai and Silvassa. As per the said financial statement, the closing balance in the capital account of the bankrupt in the said firm was Rs. 50,44,832/- as on that date.
- 2.19. The Applicant has observed that the bankrupt, Mr. Navin Rampratap Tayal, was a promoter and shareholder in the companies listed below, holding a substantial number of equity shares. However, it is

noted that his name has subsequently been removed from the records by effecting transfer of shares to other persons, who are alleged to be benami shareholder.

Note: All these companies having prime immovable property high value most let out and earning lease rental income.

Name of companies in which the Bankrupt was having substantial shareholding: -

Sr. No.	Company Name	Paid-up Capital (₹)	Total Number of Shares	Percentage of Holding	Date of Transfer of Shares
1	Bilpower Textile and Realpro Pvt. Ltd.	1,00,000	10,000	50%	21.08.2014
2	Delux Polymers Private Limited	5,00,000	5,000	20%	08.09.2014
3	Encare Textiles and Properties Private Limited	1,00,000	10,000	50%	17.12.2012
4	Gamin Traders Private Limited	2,00,000	4	20%	10.09.2011
5	Hotline Textiles and Infrastructure Private Limited	1,00,000	10,000	30%	10.09.2011
6	Joindre Textile & Infrastructure Pvt. Ltd.	1,00,000	10,000	50%	21.08.2014
7	Comrade Lease Finvest Private Limited	1,00,000	10,000	90%	27.08.2018

2.20. The Applicant further observed that the removal of name of Mr. Navin Rampratap Tayal (Bankrupt) from the Register of Members and showing the shares as transfer in favour of other benami person was "without

sufficient cause" and accordingly inquiries have been made with the Bankrupt to explain the entire transaction.

2.21. The Applicant submits that, in relation to the aforesaid transfer of shares, the Applicant has called upon the concerned parties to furnish, inter alia, the valuation certificate of the shares transferred, details of consideration received for such transfer, particulars of the bank account in which the consideration has been received, and a copy of the executed share transfer deed.

2.22. The details of company wise shares transferred from Navin Kumar Tayal to Benami Shareholders are as under: -

Bilpower Textiles And Conpro Private Limited (CIN : U45201MH2006PTC165339)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
21/08/2014	Navin Rampratap Tayal	(1)Azam Mohmined Ahsan Shaikh (2) Nayyar Baldevraj Kulwinder Kumar	2500 2500	10 10	50%

Delux Polymers pvt Ltd (CIN : U18101MH1989PTC052705)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
08/09/2014	Navin Rampratap Tayal	Keshav Navin Tayal	1000	100	20%

Eacare Textiles And Properties Private Limited (CIN : U45201MH2006PTC165340)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
17/12/2012	Navin Rampratap Tayal	Shriprasad Shrivasharva	5000	10	50%

GAMIN TRADERS PRIVATE LIMITED (CIN : U51420MH2002PTC135071)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
10/09/2011	Navin Rampratap Tayal	Dhaka Jodharam	1	50000	50%

Hotline Textiles And Conpro Pvt Ltd. (CIN : U45201MH2006PTC165461)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
10/09/2011	Navin Rampratap Tayal	Dhaka Jodharam	5000	10	50%

Joindre Textiles And Reality Private Limited(CIN : U45201MH2006PTC165444)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
21/08/2014	Navin Rampratap Tayal	1) Dhaka Jodharam 2) Shrivasharva Shriprasad	2500 2500	10 10	50%

COMRADE LEASE FINVEST PRIVATE LIMITED (CIN : U65900MH1996PTC102145)

Date of Transfer	From	To	Number of Equity Shares	Face Value / share	Percentage of share capital
27/08/2018	Navin Rampratap Tayal	Jade Traders Private Limited	9000	10	90%

Present Status of these companies

Sr	Company Name CIN Number PAN Number Registered Office Ad Email ID	Present Directors			Paid Up Capital
		Name of Director	DIN	Date of Appointment	
1	Bilpower Textile And Realpro Pvt Ltd U45201MH2006PTC165339 A.ADCB0082H Office No.-24, Mezzanine Floor, Swadeshi Mill Compound, Plot No. 80/84, Opera House, JSS Ro, ad, Girgaon, Mumbai City, MUMBAI, Maharashtra, India, 400004 bilpower2006@hotmail.com	Khageshwar Dass	08199947	14/01/2020	1,00,000
		Umesh Dhekajji Bhoyar	08157934	18/01/2020	
		Deepak Himatal Sbeth	07194896	28/05/2015	
2	Delux Polymers Private Limited U18101MH1989PTC052705 PAN - AAACD4132B Unit No 34a 2nd Floorarsiwala Bldg 57 Wodehouse Road Colaba, Mumbai City, Mumbai, Maharashtra, India, 400005 deluxpoly@gmail.com	Anita Sonare	09115938	25/10/2021	5,00,000
		Bhogiya Jayshriben	10540003	19/03/2024	
3	Encare Textiles And Properties Private Limited U45201MH2006PTC165340 PAN : AABCE6834E Second Floor, Krishna House, Raghuvanshi Mill Compound SB Marg, Lower, Parel, Mumbai City, Mumbai, Maharashtra, India, 400013 properties2008@outlook.com	Azam Mohmmmed Ahsan Shaikh	02934127	19/10/2012	1,00,000
		Bhushan Shankar Patil	06682044	03/05/2022	
4	Gamin Traders Private Limited U51420MH2002PTC135071 PAN : AABCG5485F Office no. 109, 1st Floor, Sopariwala Estate, Raja Ramnohan Roy Marg, Nr. Hinduja College, Girgaon, Mumbai City, Mumbai, Maharashtra, India, 400004 gamintraders65@gmail.com	Azam Mohmmmed Ahsan Shaikh	02934127	20/02/2010	2,00,000
		Aditya Sanjaykumar Tayal	06650990	21/03/2022	
		Rajendra Nagpal	06699858	25/10/2021	
5	Hotline Textiles And Infrastructureprivate Limited U45201MH2006PTC165461 PAN : AAGCA0353F Unit No.6, Ground Floor, Karnath Industrial Estate, Opp. Siddhi Vinayak Temple, Mumbai, Maharashtra, India, 400025 hotlinetextile@gmail.com	Omprakash Singh	09196529	07/06/2021	1,00,00,000
		Santosh Manohar Mhatre	09197680	07/06/2021	

6	Joindre Textile & Infrastructure Pvt Ltd U45201MH2006PTC165444 PAN : AABCJ7773P Office No. F-104, 1st Floor, Haware Fantasia Business Park, Plot Number 47, Sector 30, A, Vashi, Mumbai City, Navi Mumbai, Maharashtra, India, 400073 communication.corporate21@gmail.com	Santosh Manohar Mhatre	9197680	09/06/2021	1,00,000
		Maruti Bandu Sapkal	08493159	10/03/2021	
7	Comrade Lease Finvest Pvt Ltd U65900MH1996PTC102145 PAN : AABCJ0405E 1st Floor, Krishna House, Raghuvanshi Mill Compound, Senapati Bapat Marg, Lower Par, El (W), Mumbai, Maharashtra, India, 400013 comrade.lease.finvest@gmail.com	Jodha Ram Dunga Ram Dhaka	01216102	29/11/2004	1,00,000
		Shivprasad Kuwarbahadur Shrivastav	01455458	29/11/2004	

Details of Assets available in the said Companies where there is a suspicion that the shareholders are benami and bankrupt is the beneficial owner to the extent of shareholding as stated above.

Sr	Name Of Company	Naveen Kumar Tayal (Share / Percentage)	Asset Description	Yearly Income Lease Rent / Interest / Dividend (Rs.in crore)
1	Delux Polymers pvt Ltd.	20%	Delux House, Raghuvanshi Compound Mill (approx 32000 sqft)	Not known
2	Encare Textile And Properties Private Limited	50%	2 nd Floor, Raghuvanshi Mill Compound	2.00
3	Hotline Textile And Infrastructure Private Limited	30%	101 – 102, Sumer Plaza, Andheri (9590 sq.ft)	1.00
			201 – 202, Sumer Plaza, Andheri (9590 sq.ft)	1.00
			Land at Silivasa	0.50
4	Joinder Textile And Reality Pvt Ltd.	50%	Investment in Shares of other companies	
5	Comrade Lease Finvest Pvt Ltd	90%	Gala No.435, Shah & Nahar Industrial Estate at Lower Parel (1165 sq.ft)	0.80

2.23. The Applicant submits that, upon due inquiry with the bankers of the aforesaid seven companies, the Bankruptcy Trustee has observed that the bankrupt and his immediate family members continue to act as authorised signatories for operation of the bank accounts of all such companies, and that the bankrupt remains an authorised signatory in the bank accounts maintained with Union Bank of India, Lower Parel Branch / Turbhe Vashi Branch, Mumbai, till date, despite the alleged transfer of shares having taken place long back.

2.24. This conduct raises serious suspicion regarding the beneficial ownership of the said companies and indicates that the purported transfer of shares is

merely a sham transaction intended to mislead the creditors.

2.25. The Bankruptcy Trustee, vide emails, called upon the Bankrupt to furnish requisite information, particularly the succession certificate / legal heir certificate, necessary for updating the name of the Bankrupt in the records of immovable properties belonging to his late father, Mr. Rampratap Tayal. It is observed that, upon the demise of his father, the rights and title in such immovable properties have devolved upon the Bankrupt along with other legal heirs.

2.26. Despite repeated requests and reminders issued by the Bankruptcy Trustee on 08.03.2025, 19.03.2025, 05.04.2025, 08.04.2025, 29.04.2025 and 27.06.2025, the Bankrupt has failed to provide the succession certificate / legal heir certificate, which is essential for bringing such assets, in his capacity as successor, into the Estate of the Bankrupt. However, a response was received from the Bankrupt vide email dated 15.07.2025, stating as under:-

"I want to clarify that the property of my father is not ancestral. The property regarding which details have been sought is mortgaged with the bank. I am not the legal owner of the above mentioned property. Therefore, I do not have the information sought by you because this property does not belong to me. Right now the status of this property is that it is a mortgage."

2.27. Being dissatisfied with the reply furnished by the Bankrupt, the present application has been filed seeking specific directions to the Bankrupt to provide the succession certificate / legal heir certificate and to extend necessary cooperation in the process of updating the records of immovable properties vested in him, being a legal heir of his deceased father, Mr. Rampratap Tayal.

2.28. In this matter, the Bankruptcy Trustee sent request mailed to bankrupt with regards to ownership of the flat emailed on 16/04/2025, 17/07/2025 asking the various details as below.

- a. *Your connection with M/s. K. K. Jajodia Foundations.*
- b. *Whether you or your immediate family members are the trustee or beneficiary in the said trust. OR*
- c. *What is your arrangement with the M/s. K. K. Jajodia Foundations for enjoying the property?*
- d. *Any amount is being paid to M/s. K. K. Jajodia Foundations.*
- e. *Who is the Authorised Person managing M/s. K. K. Jajodia Foundations provide his address, mobile number and email id. Who is the beneficiary of M/s. K. K. Jajodia Foundations?*
- f. *The details of bank account of M/s. K. K. Jajodia Foundations.*

2.29. Further, it has been observed that Shree Krishna Silk Industries Pvt Ltd a company is making payments to 'ASPARA CO-OPERATIVE HOUSING SOCIETY LIMITED' housing society of NCPA Apartments towards

maintenance charges of Flat No. 131. In this connection you do hereby asked to explain:-

- a. What is the connection of Shree Krishna Silk Industries Pvt Ltd with your family?
- b. How much monthly maintenance charges of the said flat.
- c. Source of payment of maintenance charges if any paid by your family.

2.30. In response to the email, the Bankrupt, Mr. Navin Kumar Tayal, vide email dated 18.07.2025, stated that the information sought pertained to Flat No. 131, 13th Floor, NCPA Apartments, owned by M/s. K.K. Jajodia Foundation, and that the said property has been taken on rent by his son from the said Foundation.

2.31. The Applicant submits that the bankrupt has stated that he has no connection with the said property, except that he occasionally resides therein with his son, and that the maintenance charges are being paid by his son through cheque from Shree Krishna Silk Company, while expressing lack of knowledge regarding the monthly rental payments. Being dissatisfied with the aforesaid response, the present application has been filed seeking specific directions to the bankrupt to disclose the whereabouts of M/s. K.K. Jajodia Foundation, its beneficiaries, and the nature of the arrangement under which he and his family are residing in the residential flat owned by the said

Foundation.

2.32. In this matter, the Bankruptcy Trustee asked through email on 02/05/2025, 24/06/2025, 27/06/2025 & 11/07/2025 to provide following documents:-

- a. Copy of partnership deeds (original & subsequent modification if any)
- b. Copy of Audited Balance Sheet of the firm M/S. Shree Ganesh Knitting and Manufacturing Mills for year ended on 31.03.2013 and onwards.
- c. Copy of Capital Account of Mr. Navin Kumar Tayal in the firm since 2010 to till date.
- d. Details of the assets held by the firm.

2.33. In response to the email, the Bankrupt, Mr. Navin Kumar Tayal, vide email dated 11.07.2025, stated that he had been a partner in M/s. Shree Ganesh Knitting and Manufacturing Mills long ago and had subsequently retired from the partnership. He further stated that, at present, he is not a partner in the said firm and does not possess any information or documents in relation thereto, as the information sought pertains to a period long past and no relevant records are traceable.

2.34. Being dissatisfied with the aforesaid reply, the present application has been filed seeking specific directions to the Bankrupt to furnish details of his investment in the partnership firm M/s. Shree Ganesh Knitting and

Manufacturing Mills, along with relevant documents, more particularly the Partnership Deed, partner's capital account in the firm since 2010, and copies of any deeds of amendment to the partnership, if any, executed thereafter.

- 2.35. The Bankruptcy Trustee emailed to bankrupt regarding Private Limited companies having benami shareholders and directors. In this matter, the Bankruptcy Trustee sent request mailed on to various companies in which the benami shares been transferred and Bankrupt having substantial shareholding.
- 2.36. The Bankruptcy Trustee has further observed that the removal of name of Mr. Navin Rampratap Tayal (Bankrupt) from the Register of Members and showing the shares as transfer in favour of other benami person was "without sufficient cause" i.e. without consideration and without documents and accordingly inquiries have been made with the Bankrupt to explain the entire transaction.
- 2.37. The applicant has asked the following documents in relation to above transfer of shares of each of the companies.
- a. Valuation Certificate of Shares Transferred
 - b. Consideration received for sale of shares as aforesaid
 - c. Bank Account in which the consideration has been deposited.

d. Copy of Share Transfer Deed executed.

2.38. The Applicant submits that the Bankruptcy Trustee addressed emails on various dates to multiple companies, including Bilpower Textile and Realpro Pvt. Ltd., Delux Polymers Private Limited, Encare Textiles and Properties Private Limited, Gamin Traders Private Limited, Hotline Textiles and Infrastructure Private Limited, Joindre Textile & Infrastructure Pvt. Ltd., and Comrade Lease Finvest Private Limited, seeking relevant information. In response, the Bankrupt replied in a standard manner stating that the matter is old, that he does not possess details of such old transactions, and that no related documents are available in his records.

2.39. Being dissatisfied with the replies, the present application has been filed seeking directions to the Bankrupt to disclose details of consideration received and furnish copies of transfer documents relating to shares in various private limited companies, wherein he earlier held substantial shareholding and which are stated to own significant immovable properties, including alleged transfers to benami persons.

Ground

- i. The Bankrupt has failed to furnish the requisite details and documents despite repeated reminders, thereby creating impediments in the time-bound bankruptcy process.

- ii. In such circumstances, the Applicant has been constrained to file the present application under Regulation 12(3) of the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, read with Sections 149 and 150 of the Insolvency and Bankruptcy Code, 2016, seeking appropriate directions against the Bankrupt for non-cooperation.
 - iii. It is further submitted that, as per Regulation 12 of the aforesaid Regulations, the Bankrupt is duty bound to cooperate and extend all necessary assistance for completion of the bankruptcy process. In the event the Bankruptcy Trustee, despite reasonable efforts, is unable to obtain the required information or cooperation, he is entitled to approach the Adjudicating Authority for appropriate directions to facilitate the conduct of the bankruptcy process.
 - iv. Hence, this application has been preferred before your Hon'ble as per the provisions of Regulation 12 (3) as aforesaid.
3. In response to the above averments made by the Applicant a **reply** was filed by the Respondent/Bankrupt on 23.09.2025 vide Inward Diary No. 6431 Upon perusal of the said reply, it is observed that in Para 5, the Respondent/Bankrupt has stated that he is not dealing with each and every allegation

paragraph-wise and has reserved his right to file a further affidavit, as and when required.

4. Through order dated 24.09.2025 Ld. Counsel for the Respondent/Bankrupt submitted that the said reply be treated as a detailed reply to the IA and requested that Para 5 thereof may not be taken into consideration and be treated as deleted, thereby making following submissions: -

4.1. At the outset, the Respondent has contended that the Application is mala fide, filed with intent to harass and prejudice the Respondent, and that he has, at all times, cooperated with the Bankruptcy Trustee and complied with the directions of this Hon'ble Tribunal.

4.2. It is further submitted that the Application is based on vague and roving inquiries relating to properties and transactions allegedly beyond a decade old, which are outside the scope of the Insolvency and Bankruptcy Code, 2016.

4.3. It is submitted that the Applicant has previously filed similar applications alleging non-cooperation on the part of the Respondent. In particular, I.A. No. 544 of 2025 was filed on the technical ground of non-submission of details under Form-E on oath. In response thereto, the Respondent had filed an Affidavit in Reply dated 30.06.2025, highlighting the conduct of

the Applicant. The said I.A. No. 544 of 2025 was subsequently disposed of vide Order dated 01.07.2025.

- 4.4. It is further submitted that the present Application is yet another attempt by the Bankruptcy Trustee to prejudice this Hon'ble Tribunal against the Respondent and amounts to abuse of process of law. Accordingly, the Application deserves to be dismissed at the threshold without delving into the merits.
- 4.5. A copy of the Affidavit in Reply dated 30.06.2025 is annexed as **Annexure-R1**, and a copy of the Order dated 01.07.2025 is annexed as **Annexure-R2**.
- 4.6. It is submitted that the present Affidavit in Reply has been filed for the limited purpose of opposing the Application, and the Respondent has not dealt with each allegation paragraph-wise at this stage, while reserving the right to file a further affidavit, if required.
- 4.7. At the outset, it is submitted that the reliefs sought in the present Application are beyond the jurisdiction and scope of this Hon'ble Tribunal under the Code and are liable to be dismissed on this ground alone. The Application also deserves dismissal on account of suppression of material facts and forum shopping by the Applicant. In this regard, it is pertinent that the Applicant had earlier filed a petition under Section 59 of the Companies Act, 2013 before the Hon'ble NCLT, Mumbai, seeking reinstatement of the Respondent's name in the Register of Members of Hotline Textiles

and Infrastructure Private Limited, which was rejected under Rule 28(4) of the NCLT Rules, 2016 due to non-curing of defects, a fact not disclosed herein **(Annexure-R3)**.

- 4.8. It is further submitted that none of the properties referred to in the present Application belong to or vest in the Respondent, and therefore no directions can be passed in respect thereof.
- 4.9. With regard to that no Succession Certificate or Legal Heir Certificate exists in favour of the Respondent, nor is the same mandated in law. It is further submitted by the Bankrupt that the property situated at Valsad is not ancestral and has not devolved upon the Respondent; accordingly, the Respondent has no right, title, or interest therein and does not possess any documents in relation thereto, as already communicated to the Applicant vide email dated 15.07.2025 **(Annexure-R4)**. In view thereof, the Respondent cannot be compelled to seek mutation of his name in respect of a property in which he has no right, title, or interest.
- 4.10. It is further submitted that, to the best of the Respondent's knowledge, leasehold rights in the said property were originally derived by late Mr. Ram Pratap Tayal from K.K. Jajodia Foundation and were subsequently transferred to Akshita Kedia Tayal and Mr. Akash Tayal, who are presently occupying the

premises. The Respondent has no documents or details in this regard, particularly in view of the demise of late Mr. Ram Pratap Tayal and prior disputes.

- 4.11. It is also submitted that the Respondent is merely residing in the said premises with his son, Mr. Akash Tayal, and such residence does not confer any right, title, or interest in the property.
- 4.12. With respect to paragraph 6(iii) of the Application, it is submitted that the Respondent was a partner in M/s. Shree Ganesh Knitting & Manufacturing Mills for approximately sixteen years and retired in 2013. Owing to the lapse of more than a decade and absence of any subsequent association, the Respondent is unable to retrieve financial records, including capital account and statements for FY 2012–2013.
- 4.13. It is further submitted that, upon retirement, the Respondent's capital account reflected a nil balance, as also evident from his income tax return. In view of the passage of time, it is not feasible to obtain such documents. A copy of the Resignation Letter dated 01.04.2013 is annexed as **Annexure-R5**.
- 4.14. With respect to paragraph 6(iv) of the Application, it is submitted that the details sought pertain to transactions of the years 2011–2014, which are not available with the Respondent, and in any event, there is no requirement in law to maintain such old records.

- 4.15. It is further submitted that the transactions in question fall beyond the statutory look-back period of two years under the Code and, therefore, are not relevant for the present proceedings. The share transfers, including those made between 2011–2014 and in 2018, are outside the said period.
- 4.16. It is also denied that the Respondent presently holds any managerial or other role in the companies referred to in the Application.
- 4.17. It is submitted that, in the case of bankruptcy of a personal guarantor, there is no statutory provision under the Code or the applicable Regulations enabling the Bankruptcy Trustee to seek or investigate information beyond the prescribed two-year look-back period.
- 4.18. It is further submitted that the powers of the Trustee to call for documents must be exercised reasonably, proportionately, and within the legal framework, and cannot extend to remote or historic information unconnected with the commencement of bankruptcy proceedings, as the same would amount to fishing and roving inquiry.
- 4.19. In view thereof, it is prayed that the Bankruptcy Trustee be restrained from seeking production of documents which are old, not readily available, and beyond the statutory period, particularly when the Respondent has already extended full cooperation and

furnished all documents available to him. Any further direction would impose an impossible burden upon the Respondent, contrary to the settled principle of *lex non cogit ad impossibilia*.

4.20. It is also submitted that the definition of “personal guarantor” under Section 5(22) of the Code does not extend to heirs, and the liability is confined to the estate and assets of the guarantor alone. Reliance is placed on the judgment of the Hon’ble NCLT in ***Bank of Baroda, SAMB v. Divya Jalan (CP (IB) No. 363/KB/2021)***, wherein it has been held that heirs do not step into the shoes of the personal guarantor.

4.21. In light of the above facts and circumstances, it is prayed that the present Interlocutory Application be dismissed with costs.

5. In compliance with the order dated 24.09.2025, the Respondent/Bankrupt has filed an **affidavit** on 29.09.2025 vide Inward Diary No. D- 6626 furnishing the details of the legal heirs of his late father, Shri Rampratap Tayal. Along with the said affidavit, the Respondent has annexed:

- i. the family tree of late Shri Rampratap Tayal as **Annexure-RR1**, and
- ii. The death certificate of late Shri Rampratap Tayal as **Annexure-R2**.

6. To the above averments made by the Respondent/Bankrupt, a **Rejoinder Affidavit** has been filed by the Bankruptcy Trustee on 10.10.2025 vide Inward Diary No. D-6781, which is reproduced as under:-

- 6.1. It is submitted that the Respondent/Bankrupt has failed to furnish the requisite documents and has adopted evasive tactics, thereby not cooperating. The information sought is essential to ascertain the true estate of the Bankrupt, and the Respondent is duty bound to assist the Bankruptcy Trustee in bringing on record all assets as on the bankruptcy commencement date under Section 155 of the IBC, 2016, as well as any after-acquired property under Section 159.
- 6.2. It is further submitted that the conduct of the Respondent is contrary to the spirit of the Code, and therefore, this Hon'ble Bench may be pleased to draw an adverse inference on account of such non-cooperation.
- 6.3. It is submitted that the Respondent/Bankrupt has made false statements on oath. It is pertinent to note that, in earlier I.A. No. 544 of 2025 filed on the ground that Form-E was not submitted on oath, the Respondent subsequently filed a notarized Form-E before this Hon'ble Bench and the Applicant **(Annexure-A)**.

6.4. In the said Form-E, the Respondent declared on oath that neither he nor his immediate family members owned any immovable property. However, in the course of investigation under Section 149 of the IBC, 2016, the Applicant has identified certain immovable properties allegedly belonging to the Bankrupt and his immediate family member, namely his spouse, Ms. Bhavna Tayal. The assets found are as under:-

Description of the assets	Name of the Owner	Attachment (7)
Bungalow / plot no 392 admeasuring 657 Sq Mtrs in villageKumbheri, Taluka Mulshi, Dist Pune known as AAMBY VALLEY CITY Lease hold for 999 years.	Mr Navin Kumar Tayal and Mr Ram Pratap Tayal jointly	Copy of Lease Deed Attached ANNEXURE - B1
Bungalow / plot no 388 admeasuring 714 Sq Mtrs in villageKumbheri, Taluka Mulshi, Dist Pune known as AAMBY VALLEY CITY	Mrs Bhavana Tayal and Mr Ram Pratap Tayal	Copy of Lease Deed Attached ANNEXURE - B2

6.5. The Applicant has placed on record revenue records, including 7/12 extracts and 8A records (**Annexure-C1 & C2**), evidencing immovable property in the name of the Bankrupt's father, forming part of the estate.

6.6. The Applicant respectfully submits that documents obtained from Apsara Co-operative Housing Society, including email dated 11.08.2025 (**Annexure-D1**) and subsequent correspondence along with supporting records such as the car sticker application form, share certificate, property tax details and related documents (**Annexure-D2**), clearly indicate that the Bankrupt and

his spouse, Mrs. Bhavna Tayal, are reflected in connection with the flat at NCPA Apartments, Nariman Point, Mumbai, and are deriving benefits therefrom, contrary to the Respondent's denial.

- 6.7. The Applicant has also produced bank statements of the Bankrupt (**Annexure-E1 & E2**), which do not reflect any consideration received from alleged past transactions, thereby raising doubt over the genuineness of such transactions.
- 6.8. It is further submitted that income tax records of M/s. Shree Ganesh Knitting & Manufacturing Mills (**Annexure-F**) show that the Bankrupt's son holds substantial shareholding, indicating continued control and nexus with the said firm.
- 6.9. It is also placed on record that the Bankrupt continues to act as an authorised signatory in bank accounts of various companies (**Annexure-G**), thereby indicating continuing control despite alleged transfer of shares.
- 6.10. In view of the above, it is submitted that the Respondent has suppressed material facts, made false statements on oath, and failed to cooperate with the Bankruptcy Trustee, warranting adverse inference and appropriate directions by this Hon'ble Tribunal.
7. The Respondent/Bankrupt has also filed a **sur-rejoinder** on 10.11.2025 vide Inward Diary No. D- 7419, which is reproduced as under: -

- 7.1. At the outset, the Respondent has stated that all averments, except those specifically admitted, are denied in toto and no adverse inference ought to be drawn merely on account of non-specific responses. The Respondent has further reiterated the contents of his earlier Affidavit in Reply dated 30.06.2025 and the Additional Affidavit dated 26.09.2025, asserting that the same fully and correctly set out his position.
- 7.2. In response to the principal allegation of non-cooperation, the Respondent has categorically denied having withheld any information or documents from the Bankruptcy Trustee. It is his case that all information available with him has already been furnished, and that the present application is an attempt to initiate fishing and roving inquiry beyond the scope of the Insolvency and Bankruptcy Code, 2016.
- 7.3. The Respondent has further contended that the information now being sought either pertains to properties in which he has no right, title or interest, or relates to transactions that are more than a decade old and fall outside the statutory framework governing the present proceedings.
- 7.4. On the issue of disclosure obligations, the Respondent has submitted that under Section 129(1) of the Code, he is only required to submit a Statement of Financial Affairs, which has already been duly provided. It is

specifically contended that there exists no statutory mandate requiring disclosure of assets belonging to immediate family members, and that the insistence of the Applicant in this regard is without authority of law and contrary to the scheme of the Code.

- 7.5. With respect to the immovable properties referred to in the Rejoinder, the Respondent has stated that the said properties originally belonged to Sahara India Parivar and were taken on long-term lease by his late father, Mr. Ram Pratap Tayal. It is asserted that the Respondent neither made any payments towards acquisition or maintenance of the said properties nor was such properties ever reflected in his books of account.
- 7.6. Insofar as the properties allegedly connected with Ms. Bhavna Tayal are concerned, the Respondent has submitted that she is not a party to the present proceedings and, therefore, no comments are warranted. It is also contended that seeking disclosure of her assets is beyond the scope of the statute.
- 7.7. The Respondent has strongly denied the allegation that he has made any false declaration on oath or that he has attempted to conceal assets. According to him, such allegations are baseless and unsupported by any material on record. Similarly, in relation to the requirement of producing a legal heir certificate or "Pedhinama," the Respondent has contended that there

is no legal obligation mandating the same.

- 7.8. He has submitted that the complete family tree has already been placed on record through the Additional Affidavit dated 26.09.2025, and that he cannot be compelled to obtain a succession certificate in the absence of any statutory requirement, though the Bankruptcy Trustee is free to proceed independently in accordance with law.
- 7.9. The Respondent contends that reliance on the car parking sticker application dated 21.01.2025 to allege ownership of the flat is misconceived, as the said form is merely a standard proforma for parking permission and does not establish ownership or title, which must be proved through legally recognized documents.
- 7.10. As regards the non-production of certain financial records, particularly those pertaining to earlier years, the Respondent has stated that he had retired from M/s Shree Ganesh Knitting & Manufacturing Mills and, owing to the passage of time, it is practically impossible to retrieve records such as capital accounts or financial statements for the financial year 2012–2013. It is thus contended that such non-availability cannot be construed as deliberate suppression of information.
- 7.11. The Respondent denies exercising any de facto control over the said companies, submitting that he was merely an authorised signatory at the time of opening

of bank accounts around 2011 and had resigned in 2014 and 2018. It is contended that the mere continuation of his name as an authorised signatory does not establish control, and that no cogent evidence has been produced by the Applicant to substantiate such allegation.

7.12. The Respondent denies that the transfer of shareholding to third parties was undertaken with any intent to defeat creditors, contending that such allegations are based on mere presumptions without supporting material. It is further submitted that even after his resignation from the Corporate Debtor, banks continued to extend additional financial facilities, which, according to the Respondent, negates any allegation of mala fide conduct.

7.13. The Respondent has raised a jurisdictional objection, contending that issues concerning third-party entities, companies, or partnerships cannot be adjudicated in the present proceedings in the absence of such entities as parties, and that any such adjudication would violate principles of natural justice and exceed the jurisdiction under the Code.

7.14. In light of the aforesaid submissions, the Respondent has prayed for dismissal of the Interlocutory Application with costs, asserting that the same is devoid of merit and not maintainable in law.

8. In compliance with the Order dated 07.11.2025, this Tribunal directed the Applicant/Bankruptcy Trustee to place on record an affidavit specifying the information sought from the bankrupt and the information provided. The same has been filed on 12.11.2025 vide Inward Diary No. D7457.
9. Further, in compliance with the order dated 21.11.2025, the Bankrupt did not appear in person as directed. Instead, an exemption application was filed on his behalf along with a photocopy of a private doctor's certificate on 26.11.2025, vide Inward Diary No. D-7939. The said certificate stated that, on account of medical reasons, the Bankrupt was not in a position to travel from Mumbai to Ahmedabad to attend the hearing. It was therefore requested that the Bankrupt be permitted to appear through virtual mode, as the medical certificate indicated that he was unable to travel for a period of five to seven days.
10. In pursuance to the order dated 08.12.2025, another photocopy of a doctor's prescription dated 07.12.2025 was placed before this Tribunal, wherein the

Respondent/Bankrupt had been advised complete bed rest. In view thereof, the Respondent/Bankrupt could not appear physically before this Tribunal as directed. In view of the above, the personal appearance of the Respondent/Personal Guarantor was exempted for the said date.

- 11.** However, the Respondent/Bankrupt was directed to place on record a medical certificate issued by a Government Hospital to substantiate the aforesaid condition the same has been placed on record by annexing a photocopy of a document described as a medical certificate issued by Grant Government Medical College and Government Dental College Group of Hospitals, Mumbai.
- 12.** However, as the document produced was not in the prescribed format for a medical certificate seeking exemption from personal appearance, this Hon'ble Tribunal directed the Respondent/Bankrupt to file a proper medical certificate issued by a Government Hospital in the prescribed format, and further directed that a copy of the Order be forwarded to the concerned Government Hospital for issuance of the requisite certificate by the Medical Board after examination.

Despite such directions, no compliant medical certificate has been filed.

- 13.** Through order dated 06.01.2026, this Tribunal directed the Bankruptcy Trustee to prepare a tabular chart of unanswered queries/information. Pursuant to the same, the unanswered queries/information had been compiled in a tabular chart and provided to the Bankrupt on 10.01.2026.
- 14.** The Respondent/Bankrupt submitted that the queries/information sought by the Bankruptcy Trustee had been duly responded to and that all available information and documents had been furnished. It was further submitted that an affidavit in response to the said queries had been filed before on 20.01.2026, vide Inward Diary No. D-477.
- 15.** In response to the above the Bankruptcy Trustee submitted that neither satisfactory responses to the queries had been provided nor the relevant documents, as sought, had been furnished.
- 16.** In view thereof, the Bankruptcy Trustee on 20.01.2026 was

directed to file a rebuttal in the form of a tabular chart, indicating in the first column the queries, information and documents sought; in the second column the information, responses and documents provided or not provided; and in the third column remarks specifying satisfaction, dissatisfaction or any other relevant observations in accordance with law.

- 17.** Accordingly, the Bankruptcy Trustee filed an **affidavit of rebuttal** on 04.02.2026, vide Inward Diary No. D-890. The same was taken on record.
- 18.** The Applicant/Bankruptcy Trustee further placed on record an **additional affidavit** dated 13.02.2026 vide Inward Diary No. D- 1289, bringing on record the Final Attachment Order dated 06.01.2026 (Annexure B) passed by the Adjudicating Authority under the Prevention of Money Laundering Act, 2002. From a perusal of the said material, it is noted that:-
 - 18.1. The immovable properties, including Flat No. 131, A-Block, NCPA Apartments, Nariman Point, Mumbai, have been attached, and the Respondent/Bankrupt has been identified as a beneficiary of a trust, namely

M/s K.K. Jajodia Foundation, in relation to the said properties.

18.2. It has been contended by the Applicant that the said attachment order evidences the existence of undisclosed beneficial interests and diversion of assets through layered structures, which were not disclosed by the Respondent during the bankruptcy process. The Applicant has further submitted that such non-disclosure amounts to suppression of material information and reflects lack of cooperation on the part of the Respondent in terms of his statutory obligations under the Insolvency and Bankruptcy Code, 2016.

18.3. The said material prima facie indicates that the Respondent and his family members were involved in transactions relating to proceeds of crime arising from diversion of loan funds, with certain assets held through entities under their control. The existence of such proceedings and attachment of properties has a direct bearing on determination of the bankruptcy estate, identification of assets, and the Respondent's conduct during the bankruptcy process.

19. The Respondent/Bankrupt filed a **reply to the Additional Affidavit** dated 10.02.2026, on 24.02.2026 vide Inward Diary No. D – 1814, wherein: -

19.1. The Respondent denied all allegations and contended

that the reliance placed by the Applicant on the order dated 06.01.2026 passed under the Prevention of Money Laundering Act, 2002 (“PMLA Order”) is wholly misplaced and does not establish any ownership, vesting, or beneficial interest of the Respondent in the property bearing Flat No. 131, A-Block, NCPA Apartments, Nariman Point, Mumbai.

19.2. The said PMLA Order has neither attained finality nor conclusively determines title, and that the attachment therein has been effected only on the basis of a “reason to believe” under the “value thereof” mechanism, which is preventive in nature and does not operate as a determination of ownership. It is further contended that attachment under Section 8 of the PMLA does not result in vesting of the property unless confiscation is ordered by the Special Court, and therefore the same cannot be relied upon to enlarge the bankruptcy estate.

19.3. The Respondent has further submitted that the Bankruptcy Trustee is seeking to rely upon the said PMLA proceedings to artificially expand the scope of the bankruptcy estate without any conclusive adjudication or documentary evidence establishing ownership. It is contended that under Section 155 of the Insolvency and Bankruptcy Code, 2016, inclusion of any asset in the bankruptcy estate requires clear ownership or enforceable proprietary interest, which is absent in the present case.

- 19.4. It is also contended that the PMLA proceedings are limited in scope to preservation and safekeeping of assets pending trial and do not create or determine civil rights or proprietary title. The Respondent has relied upon judicial precedents to submit that attachment under the PMLA is merely a protective measure and does not affect ownership or possession, and that questions of title must be adjudicated by a competent civil forum.
- 19.5. On facts, the Respondent has categorically denied ownership of the NCPA Apartment and has stated that he is merely residing therein along with his son. It is asserted that the said property belongs to a third-party trust, namely K.K. Jajodia Trust, and that the premises are occupied pursuant to a leave and license arrangement executed in favour of his son. It is further submitted that no material has been placed on record to establish any financial nexus or flow of funds from the Respondent towards acquisition, maintenance or control of the said property.
- 19.6. The Respondent has also denied any relationship or beneficial interest in the said trust and has contended that all assets owned by him have already been duly disclosed. It is submitted that the allegations of suppression and non-disclosure are baseless and that he has fully complied with his obligations under the Code and extended cooperation to the Bankruptcy

Trustee.

19.7. It is further contended that the Applicant is indulging in fishing and roving enquiries and is attempting to delay the bankruptcy process by relying upon proceedings which have not attained finality. The Respondent has submitted that such attempts are contrary to the time-bound framework of the Code and that the present proceedings cannot be converted into an indefinite investigative exercise.

19.8. In view of the aforesaid, the Respondent has prayed for rejection of the reliance placed on the PMLA Order and dismissal of the reliefs sought by the Applicant in the Additional Affidavit, contending that the same is legally untenable and beyond the scope of the present proceedings.

20. The Respondent/Bankrupt has filed **written submissions** on 25.03.2026 vide Inward Diary No. D-2682. The same were taken on record.

21. Further the Applicant/ Bankruptcy Trustee also filed **written submissions** on 17.03.2026 vide Inward Diary No. D- 3339. Which were taken on record.

I.A. No. 267 of 2026

22. Further, the Interlocutory Application, being **I.A. No. 267**

of 2026, has been filed on 11.02.2026 by the Applicant, Mr. Sunil Kumar Kedia, in his capacity as Bankruptcy Trustee of Mr. Navin Kumar Tayal (Personal Guarantor/Bankrupt), under Section 138(1)(a) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016, seeking exclusion of the period of the bankruptcy process on account of non-cooperation by the bankrupt, inter alia on the ground that the Bankruptcy Trustee could not take effective control and administer the assets of the bankruptcy estate due to the failure of the bankrupt to provide requisite disclosures and assistance, along with the following reliefs:-

- a. That this Hon'ble Tribunal may be pleased to allow the present application.*
- b. That this Hon'ble Tribunal may be pleased to excluded the period from 29.07.2025 (Filing of Non-cooperation IA) to the 26.01.2026 (expiry of one year from the commencement date) plus (+) the period till the Non-cooperation IA concluded.*
- c. That the total days of exclusion comes to 182 days till the 26.01.2026 i.e. (expiry of one year from the commencement date.*
- d. That this Hon'ble Tribunal may be pleased to pass any appropriate orders.*

e. Such other directions/orders as the Hon'ble find just to meet the end of justice.

23. The Applicant has placed the facts through this IA in following manner: -

23.1. The Applicant has submitted that this Hon'ble Tribunal has jurisdiction as the bankruptcy process was initiated vide order dated 27.01.2025 in CP (IB) No. 53 (AHM) 2025.

23.2. It is further submitted that upon commencement of the bankruptcy process, the Applicant was appointed as the Bankruptcy Trustee and assumed charge in accordance with the provisions of the Code.

23.3. The Applicant submits that the bankrupt furnished Form "E" (Statement of Financial Position) on 30.06.2025; however, the said disclosure was incomplete and did not contain full particulars of the assets and financial affairs of the bankrupt, thereby necessitating further requisitions from the Bankruptcy Trustee.

23.4. It is the case of the Applicant that despite repeated communications and requisitions, the bankrupt failed to provide complete and satisfactory details with respect to the assets, thereby not extending the cooperation mandated under the provisions of the Code.

- 23.5. It is further submitted that, in view of persistent non-cooperation, the Applicant was constrained to initiate proceedings for non-cooperation and accordingly filed an Interlocutory Application on 29.07.2025 before this Adjudicating Authority seeking appropriate directions against the bankrupt.
- 23.6. The Applicant submits that the issue of non-cooperation was listed before this Adjudicating Authority on 09.02.2026 and remains to be adjudicated, thereby indicating continuing default on the part of the bankrupt.
- 23.7. It is the case of the Applicant that due to such continued non-cooperation the Bankruptcy Trustee could not take effective possession and control of the assets of the bankrupt; the investigation into the financial affairs of the bankrupt remained incomplete; the process of identification, valuation and realization of assets could not be undertaken; and the administration of the bankruptcy estate remained substantially stalled.
- 23.8. The Applicant further submits that in terms of Section 157 of the Code, the Bankruptcy Trustee is required to take control of the entire estate of the bankrupt; however, such control could not be exercised due to absence of cooperation and non-disclosure by the bankrupt.

- 23.9. It is further submitted that as a consequence of the aforesaid conduct, the bankruptcy process, which is statutorily required to be completed within one year from the bankruptcy commencement date (i.e., 27.01.2025 to 26.01.2026), could not be effectively progressed.
- 23.10. The Applicant submits that unless the period during which the Bankruptcy Trustee was prevented from discharging his duties is excluded, the statutory timeline would lapse without effective completion of the bankruptcy process, thereby frustrating the very object of the Code.
- 23.11. It is further contended that the conduct of the bankrupt in withholding information and failing to cooperate amounts to an abuse of the bankruptcy process, as it prevents effective administration while simultaneously allowing the bankrupt to benefit from statutory timelines.
- 23.12. The Applicant has, therefore, specifically prayed for exclusion of the period commencing from 29.07.2025 (being the date of filing of the application for non-cooperation) till 26.01.2026 (being the expiry of one year from the bankruptcy commencement date), aggregating to 182 days, for the purpose of computation of the statutory period under Section 138(1)(a) of the Code.

23.13. It is submitted that such exclusion is necessary to enable the Bankruptcy Trustee to effectively discharge his statutory duties, including completion of investigation, taking control of assets, and administration of the estate.

23.14. The Applicant has also invoked the inherent powers of this Adjudicating Authority under Rule 11 of the NCLT Rules, 2016, to pass appropriate orders in the interest of justice and to prevent abuse of process.

24. In response to the aforesaid averments made by the Applicant/Bankruptcy Trustee, the Respondent/Bankrupt has filed its **reply** on 03.03.2026 vide Inward Diary No. D-1906 to the present Interlocutory Application, being I.A. No. 267 of 2026. The contents of the said reply are reproduced hereunder:-

24.1. The Respondent/Bankrupt has opposed the present Interlocutory Application and has, inter alia, raised preliminary objections contending that the Application is misconceived, not maintainable in law, and liable to be rejected at the threshold. It is submitted that the Application is an attempt by the Bankruptcy Trustee to cover up his own inaction and failure to discharge statutory duties.

24.2. The Respondent submits that the Insolvency and

Bankruptcy Code, 2016 is a time-bound legislation, and the period of one year prescribed under Section 138(1)(a) for completion of the bankruptcy process is mandatory in nature and cannot be extended or excluded in the absence of an express statutory provision.

- 24.3. It is further contended that Section 138(1)(a) uses the expression “shall”, thereby casting a mandatory obligation upon the Bankruptcy Trustee to file an application for discharge upon expiry of one year from the bankruptcy commencement date, and no provision exists under the Code permitting exclusion of such period.
- 24.4. The Respondent has also submitted that, unlike other provisions of the Code (such as Section 12 in CIRP), no exclusion mechanism has been provided under Section 138, and therefore, the same cannot be read into the statute by invoking equitable principles or inherent powers.
- 24.5. It is further contended that the inherent powers under Rule 11 of the NCLT Rules, 2016 cannot be exercised to override or circumvent express statutory provisions, and cannot be invoked to extend or exclude timelines prescribed under the Code.
- 24.6. The Respondent has denied the allegation of non-cooperation and submitted that the allegation remains unproven, particularly as the application alleging non-

cooperation (I.A. No. 905 of 2025) is still pending adjudication before this Adjudicating Authority.

- 24.7. It is submitted that in the absence of any adjudication establishing non-cooperation, the present Application seeking exclusion of time is premature and based on mere allegations.
- 24.8. The Respondent has further contended that even assuming delay in furnishing certain details (which is denied), the same would not amount to “non-cooperation” unless it is wilful and deliberate so as to obstruct the bankruptcy process.
- 24.9. The Respondent submits that the Bankruptcy Trustee has not taken any substantive steps towards administration of the bankruptcy estate and has merely indulged in raising repeated queries and conducting fishing and roving inquiries without any concrete outcome.
- 24.10. It is submitted that despite the availability of disclosed assets, the Bankruptcy Trustee has failed to take possession thereof, undertake valuation, initiate any sale process, or otherwise comply with the statutory obligations cast upon him under the provisions of the Insolvency and Bankruptcy Code, 2016 and the Regulations framed thereunder.
- 24.11. The Respondent has further contended that the Bankruptcy Trustee cannot seek exclusion of time on

account of his own inaction, and that a party cannot be permitted to take advantage of its own default.

24.12. The Respondent has relied upon the following chronology to demonstrate lack of diligence on the part of the Bankruptcy Trustee:

- i. Bankruptcy commenced on 27.01.2025;
- ii. Form “E” submitted on 30.06.2025
- iii. Queries raised till 19.07.2025;
- iv. Non-cooperation IA filed on 29.07.2025;
Said IA remains pending and listed on 09.02.2026.

24.13. It is submitted that despite the above, no effective steps were taken for administration of the estate, and therefore, the delay is attributable to the Applicant and not the Respondent.

24.14. The Respondent has submitted that he has fully cooperated in the bankruptcy process and has: submitted Form “E”; filed replies, additional affidavits, and sur-rejoinder; responded to all queries to the extent of information available; and provided explanations regarding all assets and transactions.

24.15. It is further submitted that the Respondent cannot be compelled to produce documents that are not in his possession, relate to third parties, or pertain to transactions beyond statutory look-back or retention

periods, and such inability cannot be construed as non-cooperation.

24.16. The Respondent has clarified that the Valsad property belongs to his late father and has not devolved exclusively upon him, nor is it in his possession, the NCPA apartment is owned by a third-party trust, and the Respondent merely resides there without ownership rights; Certain partnership interests and share transfers relate to transactions beyond the statutory look-back period; Relevant information to the extent available has already been disclosed.

24.17. The Respondent submits that permitting exclusion of time in the present case would defeat the object of the Code, which mandates time-bound completion of insolvency and bankruptcy processes.

24.18. It is further contended that the Code already provides remedies for non-cooperation, including directions and penal consequences, and exclusion of time is not one of the prescribed remedies.

24.19. In view of the above submissions, the Respondent has prayed for: dismissal of the present Application seeking exclusion of time, direction to the Applicant to proceed with discharge application under Section 138; and such other orders as deemed fit in the interest of justice.

25. In response to the aforesaid averments made by the Respondent/Bankrupt, the Applicant/Bankruptcy Trustee has filed a **rejoinder** on 11.03.2026 vide Inward Diary No. D-2066. The contents of the said rejoinder are reproduced hereunder: -

25.1. The Applicant/Bankruptcy Trustee has filed the present Rejoinder Affidavit reiterating the contents of the Application and denying the allegations made by the Respondent, contending that the reply filed by the Respondent is misleading, suppresses material facts, and seeks to mischaracterize the issue of non-cooperation.

25.2. It is submitted that the Application for exclusion of period is bona fide and has been filed in discharge of statutory duties and in the interest of all creditors, and the Respondent cannot evade his obligations by raising technical objections.

25.3. The Applicant has denied that the Respondent has cooperated and submitted that the claim of “full cooperation” is contrary to record and belied by the conduct of the Respondent.

25.4. It is specifically alleged that the Respondent has made false declarations on oath in Form “E”, including stating that no immovable properties are held, despite

existence of properties belonging to the Respondent and his immediate family.

25.5. The Applicant has contended that such conduct amounts to deliberate concealment of assets and submission of a perjured affidavit before this Adjudicating Authority.

25.6. The Applicant has identified certain assets which, according to him, were not properly disclosed by the Respondent, including immovable properties at Aamby Valley City, the NCPA Apartment at Mumbai, Valsad agricultural land, interest in M/s Shree Ganesh Knitting Mills, and share transfers in multiple companies allegedly undertaken to siphon assets from the bankruptcy estate. It is submitted that the Respondent has deliberately failed to disclose or has inadequately explained the above assets, thereby obstructing the bankruptcy process.

25.7. The Applicant has contended that the Respondent transferred shareholdings in several companies at face value to related or connected persons without consideration and continued to exercise control over such entities, thereby indicating a deliberate attempt to defeat the claims of creditors.

25.8. It is further submitted that such transactions cannot be excluded merely on the ground of limitation or look-back period, as the duty of the Bankruptcy Trustee

under Section 149 extends to full investigation of the affairs of the bankrupt.

- 25.9. The Applicant submits that non-cooperation is evident from the Respondent's conduct, including furnishing evasive and incomplete replies, claiming lack of knowledge or documents, failing to assist in identification and recovery of assets, and adopting a pattern of concealment. It is contended that such conduct amounts to wilful obstruction of the bankruptcy process and justifies exclusion of the relevant period.
- 25.10. The Applicant has rebutted the contention that exclusion is impermissible, submitting that the Application arises from inability to proceed due to non-cooperation, that exclusion is necessary to give effect to the scheme of the Code, and that the non-cooperation and exclusion applications operate independently. It is further submitted that the pendency of the non-cooperation application does not bar consideration of the present Application.
- 25.11. The Applicant submits that denial of exclusion would defeat the object of the Code, as the bankrupt cannot be permitted to benefit from his own non-cooperation and walk away with undisclosed assets.
- 25.12. It is further contended that the time-bound framework of the Code is premised on good faith participation, and

cannot be used as a shield by a non-cooperative bankrupt.

25.13. The Applicant has clarified that reference to proceedings under the Prevention of Money Laundering Act was only for contextual purposes to demonstrate existence of assets and pattern of concealment and no independent relief is sought on that basis. It is further submitted that the said proceedings corroborate the existence of undisclosed assets not reflected in Form "E".

25.14. The Applicant submits that in the absence of exclusion, the bankrupt may obtain discharge despite non-cooperation, statutory restrictions would cease, creditors would be prejudiced due to non-recovery of assets, and the object of value maximisation under the Code would be defeated.

25.15. In view thereof, the Applicant has prayed for exclusion of the period from 29.07.2025 to 26.01.2026 (182 days), rejection of the Respondent's contentions, direction to the Respondent to cooperate with the Bankruptcy Trustee, and such other orders as this Adjudicating Authority may deem fit in the interest of justice.

26. The Respondent/Bankrupt has filed **written submission** to the IA No. 267 of 2026 on 25.03.2026 vide Inward Diary No.

D- 2682 where the Respondent has relied upon the following judgements:-

- i. *GLAS Trust Company LLC V. BYJU Raveendran & Ors.* [(2025) 3 SCC 625]
- ii. *Ebix Singapore (P) Ltd. v. Committee of Creditors of Educomp Solutions Ltd.* (2021 SCC Online SC 707)
- iii. *Anil Syal v. Ajay Gupta & Anr. (Company Appeal (AT) (Insolvency) No. 523 of 2025, dated 08.07.2025*

27. The Applicant/Bankruptcy Trustee has also filed its **written submissions** on 17.03.2026 vide Inward Diary No. D- 3316, and the same are taken on record.

28. We take up the matters arising in IA 905 of 2025 concerning non-cooperation by the Bankrupt and IA 267 OF 2026 dealing with the exclusion of certain period from the bankruptcy proceedings filed by the Applicant/Bankruptcy Trustee as both are premised on same set of facts and are interconnected.

29. We have heard the Ld. Counsel for the Applicant/Bankruptcy Trustee and Ld. Sr. Counsel for the Respondent/Bankrupt and have perused the material on record. Based on the prayers in both the IAs following issues

arise for consideration: -

- (i) **Issue No.1:** Whether the Respondent has suppressed, misstated, or failed to disclose material information in relation to his assets, properties, financial interests, and transactions, including any beneficial or indirect interests, in the disclosures made during the bankruptcy process?
- (ii) **Issue No.2:** Whether the Respondent/Bankrupt has failed to discharge his statutory obligation of full, true and effective cooperation with the Bankruptcy Trustee, as required under Section 150 of the Insolvency and Bankruptcy Code, 2016?
- (iii) **Issue No.3:** Whether such conduct of the Respondent, including non-disclosure, incomplete responses, and lack of cooperation, has impeded or delayed the Bankruptcy Trustee in identification, control, and administration of the bankruptcy estate?
- (iv) **Issue No.4:** Whether, in light of the aforesaid conduct, the Applicant/Bankruptcy Trustee is entitled to exclusion of the period from 29.07.2025 to 26.01.2026 (as prayed in IA No. 267 of 2026) from the computation of the one-year period under Section 138(1)(a) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016?

30. We take note of relevant statutory provisions dealing with both matters of non-cooperation and exclusion of period from the bankruptcy proceedings:

- Section 126 of the Code deals with Bankruptcy order and reads as below:

“ 126. (1) The Adjudicating Authority shall pass a bankruptcy order within fourteen days of receiving the confirmation or nomination of the bankruptcy trustee under section 125.

(2) *The Adjudicating Authority shall provide the following documents to bankrupt, creditors and the bankruptcy trustee within seven days of the passing of the bankruptcy order, namely:—*

(a) *a copy of the application for bankruptcy; and*

(b) *a copy of the bankruptcy order.*”

- Section 127 of the Code deals with validity of the bankruptcy order and reads as below:

Section 127: Validity of bankruptcy order.

‘127. The bankruptcy order passed by the Adjudicating Authority under section 126 shall continue to have effect till the debtor is discharged under section 138.

- Section 129 concerns statement of financial position and reads as below:

Section 129: Statement of financial position.

‘129. (1) Where a bankruptcy order is passed on the application for bankruptcy by a creditor under section 123, the bankrupt shall submit his statement of financial position to the bankruptcy trustee within seven days from the bankruptcy commencement date.

(2) *The statement of financial position shall be submitted in the such form and manner as may be prescribed.*

(3) *Where the bankrupt is a firm, its partners on the date of the order shall submit a joint statement of financial position of the firm, and each partner of the firm shall submit a statement of his financial position.*

(4) *The bankruptcy trustee may require the bankrupt or any other person to submit in writing further information explaining or modifying any matter contained in the statement of financial position.*

- Section 138 concerns discharge order and reads as below:

Section 138: Discharge order.

‘138. (1) The bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order—

(a) *on the expiry of one year from the bankruptcy commencement date; or*

(b) *within seven days of the approval of the committee of creditors of the completion of administration of the estates of the bankrupt under section*

137, where such approval is obtained prior to the period mentioned in clause (a).

(2) The Adjudicating Authority shall pass a discharge order on an application by the bankruptcy trustee under sub-section (1).

(3) A copy of the discharge order shall be provided to the Board for the purpose of recording an entry in the register referred to in section 196.

- Section 139 concerns effect of discharge order and reads as below:

Section 139: Effect of discharge.

****139. The discharge order under sub-section (2) of section 138 shall release the bankrupt from all the bankruptcy debt:***

Provided that discharge shall not—

(a) affect the functions of the bankruptcy trustee; or

(b) affect the operation of the provisions of Chapters IV and V of Part III; or

(c) release the bankrupt from any debt incurred by means of fraud or breach of trust to which he was a party; or

(d) discharge the bankrupt from any excluded debt.

- Section 140 concerns disqualification of bankrupt and reads as below:

Section 140: Disqualification of bankrupt.

****140. (1) The bankrupt shall, from the bankruptcy commencement date, be subject to the disqualifications mentioned in this section.***

(2) In addition to any disqualification under any other law for the time being in force, a bankrupt shall be disqualified from—

(a) being appointed or acting as a trustee or representative in respect of any trust, estate or settlement;

(b) being appointed or acting as a public servant;

(c) being elected to any public office where the appointment to such office is by election; and

(d) being elected or sitting or voting as a member of any local authority.

(3) Any disqualification to which a bankrupt may be subject under this section shall cease to have effect, if—

(a) the bankruptcy order against him is modified or recalled under section 142; or

(b) he is discharged under section 138.

- Section 149 of the Code concerns functions of bankruptcy trustee and reads as below:

149. The bankruptcy trustee shall perform the following functions in accordance with the provisions of this Chapter—

(a) investigate the affairs of the bankrupt;

(b) realise the estate of the bankrupt; and

(c) distribute the estate of the bankrupt.

- Section 150 of the Code deals with duties of bankrupt towards bankruptcy and reads as below:

Section 150: Duties of bankrupt towards bankruptcy trustee.

**150. (1) The bankrupt shall assist the bankruptcy trustee in carrying out his functions under this Chapter by—*

(a) giving to the bankruptcy trustee the information of his affairs;

(b) attending on the bankruptcy trustee at such times as may be required;

(c) giving notice to the bankruptcy trustee of any of the following events which have occurred after the bankruptcy commencement date,—

(i) acquisition of any property by the bankrupt;

(ii) devolution of any property upon the bankrupt;

(iii) increase in the income of the bankrupt;

(d) doing all other things as may be prescribed.

(2) The bankrupt shall give notice of the increase in income or acquisition or devolution of property under clause (c) of sub-section (1) within seven days of such increase, acquisition or devolution.

(3) The bankrupt shall continue to discharge the duties under sub-section (1) other than the duties under clause (c) even after the discharge under section 138.

- Section 154 concerns vesting of estate of bankrupt in bankruptcy trustee and reads as below:

Section 154: Vesting of estate of bankrupt in bankruptcy trustee.

**154. (1) The estate of the bankrupt shall vest in the bankruptcy trustee immediately from the date of his appointment.*

(2) The vesting under sub-section (1) shall take effect without any conveyance, assignment or transfer.

- Section 155 deals with estate of bankrupt and reads as below:

Section 155: Estate of bankrupt.

**155. (1) The estate of the bankrupt shall include,—*

(a) all property belonging to or vested in the bankrupt at the bankruptcy commencement date;

(b) the capacity to exercise and to initiate proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the bankrupt for his own benefit at the bankruptcy commencement date or before the date of the discharge order passed under section 138; and

(c) all property which by virtue of any of the provisions of this Chapter is comprised in the estate.

(2) The estate of the bankrupt shall not include—

(a) excluded assets;

(b) property held by the bankrupt on trust for any other person;

(c) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund; and

(d) such assets as may be notified by the Central Government in consultation with any financial sector regulator.

- Section 186 of the Code deals with punishment for false information, concealment, etc., by bankrupt and reads as bellow:

Section 186: Punishment for false information, concealment, etc., by bankrupt.

**186. If the bankrupt—*

(a) knowingly makes a false representation or wilfully omits or conceals any material information while making an application for bankruptcy under section 122 or while providing any information during the bankruptcy process, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five lakh rupees, or with both;

Explanation.—For the purposes of clause (a), a false representation or omission includes non-disclosure of the details of disposal of any property, which but for the disposal, would be comprised in the estate of the bankrupt, other than dispositions made in the ordinary course of business carried on by the bankrupt;

(b) fraudulently has failed to provide or deliberately withheld the production of, destroyed, falsified or altered, his books of account, financial information and other records under his custody or control, he shall be punishable with imprisonment which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

(c) has contravened the restrictions under section 140 or the provisions of section 141, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(d) has failed to deliver the possession of any property comprised in the estate of the bankrupt under his possession or control, which he is required to deliver under section 156, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(e) has failed to account, without any reasonable cause or satisfactory explanation, for any loss incurred of any substantial part of his property comprised in the estate of the bankrupt from the date which is twelve months before the filing of the bankruptcy application, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, which may extend to three times of the value of the loss, or with both;

Provided that that where such loss is not quantifiable, the total amount of fine imposed shall not exceed five lakh rupees;

(f) has absconded or attempts to absconds after the bankruptcy commencement date, he shall be punishable with imprisonment for a term which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

Explanation.—For the purposes of this clause, a bankrupt shall be deemed to have absconded if he leaves, or attempts to leave the country without

delivering the possession of any property which he is required to deliver to the bankruptcy trustee under section 156.

- 31.** We also extract below Regulation 12 of the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.

Regulation 12: Persons to extend cooperation.

12. (1) The following persons shall extend all assistance and cooperation to the bankruptcy trustee to complete the bankruptcy process-

- (a) the bankrupt;*
 - (b) creditors of the bankrupt;*
 - (c) employees and workmen of the bankrupt;*
 - (d) partners of the bankrupt;*
 - (e) auditors of the bankrupt;*
 - (f) professionals appointed by the bankruptcy trustee under these regulations;*
 - (g) the resolution professional or the previous bankruptcy trustee of the bankrupt;*
 - (h) the interim resolution professional, the resolution professional and the liquidator in respect of the corporate debtor;*
 - (i) any person who has possession of any of the properties of the bankrupt; and*
 - (j) any other person connected or relevant to the bankruptcy process.*
- (2) The bankruptcy trustee shall record and maintain the particulars of any consultation he had with the persons mentioned in sub-regulation (1).*
- (3) Where the bankruptcy trustee after making reasonable efforts fails to obtain the information or cooperation from persons under sub-regulation (1), he may make an application to the Adjudicating Authority for appropriate directions as may be necessary for the conduct of the bankruptcy process.*

- 32.** On plain reading of the law and Regulations, we note the following:

- a. The bankrupt shall submit his statement of financial position within seven days from the bankruptcy commencement date [Section 129].

- b. Bankruptcy order passed under section 126 will no longer have effect if the bankrupt is discharged under section 138 of the Code [Section 127].
- c. The bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order on the expiry of one year from the bankruptcy commencement date [Section 138].
- d. The discharge order shall release the bankrupt from all the bankruptcy debt [Section 139].
- e. All the restrictions on bankrupt shall cease to have effect on passing of discharge order under section 138 [Section 141].
- f. The bankruptcy trustee has authority to investigate the affairs of the bankrupt [Section 149].
- g. The bankrupt shall assist the bankruptcy trustee in carrying out his functions by giving to the bankruptcy trustee the information of his affairs [Section 150].
- h. The estate of bankrupt includes all property belonging to or vested in the bankrupt at the bankruptcy commencement date [Section 155].
- i. Deliberate withholding of information may lead to punishment [Section 186].
- j. The bankrupt shall extend all assistance and cooperation to the bankruptcy trustee and in case of non-cooperation even after making reasonable efforts, the Bankruptcy Trustee can seek appropriate directions from the Adjudicating Authority for conduct of the bankruptcy proceedings.

- 33.** It is a settled principle that the obligation of disclosure in insolvency and bankruptcy proceedings is one of utmost good faith, requiring complete transparency from the debtor to enable effective administration of the estate. Therefore, from the material placed on record, we briefly state the relevant facts in the following paragraphs.
- 34.** The bankruptcy process against the Respondent, being a Personal Guarantor, was commenced by this Adjudicating Authority vide order dated 27.01.2025 passed in C.P. (IB) No. 53 (AHM) 2025, filed by State Bank of India under section 123 of the Insolvency and Bankruptcy Code, 2016. Pursuant to the said order, Mr. Sunil Kumar Kedia was appointed as the Bankruptcy Trustee to administer the bankruptcy estate of the Respondent in accordance with the provisions of the Code and the applicable regulations. The total amount of default by the Corporate Debtor, M/s Krishna Knitwear Technology, was Rs 357,36,48,200 in case of SBI as a financial creditor. Mr. Navin Kumar Tayal was the personal guarantor to the facility extended by State Bank of India. The guarantees were executed on 31.03.2010 and were extended on 20.04.2013. Corporate Insolvency

Resolution Process was initiated in the case of Corporate Debtor on 13.01.2020. The personal guarantee was invoked on 07.12.2020. An Application under section 95 of the Code was admitted on 03.01.2024. The Repayment Plan submitted by the Personal Guarantor was rejected vide order of 01.08.2024.

- 35.** The Bankruptcy Trustee has received claims of Rs 6575.81 crores against the bankrupt from 18 financial creditors that included 12 financial institutions namely State Bank of India, Bank of Baroda, The Federal Bank Limited, Jammu and Kashmir Bank Limited, UCO Bank, Canara Bank, Punjab and Sind Bank, Bank of Baroda, Indian Bank, Union Bank of India, Indian Overseas Bank, UCO Bank Kolkata. These fact indicate that the Corporate Debtors of whom the Bankrupt was a personal guarantor had advanced huge financial facilities and these corporate debtors defaulted in payments.
- 36.** It is further borne out from the record that the Respondent submitted his Statement of Financial Position in Form-E on 30.06.2025, i.e., after a lapse of more than five months from

the commencement of the bankruptcy process though the Statement of Financial Position was to be submitted within seven days of from the bankruptcy commencement date. The due date of submission of financial statement was 03.02.2025. Therefore, it was filed late by approximately 148 days. Notarised Form E was filed by the bankrupt only after the Bankruptcy Trustee filed an IA 544 of 2025 before this Adjudicating Authority. The bankrupt had earlier filed financial statement that was not on oath.

37. A summary of assets declared in Form E is given below:

Details of Assets Declared in Form E :-

Property Assets	Description	Estimated Value	Excluded Assets or Not
Immovable Property	NA	NA	NA
Movable Property			
Vehicle	Car	Rs.50000/-	Excluded Asset
Shares in Listed Companies	NA	NA	NA
Shares in other Companies	K Lifestyle & Industries Ltd (Under CIRP)	23397693	
	Eskay Knit (India) Limited (Under CIRP)	420197	Not an excluded asset
Life insurance policy	NA	NA	NA
Jewellery	Gold Ring	Rs.35000	Excluded Asset
Pension Policy	NA	NA	NA
Investment in Mutual Funds	NA	NA	NA
Investment in other funds	NA	NA	NA
Investment in Partnership and other business concerns	NA	NA	NA
Any other property not covered above	Other ornaments	Rs.80000	Excluded Asset

- 38.** The above shows that the bankrupt has just shown a vehicle of Rs 50,000, one gold ring and other ornaments of Rs 80,000 in his financial statements. No bank accounts or any other property was shown.
- 39.** The Bankruptcy Trustee, in discharge of his statutory duties under Section 149 of the Insolvency and Bankruptcy Code, 2016, undertook an investigation into the financial affairs and asset position of the Respondent. The Bankruptcy Trustee appointed an investigation agency to identify and track the undisclosed assets of the Bankrupt. During such investigation, the Bankruptcy Trustee prima facie identified certain assets, properties, and financial interests which were not disclosed in the Statement of Financial Position (Form-E) filed by the Respondent.
- 40.** Letters/emails dated 31.01.2025, 10.02.2025, 10.02.2025, 05.03.2025, 08.03.2025, 19.03.2025, 16.04.2025, 27.06.2025, 17.07.2025 were issued to the Bankrupt seeking information and clarifications on various issues including concerning various information gathered on the assets and financial transactions.

- 41.** The Bankruptcy trustee made inquiries about alleged properties of the Bankrupt with third/connected parties, collected information and confronted to the Bankrupt for clarification on the information and seeking details but the bankrupt did not either responded or response were evasive.
- 42.** The material on record indicates that the bankrupt has interest/ownership in various assets including:
- i. leasehold/possessory rights in immovable properties situated at Aamby Valley City, Pune;
 - ii. continued occupation and alleged beneficial interest in a residential apartment situated at NCPA Apartments, Nariman Point, Mumbai;
 - iii. interest in ancestral agricultural land situated at Valsad;
 - iv. receivables and past association with the partnership firm M/s. Shree Ganesh Knitting Mills; and
 - v. Shareholding and/or control in multiple private companies, including instances of prior transfers to third parties.
- 43.** It is further borne out from the record that the Bankruptcy Trustee addressed several communications to the Respondent seeking information and supporting documents in relation to the aforesaid assets and transactions. As the

information was not forthcoming, a detailed communication dated 10.01.2026 was issued, wherein as many as 85 queries spanning multiple categories of assets and financial dealings were raised. The material placed before this Tribunal indicates that the said queries were either not answered or were responded to in an incomplete and unsatisfactory manner.

- 44.** In view of the alleged non-cooperation on the part of the Respondent, the Bankruptcy Trustee filed IA No. 905 of 2025 on 29.07.2025 seeking appropriate directions. Another Application being IA No. 267 of 2026, has been filed by the Bankruptcy Trustee seeking exclusion of the period from 29.07.2025 to 26.01.2026, aggregating to 182 days, from the computation of the one-year period prescribed under Section 138(1)(a) of the Code, on the ground that the administration of the bankruptcy estate could not be effectively carried out in the timebound manner due to the alleged non-cooperation of the Respondent.
- 45.** After briefly stating the background facts, we now deal with each of the identified issue one by one.

46. Findings on issue No.1: - Whether the Respondent has suppressed, misstated, or failed to disclose material information in relation to his assets, properties, financial interests, and transactions, including any beneficial or indirect interests, in the disclosures made during the bankruptcy process?

46.1. Upon consideration of the documents placed on record, this Tribunal proceeds to examine whether the Respondent has complied with his statutory obligation of full and true disclosure as mandated under the Insolvency and Bankruptcy Code, 2016. It is an admitted position that the bankruptcy process against the Respondent commenced pursuant to order dated 27.01.2025, passed by this Tribunal under Section 123 of the Code.

46.2. It is further undisputed that the Respondent filed Form-E (Statement of Financial Position) on 30.06.2025, wherein he declared on oath that **“neither he nor his immediate family members held any immovable property”**. The said declaration forms the foundation of the present controversy. The obligation of disclosure under the Code extends not only to assets held in the name of the bankrupt but also to those held directly or indirectly, including through family members, trusts, or entities, where beneficial interest or control is established.

- 46.3. The material placed on record demonstrates that subsequent to the filing of Form-E, the Bankruptcy Trustee, while discharging his statutory duties under Section 149 of the Code, conducted an investigation into the affairs of the bankrupt and identified multiple assets which were not disclosed in the said Form. Queries in respect of such assets were raised on many occasions and up to 19.07.2025, and on account of the Respondent's failure to furnish complete information, the Bankruptcy Trustee was constrained to file IA No. 905/AHM/2025 on 29.07.2025 alleging non-cooperation and sought directions from this Adjudicating Authority. We heard the Bankruptcy Trustee and the Counsel of the Bankrupt on multiple occasion but the Respondent failed to provide satisfactory disclosures.
- 46.4. The first category of assets pertains to immovable properties situated at **Aamby Valley City, Pune**. The record clearly establishes the existence of: -
- i. Plot No. 392 admeasuring 657 sq. meters, including a building, jointly held by the Respondent and his late father, and
 - ii. Plot No. 388 admeasuring 714 sq. meters, held in the name of the Respondent's spouse and his late father.
- as evidenced from the email correspondence received from Aamby Valley City (Annexure B) and copies of

- lease deeds placed on record (Annexures B1 and B2).
- 46.5. These properties are held on long-term lease basis of 999 years, thereby conferring substantial proprietary rights on the Bankrupt. The material placed on record establish that one property is in the name of the Bankrupt and another is in the name of his spouse. Father is deceased. However, no disclosure of these properties was made in Form-E. The omission, particularly in respect of such substantial immovable assets, cannot, in the facts of the present case, be reasonably treated as inadvertent and gives rise to an inference of deliberate suppression of material facts. The Bankrupt did not provide the present status of this property and whether any action has been taken to mutate the property in the name of the bankrupt.
- 46.6. The second and more valuable asset relates to **Flat No. 131/A, 13th Floor, NCPA Apartments, Nariman Point, Mumbai**, which is the admitted residential address of the Respondent. The documentary material placed on record, including society correspondence (Annexure D1) and related records such as share certificate extracts, parking allotment forms and maintenance-related documents (Annexure D2), reflects the names of “Bhavana and Navin Tayal”, thereby establishing a direct nexus between the Respondent and the said property.
- 46.7. It is further noted from the material placed on record,

particularly the Car Parking Sticker Application Form forming part of Annexure D2 of the Rejoinder Affidavit, issued by Apsara Co-operative Housing Society Limited that the said document pertains to Flat No. 131 at NCPA Apartments and records the names of “Bhavana & Navin Tayal” as the occupants. The said form contains detailed particulars of multiple vehicles declared to be used by the applicant and/or dependent residents, including vehicles of high value such as Mercedes (GL), Audi (A6 and Q7), BMW, and other vehicles, along with parking allocation details. The form further contains a declaration that the vehicles mentioned therein are being used by the applicant or dependent residents residing in the said premises. As against the use of these very high-end vehicles, the Bankrupt has chosen to disclose only a car of Rs 50,000.

- 46.8. Such a document, being issued and maintained by the housing society in the ordinary course and upon verification, clearly establishes the Respondent’s continued occupation, use, and enjoyment of the said property. The Respondent has failed to furnish any explanation or documentary material to disassociate him from the said records, and accordingly, an adverse inference is liable to be drawn.
- 46.9. The said Car Parking Sticker Application Form forming part of Annexure D2 of the Rejoinder Affidavit is

extracted below: -

(101)

APSARA CO-OPERATIVE HOUSING SOCIETY LIMITED
NCPA APARTMENTS, NARIMAN POINT, MUMBAI - 400021

Application Date: 21/01/25

CAR STICKER APPLICATION FORM

It is required that I be issued vehicle security parking sticker for my vehicles. The details of vehicles are as follows:

Sl No.	Car Number	Make	Model	Colour	Sticker No.	Date of Issue
01.	DD031674	Merc	GL	White		
02 ✓	DD01A0453	Audi	A6	Blue		
03 ✓	DN.09K.0898	Audi	A7	White		
04 ✓	DN.09F.2785	BMW	Tanias	White		
05.	MH.43.CG 0498	Tata	Electric	black		

It is certified that the vehicles mentioned above are being used by me / my depended resident with me and all necessary documents are up to date.

◆ Flat Owner Name : Bhavan & Navin Tayal
◆ Flat No. : 131
◆ Contact No. : Telephone 9821011487 Mobile _____
◆ Email Id : bhavanatayal@hotmail.com
◆ Car Parking No. : 35,36

46.10. The flat owner names are disclosed as Bhavan and Navin Tayal. The property is flat no. 131/A in the NCPA Apartments, Nariman Point, Mumbai admeasuring 3500-3550 sq. ft.

46.11. Apasara Co-Operative Housing Society vide letter of 25.03.2025 submitted that Mr. Navin Kumar Tayal has been staying in the Flat No. 131. Apasara Co-Operative Housing Society Limited raises bills on K K Jajodia Foundations. One such bill is given on pages 191 of the Application which is dated 30.04.2021 for Rs 7,00,584.

The Bankrupt failed to provide details of who pays these monthly bills. The receipt on bill shows that one of these bills are paid by cheque no. 07240 dated 20.06.2023 drawn on Union Bank of India.

46.12. The Respondent has sought to contend that the property is owned by K.K. Jajodia Foundation (Trust) and that he has no ownership interest therein. However, such a defence, in absence of supporting documentary evidence, cannot be accepted at this stage as: -

- i. The Respondent has failed to disclose the structure, beneficiaries, or controlling persons of the said trust.
- ii. He continues to reside in and enjoy the property; and
- iii. No documentary evidence has been furnished to disassociate him from beneficial ownership.
- iv. It was an obligation on the bankrupt to disclose all the material information including the information on the settlor, trustee, and beneficiaries of the Trust and what was the source of income/funds with the trust which might have purchased/acquired the property. It is a case of hiding behind the trust structure.

46.13. Significantly, the material placed on record arising from proceedings under the Prevention of Money Laundering Act, 2002 (PMLA) further corroborates this

position. It is borne out that the Enforcement Directorate (ED) has passed a Provisional/Final Attachment Order dated 06.01.2026 (Annexure-B of PMLA Affidavit), inter alia attaching the aforesaid NCPA Apartment (Flat No. 131/A) as property involved in proceeds of crime.

46.14. The attachment proceedings record that fund, forming part of the alleged proceeds of crime, were layered and routed through entities/trust structures including K.K. Jajodia Foundation, and that the Respondent/Navin Tayal has been identified as a beneficiary/user of the said asset. The attachment order also quantifies the scale of the alleged diversion, referring to amounts of approximately ₹170.6 crores and ₹67.07 crores, with total attached assets valued at about ₹104,43,24,561/- , thereby underscoring the gravity and materiality of the asset in question.

46.15. The Bankruptcy Trustee has cited the observations of the Adjudicating Authority in his written submission filed on 16.04.2026 and the same is extracted below:

B. Observations of the Adjudicating Authority (PMLA) - OC No. 365/2025 [Order dated 06.01.2026]

The Adjudicating Authority under PMLA, New Delhi, in its Order dated 06.01.2026 in Original Complaint No. 365/2025 (PAO No. 13/2025 dated 29.07.2025) coincidentally passed on the very same date on which this IA was heard/directed by this Hon'ble Tribunal has made significant findings which are directly relevant to and squarely support the position of the Bankruptcy Trustee in this IA. The said order runs to 290 pages. The following key findings of the PMLA Adjudicating Authority, with precise page references to the said order, need to be brought to the notice of this Hon'ble Tribunal:

(i) Identification of the Tayal Family Fraud [OC Order Pages 8-11]:

At Pages 8 to 11 of the PMLA Order, the Adjudicating Authority records the gist of the FIR and investigation. CBI FIR No. RCBSM2016E0007 dated 25.05.2016 and FIR No. RC0772020E0009 dated 23.12.2020, along with Charge Sheet No. 04/2021 dated 31.12.2021 and Charge Sheet No. 39/2023 dated 06.07.2023, disclose a deliberate and organized financial fraud orchestrated by the Tayal family through M/s. Krishna Knitwear Technology Limited (KKTL) and M/s. Eskay Knit (India) Limited, causing wrongful loss of Rs. 170.6 Crores and Rs. 67.07 Crores to Andhra Bank/consortium lenders and State Bank of India respectively. At Page 11, the PMLA Authority records that the Bankrupt Mr. Navin Kumar Tayal, along with family members Akash Tayal, Keshav Tayal and others, was involved in 'control of assets under beneficial ownership, running of shell companies as well

as continuing offence of money-laundering through activities of layering, concealment, diversification of funds/POC/assets.'

(ii) Role of Defendant No. 7 – K.K. Jajodia Foundation [OC Order Page 13]:

At Page 13 of the PMLA Order, under the heading 'Role of the Defendants', the Adjudicating Authority records the following specific finding regarding K.K. Jajodia Foundation (Defendant No. 7 in OC No. 365/2025): 'The Foundation was allegedly used as a conduit to hold or invest laundered assets under the guise of charitable trust, maintaining control within Sh. Navin Tayal.'

(iii) NCPA Flat – Valuation and Ownership as per ED [OC Order Pages 28–29]:

At Pages 28–29 of the PMLA Order, a tabular summary of the three attached properties is set out. With respect to the NCPA flat, the PMLA Authority records: Owner: M/s. K.K. Jajodia Foundation; Valuation: Rs. 17,37,50,000/- to Rs. 34,75,00,000/- (various valuation reports); Beneficial Owner / Effective Controller: Navinkumar Rampratap Tayal (Defendant No. 1).

(iv) ED's Detailed Findings Establishing Beneficial Ownership of NCPA Flat [OC Order Pages 21–23]:

At Pages 21 to 23 of the PMLA Order, the ED's Rejoinder sets out the detailed evidence establishing the Bankrupt as the beneficial owner of the NCPA flat. The following specific findings at these pages are relevant:

- (Page 21) During the search conducted u/s 17 of PMLA at the NCPA property, the Leave and License Agreement dated 05.01.2021 was recovered, which revealed that the property is taken on lease from M/s. K.K. Jajodia Foundation, registered at 10, Community Centre, Basant Lok, Vasant Vihar, New Delhi. The latest agreement is in favour of the Bankrupt's son Sh. Aakash Tayal and daughter-in-law Smt. Akshita Kedia, paying rent of Rs. 25,000/- per month.
- (Page 21) The Leave and License Agreement is in perpetuity, confirming that the said property is not an ordinary rental arrangement.
- (Page 22) The rental amount of a mere Rs. 25,000 per month for a 3,500+ sq. ft. luxury flat at Nariman Point, which is one of the prime locations in India, is patently nominal and itself shows that this License Agreement was created to mask the real ownership of the property.

- (Page 23) The Apsara Co-operative Housing Society Limited has submitted bank account statements and receipts of maintenance for the said property, revealing that approximately Rs. 2 Lakhs per month is paid as maintenance – starkly disproportionate to the mere Rs. 25,000/- per month shown as rent.
- (Page 23) Dipesh Sawant (DIN: 09111161), who signed the Leave and License Agreement on behalf of K.K. Jajodia Foundation, is one of the directors of M/s. Highstyle Fashions Pvt. Ltd. – another entity managed and controlled by Navin

Tayal and his sons Akash Tayal and Keshav Tayal. The said Dipesh Sawant being unresponsive to PMLA summons indicates that his role in the said agreement dated 05.01.2021 is only for the purpose of distancing Navin Tayal from the property.

- (Page 23) Multiple summonses were issued to K.K. Jajodia Foundation at its available addresses in New Delhi. However, the same could not be delivered as there was non-availability of any such entity at its given addresses. Physical enquiry also revealed that the said entity does not exist at those addresses. Investigation has clearly established that 'K.K. Jajodia Foundation exists only on paper and does not exist at its Delhi addresses which are its registered addresses.'
- (Page 23) The above facts prove that 'Navin Tayal is the real owner of this property and the agreement dated 05.01.2021 in relation to the said property was created to distance himself from this property which is only due to various investigations being conducted against him in criminal and civil matters under various laws, so as to avoid its attachment under laws.'

(v) ED's Characterization of K.K. Jajodia Foundation as Front Entity [OC Order Pages 25 & 128]:

At Page 25 of the PMLA Order, the ED's Rejoinder expressly submits that 'investigation has revealed that the said foundation has no independent business activity or existence at its registered address and functions only to conceal assets held by the Tayal family.' At Page 128, the ED further reiterates that 'the investigation under PMLA has established beyond doubt that this agreement [the

investigation under PMLA has established beyond doubt that this agreement [the Leave and License Agreement] was created as a sham arrangement to distance the real owner.'

i) PMLA Adjudicating Authority's Final Conclusions [OC Order Pages 275–276 & 288–289]:

At Pages 275–276 of the PMLA Order, under 'Conclusion on Properties Attached u/s 5(1) of PMLA', the Adjudicating Authority records its final conclusions, including specifically at Point 4 that: 'Defendant Nos. 1 and 4 argued that the NCPA flat is occupied solely under a Leave and License Agreement dated 05.01.2021, that a licensee has no right, title or interest in immovable property, and that attachment merely on the basis of occupation is legally impermissible. In response, the complainant argued that the Leave and License Agreement is a colourable and sham transaction executed after initiation of investigation,

granting perpetual, inheritable, transferable and income-generating rights for a nominal rent, permitting sub-letting and alteration, thereby clearly evidencing a device created to camouflage true ownership and control of the Tayal family.'

At Pages 288–289, the PMLA Authority's final table of attached properties confirms: NCPA Flat No. 131, A-Block, NCPA Apartments – Owner: KK Jajodia Foundation (Defendant No. 7) – Beneficially Owned by Defendant No. 1 (Navin Kumar Tayal) and Defendant No. 4 (Akash Navin Tayal).

j) Confirmation of Attachment – Final Order [OC Order Pages 289–290]:

At Pages 289–290 of the PMLA Order, the Adjudicating Authority passes its final order: 'I have arrived at the determination that the immovable/movable properties provisionally attached through Provisional Attachment Order (PAO) No. 13/2025 dated 29.07.2025...are direct proceeds of crime as defined by Section 2(1)(u) of the PMLA, 2002. As a result, it is firmly established that the property in question is involved in money laundering.' The PAO No. 13/2025 dated 29.07.2025 is hereby confirmed. OC No. 365/2025 is allowed. The attachment of the NCPA flat stands judicially confirmed.

46.16. While it is trite that proceedings under the PMLA are independent and do not, by themselves, finally determine civil title, the findings and attachments by a statutory authority constitute relevant corroborative material for assessing disclosure and beneficial interest in bankruptcy. The Respondent has not placed any contrary material to dislodge the ED's prima facie findings or to explain his nexus with the said property and trust. The said material is relied upon only as corroborative for assessing disclosure obligations and not as conclusive determination of title or ownership.

46.17. In these circumstances namely:

- i. admitted possession and continuous enjoyment,
- ii. documentary linkage through society records,
- iii. failure to disclose the trust structure (settlor/trustee) and beneficiaries despite specific requisitions, and
- iv. ED attachment and identification of the Respondent as a beneficiary within the trust-linked structure.

This Tribunal finds that the Respondent has failed to disclose material facts relating to the said property. It is clarified that the reliance on the proceedings under the Prevention of Money Laundering Act, 2002 is only for limited corroborative purposes and does not constitute a determination of ownership or title, which

shall be subject to appropriate adjudication in accordance with law.

46.18. The lease/licence arrangement reflects a nominal licence fee of ₹25,000 per month for a prime residential property at Nariman Point, Mumbai, whereas the maintenance charges alone are approximately ₹2,75,000 per quarter (equivalent to about ₹91,667 per month). This disparity raises serious doubt as to the genuineness of the arrangement and indicates that it is not at arm's length, suggesting a possible attempt to mask beneficial interest. A copy of tax return of the trust is also not provided.

46.19. This Tribunal is satisfied that the Respondent has failed to disclose and satisfactorily explain his beneficial interest in the said property and has failed to make a true and complete disclosure as mandated under the Code.

46.20. The third category of assets pertain to agricultural lands situated at **Village Malav, Taluka Umargam, District Valsad**, comprising Survey Nos. 640 (10,244 sq. mtrs), 649 (23,303 sq. mtrs), 651 (12,945 sq. mtrs), 652 (12,303 sq. mtrs), 653 (18,500 sq. mtrs) and 650 (12,945 sq. mtrs) as evidenced from the revenue records placed on record, including the 7/12 extracts (Annexure C1) and 8A (Khata) records (Annexure C2). These are large non-agricultural lands having area in hectares. The record shows that Krishna Group, of

which the Bankrupt is the promoter, has factories in the same area. The Respondent has admitted that these properties belonged to his late father and that he is one of the legal heirs. However, he has attempted to deny any interest on the ground that mutation has not been effected and that he is not in possession. No information has been provided about the year of purchase of property, present use of these lands, and source of payments for such purchases. The Bankrupt has failed to prove that he had no nexus/interest in the properties when those were purchased. Such a stand cannot be accepted for the purpose of disclosure obligations under the code. Why no mutation has been done is a question to be answered by the Bankrupt.

46.21. It is well settled that succession operates by law and not by mutation entries. The right of a legal heir is a vested and inheritable interest which arises immediately upon the death of the predecessor and is required to be disclosed in bankruptcy proceedings. The absence of formal partition or mutation does not extinguish or dilute such interest.

46.22. Further, despite specific requisitions made by the Bankruptcy Trustee calling upon the Respondent to furnish the legal heir certificate, succession documents and updated land records, the Respondent has failed to produce any such material or extend necessary assistance in identifying his share. The Respondent's

conduct indicates failure to disclose and clarify material inheritable interests with an alleged intention of keeping the properties out of the Bankruptcy Proceedings.

- 46.23. Another suppression of financial assets is in the form of partnership interest in **M/s Shree Ganesh Knitting & Manufacturing Mills**, wherein an amount of ₹50,44,832/- was shown as receivable as on 31.03.2010 as evidenced from the Income Tax Return placed on record (Annexure F). The Respondent has claimed that he retired from the firm in 2013; however, no documentary evidence has been produced to establish settlement of accounts or receipt of consideration. No bank entries or financial trail have been furnished. The absence of such crucial financial evidence leads to an adverse inference that the said receivable has not been satisfactorily explained or disclosed.
- 46.24. In addition, the material on record discloses that the Respondent held shareholding in multiple private companies, including Bilpower Limited, Deluxe Polymera Pvt. Ltd., Encore Textiles & Properties Pvt. Ltd., Gamin Traders Pvt. Ltd., Hotline Textiles & Infrastructure Ltd., Jodinee Textiles Pvt. Ltd. and Comrade Lease Finance Pvt. Ltd., and that such shareholding was purportedly transferred between

2011 and 2018 at the face value of ₹10 per share to persons including employees and associates.

- 46.25. Despite such alleged transfers, the Respondent continued to act as authorized signatory in the bank accounts of the said entities, as evidenced from the communication issued by Union Bank of India (Annexure G of Rejoinder affidavit). No documentation has been produced to evidence consideration, transfer agreements, or cessation of control. The pattern of transfers, coupled with continued operational control on the bank accounts (authority to use funds), strongly indicates that such transactions give rise to a reasonable inference that such transactions have not been satisfactorily explained and that the Respondent's beneficial interest and control in the said entities has not been fully disclosed.
- 46.26. The conduct of the Respondent throughout the proceedings further reinforces the finding of suppression. The replies furnished by him consistently rely on vague assertions such as "documents not available", "no knowledge", and "transactions beyond look-back period", despite repeated and specific queries raised by the Trustee. Such responses cannot be construed as cooperation. On the contrary, this indicates a consistent pattern of evasive responses, intended to obstruct the effective administration of the bankruptcy estate.

46.27. The contention that transactions beyond the statutory look-back period are irrelevant is misconceived. The look-back provisions relate to avoidance transactions and do not limit the scope of disclosure obligations or investigation under Section 149. The Bankruptcy Trustee is entitled to examine past transactions to determine the true extent of the bankruptcy estate and any continuing beneficial interest/ownership. The Bankrupt was required to disclose financial position in Form E. The bankruptcy trustee is required to identify estate of bankrupt and if it is found that some assets have been transferred without consideration or adequate consideration then the effect of the same is to be considered.

46.28. The Respondent's declaration in Form-E dated 30.06.2025, made on oath, stands inconsistent with the material placed on record in light of the existence of (i) Aamby Valley properties, (ii) the NCPA apartment with established beneficial nexus, and (iii) inheritable rights in Valsad agricultural lands. The false declaration is not limited to omission but prima facie constitutes an inaccurate and incomplete disclosure made on oath, thereby aggravating the gravity of the misconduct.

46.29. The material emanating from proceedings under the Prevention of Money Laundering Act, though independent in nature, lends further corroboration to

the findings of this Tribunal. The attachment of the NCPA property and identification of the Respondent as a beneficiary of layered structures reinforces the conclusion that assets have been structured and held through indirect means to avoid disclosure.

46.30. The information available in the public domain (***Navin Kumar Tayal & Others v/s Securities & Exchange Board of India in Appeal Nos. 8 to 11 of 2018, 250, 261, 262, 263 of 2020 decided on 02.08.2021*** by the Securities Appellate Tribunal) shows that Navin Kumar Tayal and others had filed appeals against the order of 22.11.2017 passed by SEBI by which they were restrained from buying, selling or dealing in securities market for a period of five years. The Appellants were directed to disgorge an amount of Rs 95,77,614 along with interest at the rate of 12% per annum with effect from 27 May 2010 onwards to be paid jointly and severally. The second set of appeals were appeal Nos. 250 of 2020, 261 of 2020, 262 of 2020, 263 of 2020 which is against the order dated May 29, 2020 passed by the Adjudicating Officer imposing a penalty of Rs 3 crores to be paid by the Appellants jointly and severally. The issue concerned investigations by SEBI in the scrip of Bank of Rajasthan during the period of 7.5.2010 to 18.5.2010 with regard to insider trading and concerned merger of Bank of Rajasthan with ICICI Bank.

- 46.31. The investigation revealed that discussions regarding the proposed merger between Bank of Rajasthan and ICICI Bank had commenced as early as February 2010, were temporarily stalled on 06.05.2010, and were subsequently revived on 07.05.2010, ultimately culminating in the execution of a Binding Implementation Agreement on 18.05.2010. The period from 07.05.2010 to 18.05.2010 was treated as the Unpublished Price Sensitive Information (UPSI) period.
- 46.32. It was found that during the said UPSI period, trades were executed in the scrip of Bank of Rajasthan through connected entities. In particular, one of the entities, namely Rohit Gupta, purchased 1,40,000 shares of Bank of Rajasthan on 17th and 18th May 2010 for a total consideration of Rs 1,28,77,324.83, and thereafter sold the said shares between 25th and 27th May 2010, earning a profit of Rs 95,77,614/-.
- 46.33. The material on record further indicated that an amount of Rs 116.44 lakhs was transferred to the said entity on 18.05.2010 and 19.05.2010 by Advik Textiles & Realpro Pvt. Ltd., an entity found to be closely connected with the Tayal group. The explanation put forth, namely that such transfer was pursuant to an agreement for sale dated 01.05.2010, was not accepted, as the said agreement was unregistered, unsupported by independent evidence, and was

subsequently terminated on 03.06.2010, with the amount being refunded on 17.06.2010.

46.34. Upon appreciation of the evidence, the Tribunal held that the said financial arrangement was not a genuine commercial transaction but a sham arrangement devised for routing funds to facilitate trading in securities while in possession of UPSI. The findings further recorded that the parties involved were closely connected through familial, financial and business relationships, and that control over entities continued notwithstanding apparent changes in shareholding or directorship, including through continued role as authorized signatory.

46.35. It was also observed that the trading pattern was unusual, particularly inasmuch as the concerned individual was not a regular trader in the securities market, and that the timing of the trades, proximity to the UPSI period, and the flow of funds cumulatively established, on a preponderance of probability, that the trades were executed on the basis of insider information.

46.36. This Tribunal further takes note of one more order dated 11.02.2014 passed by the **Securities Appellate Tribunal in a batch of appeals, including Appeal Nos. 68 of 2013, 69 of 2013, 72 of 2013, 75 of 2013, 82 of 2013, 83 of 2013, 84 of 2013, 85 of 2013, 74 of 2013, 66 of 2013, 73 of 2013, 80 of**

2013, 81 of 2013 and 76 of 2013, arising out of a common adjudication order dated 14.02.2013 passed by SEBI, whereby monetary penalties were imposed under various provisions of the SEBI Act, 1992 against a large number of entities and individuals connected with the Tayal group.

46.37. The said batch of appeals involved 118 appellants, comprising 9 public limited companies, 93 private limited companies and 16 individuals, including members of the Tayal family and associated entities. The proceedings arose out of investigations in the scrip of Bank of Rajasthan, wherein it was alleged that the promoter group controlled by the Tayal family, in collusion with multiple interconnected entities including the Tayal Group, Yadav Group and Silvassa Group, had traded in the shares of Bank of Rajasthan amongst themselves, thereby creating a misleading appearance in the market and enabling fraudulent representations to investors.

46.38. The findings recorded by the Adjudicating Officer, as noted by the Tribunal, established that these entities were inter-connected through common addresses, common directors, and extensive inter se transfer of shares and funds, and that the promoter group, acting in concert with such entities, had concealed the true nature of their shareholding and control, thereby violating the provisions of the SEBI Act and the PFUTP

Regulations, 2003.

46.39. The findings further reveals that several entities within the group structure were operated through nominal or proxy directors who had no real control over the affairs of such companies. In particular, as recorded in the said order, Ms. Sangeeta Sawant, who was shown as a director in 30 out of 35 companies forming part of the Yadav Group, stated on oath before the Investigating Officer of SEBI on 31.01.2011 that she was working merely as an Account Assistant drawing a salary of Rs.10,000 per month, and that the said companies were formed by one Shri Mahadev Duggar. She further admitted that she was not aware of the business activities of the companies in which she was shown as a director, had no knowledge of the acquisition of shares of Bank of Rajasthan by such entities, and did not personally know several co-directors. She also stated that the entities were being operated by or for the benefit of members of the Tayal family.

46.40. Upon appreciation of the evidence, the Securities Appellate Tribunal upheld the findings that the promoter group as well as the associated Yadav Group and Silvassa Group entities were in substance controlled by the Tayal family, and that their coordinated activities constituted violations of the applicable securities laws. The monetary penalties imposed under the SEBI Act, including those under

Sections 15HA and 15H(ii), were upheld, while certain penalties under Section 15A(a) were set aside.

46.41. It is further noted that the aforesaid findings were subsequently affirmed by the Hon'ble Supreme Court vide order dated 26.10.2016, wherein the Hon'ble Court concurred with the conclusions of the Adjudicating Authority and the Securities Appellate Tribunal. The Hon'ble Supreme Court, inter alia, observed that despite declarations of disinvestment, the Tayal group had continued to acquire and hold shares through front entities, including the Yadav and Silvassa group companies, thereby increasing their effective shareholding from 44.18% to 63.15%.

46.42. The findings recorded in the aforesaid proceedings under the securities laws, spanning a considerable period from the year 2010 onwards, including the orders passed by the Securities Appellate Tribunal in 2014 and 2021, reflect a consistent and continuing pattern involving the use of multiple layered entities, proxy structures, routing of funds through non-transparent arrangements, and continued indirect control notwithstanding apparent distancing.

46.43. The said material indicates that such structuring of financial affairs and concealment of beneficial interests is not an isolated or recent occurrence but forms part of a long-standing course of conduct extending over a number of years and requires to be considered by the

bankruptcy trustee during the bankruptcy proceedings.

46.44. While these findings arise in independent proceedings, they are referred to in the present case only as corroborative material for the limited purpose of assessing the Respondent's disclosure obligations, financial affairs, and existence of beneficial interests under the Insolvency and Bankruptcy Code, 2016, and not as a conclusive determination of rights or liabilities

46.45. Taking an overall view of the matter, this Tribunal finds that the Respondent has adopted a consistent pattern of non-disclosure and incomplete disclosure raising serious concerns regarding concealment of material information of the assets, transferring assets to avoid direct connection with the assets, misrepresenting facts, and frustrating the bankruptcy process. The suppression is not confined to a single asset or transaction but extends across immovable properties, financial receivables, shareholdings and beneficial interests held through family members and entities and these require detailed investigations and the cooperation of the bankrupt is a must.

46.46. In light of the foregoing discussion, this Tribunal holds that the Bankruptcy Trustee has brought on record material that prima-facie proves that the Respondent has wilfully suppressed, misstated and failed to disclose material information relating to assets and

beneficial interests, and has failed to discharge his statutory obligations under the Code. The conduct of the Respondent is not a mere case of incomplete disclosure but constitutes a systematic and conscious attempt to defeat the administration of the bankruptcy estate.

47. Findings on Issue No.2:- Whether the Respondent/Bankrupt has failed to discharge his statutory obligation of full, true and effective cooperation with the Bankruptcy Trustee, as required under Section 150 of the Insolvency and Bankruptcy Code, 2016?

47.1. This issue pertains to whether the Respondent/Bankrupt has discharged his statutory obligation of full, complete and effective cooperation under the Insolvency and Bankruptcy Code, 2016, particularly with respect to:-

- i. the accuracy and completeness of disclosures made in the Statement of Financial Position (Form-E) dated 30.06.2025, and
- ii. The adequacy and substantiation of responses furnished to the queries, including the detailed questionnaire dated 10.01.2026 comprising 85 queries, raised by the Bankruptcy Trustee in the course of investigation under Section 149 of the Code.

- 47.2. At the outset, it is not in dispute that the bankruptcy process against the Respondent was commenced by this Adjudicating Authority vide order dated 27.01.2025 in C.P. (IB) No. 53 (AHM) 2025, pursuant to which the Applicant was appointed as the Bankruptcy Trustee. The statutory obligation cast under Section 150 of the Insolvency and Bankruptcy Code, 2016 requires him to make a true, complete and accurate disclosure of his financial affairs and to extend full cooperation to the Trustee for effective administration of the bankruptcy estate.
- 47.3. The record further reflects that despite repeated communications issued by the Bankruptcy Trustee between March 2025 and January 2026, including specific requisitions dated 15.07.2025, 08.11.2025, and the comprehensive questionnaire dated 10.01.2026, the Respondent failed to furnish complete and document-backed information within reasonable time without sufficient justification, thereby causing delay in verification of the bankruptcy estate.
- 47.4. The Respondent submitted his Statement of Financial Position in Form-E on 30.06.2025. In the said declaration, the Respondent stated that he does not hold any immovable properties. The said Form-E, forming part of the record **(Annexure A to the Rejoinder affidavit)**, is a disclosure made on oath and

constitutes the primary statement of assets and liabilities of the bankrupt.

- 47.5. However, the material subsequently placed on record by the Bankruptcy Trustee prima facie indicates the existence of various assets and interests which were not disclosed in the said Form-E. These assets have been discussed in detail while dealing with issue no.1 and not repeated here.
- 47.6. The Bankruptcy Trustee, in discharge of his duties under Section 149 of the Code, addressed several communications to the Respondent seeking clarification and documentary substantiation in respect of the aforesaid aspects. A detailed communication dated 10.01.2026 was issued, wherein 85 specific queries were raised across multiple categories of assets, transactions and financial dealings. The said communication, forming part of the record, clearly sets out the information required for the purpose of verification and administration of the estate.
- 47.7. The Respondent has contended that he has duly cooperated and has responded to all queries. However, upon perusal of the affidavit dated 19.01.2026 filed in response to the said queries, it is observed that the replies are largely in the nature of bare denials, unsupported assertions, or pleas of lack of knowledge or possession. In several instances, the Respondent has taken the stand that the properties belong to third

parties, trusts, or family members, without producing supporting documentary evidence to substantiate such claims. The issue for the bankruptcy trustee is to investigate whether these assets belong to the bankrupt and have been transferred or not their ownership is not transferred to avoid any attachment in the SEBI or the Enforcement Directorate proceedings. The bankrupt is not cooperating in these proceedings.

- 47.8. The contention of the Respondent that filing of affidavits and replies constitutes full cooperation cannot be accepted. Compliance under the Code requires substantive, verifiable and document-backed disclosures, and not mere formal responses.
- 47.9. The categorised statement of queries placed on record demonstrates that queries across multiple heads remained either unanswered or were answered in a non-specific, incomplete, or unsupported manner. The chart of queries further indicates that information relating to source of funds, ownership structures, financial transactions, and supporting documentation has not been meaningfully provided.
- 47.10. The duty of cooperation under the Code cannot be reduced to a mere formality of filing replies. The Respondent is required to furnish complete, verifiable and document-backed disclosures, especially where the Bankruptcy Trustee has placed prima facie material

indicating existence of assets or interests. Mere denial of ownership, without supporting records, does not satisfy the standard of cooperation mandated under the Code.

- 47.11. It is further observed that despite specific requisitions dated 15.07.2025, 08.11.2025, and the detailed questionnaire dated 10.01.2026 comprising 85 queries, the Respondent has failed to provide complete and verifiable information in respect of multiple categories of assets and financial dealings, including ancestral property at Valsad, residential premises at NCPA Apartments, Aamby Valley properties, partnership interests, and share transfers during the period 2011–2018. In such circumstances, the plea of non-availability of documents or lack of control cannot be accepted.
- 47.12. In the present case, the inconsistency between the declaration made in Form-E dated 30.06.2025, stating absence of immovable properties, and the subsequent material placed on record indicating involvement, possession, or beneficial interest in various properties and financial arrangements, has not been satisfactorily explained by the Respondent.
- 47.13. The cumulative effect of: -
- i. incomplete disclosure in Form-E,
 - ii. failure to provide documentary substantiation,

- iii. evasive and non-specific replies to the 85 queries dated 10.01.2026, and
- iv. Lack of clarity on material aspects of ownership and financial dealings clearly demonstrates a pattern of non-cooperation, which leads this Tribunal to conclude that the Respondent has not rendered effective cooperation to the Bankruptcy Trustee.

47.14. Accordingly, this Adjudicating Authority holds that the Respondent has failed to discharge his obligation of full, complete and effective cooperation under Section 150 of the Insolvency and Bankruptcy Code, 2016. The Bankrupt has also failed to cooperate in providing the information as he is required under Regulation 12 of the IBBI (Bankruptcy) Regulations, 2019. We note that the successful and timely completion of bankruptcy proceedings (section 138) depends on the active cooperation by the bankrupt which is completely missing in the proceedings.

48. Findings on Issue No.3: - Whether such conduct of the Respondent, including non-disclosure, incomplete responses, and lack of cooperation, has impeded or delayed the Bankruptcy Trustee in identification, control, and administration of the bankruptcy estate?

48.1. At the outset, it is necessary to note that upon commencement of bankruptcy proceedings on 27.01.2025, the Bankruptcy Trustee is vested with the

duty to identify, take control, realise and distribute the estate of the bankrupt in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. Correspondingly, the bankrupt is under a statutory obligation to extend full cooperation, make complete disclosures, and assist the Trustee in the effective administration of the estate, as required under Section 150 of the Insolvency and Bankruptcy Code, 2016.

48.2. The material on record discloses the following sequence of events:

- i. **27.01.2025**- Bankruptcy process commenced pursuant to order of this Tribunal and the Bankruptcy Trustee was appointed.
- ii. **30.06.2025** – The Respondent filed Form-E (Statement of Financial Position), declaring, inter alia, that neither he nor his family members held any immovable assets.
- iii. **Post filing of Form-E (June 2025 onwards)** – Upon examination of the Respondent's disclosures and independent investigation, the Bankruptcy Trustee identified discrepancies and raised multiple queries seeking details of undisclosed assets and financial interests.
- iv. **29.07.2025** – In view of non-receipt of complete and satisfactory responses, the Bankruptcy Trustee filed IA No. 905/AHM/2025 alleging non-cooperation and

suppression of material information.

- v. **Subsequent period (2025-2026)** – The parties exchanged replies, rejoinders and affidavits, and this Tribunal issued directions from time to time requiring the Respondent to furnish complete disclosures and supporting documents.
- vi. **06.01.2026-** Material developments, including attachment proceedings in respect of the NCPA property under the Prevention of Money Laundering Act, 2002, were brought on record, further highlighting the existence of undisclosed assets and beneficial interests.

48.3. Despite the aforesaid sequence of events, repeated opportunities, and specific directions issued by this Tribunal, the Respondent failed to provide complete, consistent and verifiable disclosures, and continued to furnish evasive and inadequate responses. The conduct of the Respondent is not a case of mere delay or incomplete compliance, but reflects a consistent and sustained pattern of non-cooperation, as borne out from the record.

48.4. In the first instance, the Respondent failed to disclose material assets and financial interests in the Statement of Financial Position (Form-E) filed on 30.06.2025, including immovable properties and beneficial interests subsequently identified by the Bankruptcy Trustee.

48.5. Further, the responses furnished by the Respondent to

the queries raised by the Bankruptcy Trustee are found to be evasive and non-responsive, characterised by repeated assertions such as “not available”, “no knowledge”, or “not in possession”, without any supporting material.

48.6. It is also evident that, despite specific requisitions made by the Bankruptcy Trustee, the Respondent failed to furnish basic and essential documents, including:

- i. succession and legal heir documents in respect of the Valsad properties;
- ii. complete details of the trust structure, beneficiaries and controlling persons in relation to the NCPA property;
- iii. financial records, settlement documents and bank trail evidencing closure of partnership interest; and
- iv. Share transfer documentation, including agreements, valuation records and proof of consideration in respect of transfers made to employees and associates.

48.7. The Respondent has further failed to assist the Bankruptcy Trustee in identifying and quantifying his interest in assets, including undivided inheritable property and financial receivables, thereby obstructing determination of the bankruptcy estate.

48.8. The cumulative effect of the aforesaid conduct demonstrates that the Respondent has not merely been

non-compliant but has failed to discharge his statutory obligation of cooperation, thereby impeding the functions of the Bankruptcy Trustee. Such conduct cannot be construed as inadvertent omission but constitutes a deliberate failure to cooperate with the bankruptcy process.

- 48.9. Due to the conduct of the Respondent, the Bankruptcy Trustee was compelled to undertake independent investigation to ascertain the existence and nature of the assets forming part of the bankruptcy estate, instead of relying on voluntary and complete disclosures as mandated under the Code.
- 48.10. The record demonstrates that material assets, including the Aamby Valley plots/building, the NCPA apartment at Nariman Point, the agricultural lands at Valsad, the partnership interest receivables that has investment in immovable properties , and the shareholding in various companies, were identified only upon such investigation and not on the basis of disclosures made by the Respondent.
- 48.11. As a consequence, the Bankruptcy Trustee was required to engage in prolonged correspondence, repeated requisitions for information, and independent verification from third-party sources and records, which would not have been necessary, had the Respondent furnished complete and truthful disclosures at the outset.

- 48.12. The necessity of such investigative efforts, occasioned solely by the Respondent's failure to disclose material information, has materially impeded the timely identification of the bankruptcy estate.
- 48.13. The administration of the bankruptcy estate has been materially delayed as a direct consequence of the Respondent's conduct. The failure to make complete disclosures has resulted in the inability of the Bankruptcy Trustee to ascertain the full asset base of the estate at the initial stage. Consequently, the Trustee has been unable to proceed in a time-bound manner with valuation and realisation of assets.
- 48.14. Further, the necessity of initiating proceedings alleging non-cooperation, including IA No. 905/AHM/2025, and the reliance on independent investigation, third-party verification and developments arising from external proceedings, including those under the Prevention of Money Laundering Act, 2002, and SEBI investigations have further contributed to the delay in administration of the estate.
- 48.15. This Tribunal finds that the delay in administration of the bankruptcy estate is directly attributable to the conduct of the Respondent. Had the Respondent made a full and true disclosure at the stage of filing Form-E and furnished the requisite documents when called upon by the Bankruptcy Trustee, the process could have proceeded in a time-bound and efficient manner.

- 48.16. Instead, the process has been prolonged due to continued non-disclosure and failure to cooperate, resulting in delay in administration of the bankruptcy estate.
- 48.17. Section 138 of the Code requires the discharge of bankrupt within one year of the commencement of bankruptcy proceedings but that would be linked to strict obligations on the bankrupt as required by the Code and Regulations.
- 48.18. The cumulative conduct of the Respondent demonstrates wilful non-cooperation, and a sustained pattern of conduct resulting in delay in administration of the bankruptcy estate.
- 48.19. In view of the foregoing, this Tribunal holds that the conduct of the Respondent, including non-disclosure of material assets, failure to furnish documents and evasive and inadequate responses, has materially impeded and delayed the Bankruptcy Trustee in the identification, taking control and administration of the bankruptcy estate.
- 48.20. We note that the bankrupt firstly did not file the financial statement within seven days of the bankruptcy commencement date and filing on.30.06.2025 (delay by 146 days) resulted into late start of the proceedings. Secondly, the bankrupt did not provide the information as requested by the Bankruptcy Trustee. The Bankruptcy Trustee, through

an agency, has identified information on various assets and financial interests of the Bankrupt that requires to be investigated further and the results will have effect on the identification and determination of the estate of the bankrupt.

48.21. Section 138 requires that the bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order on the expiry of one year from the bankruptcy commencement date. But this would be subject to fullest cooperation from the bankrupt, as required by Regulation 12 referred above. It is a complex case, and the proceedings could not move forward due to non-furnishing of correct details and then non-cooperation by the Bankrupt.

48.22. Accordingly, Issue No. III is answered in the affirmative, and it is held that the Respondent's conduct has resulted in obstruction and delay of the bankruptcy process under the Insolvency and Bankruptcy Code, 2016.

49. Findings on Issue No.4: - Whether, in light of the aforesaid conduct, the Applicant/Bankruptcy Trustee is entitled to exclusion of the period from 29.07.2025 to 26.01.2026 (as prayed in IA No. 267 of 2026) from the computation of the one-year period under Section 138(1)(a) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016?

- 49.1. The Interlocutory Application being IA No. 267 of 2026 has been filed by the Bankruptcy Trustee under Section 138(1)(a) of the Insolvency and Bankruptcy Code, 2016 (“Code”) read with Rule 11 of the NCLT Rules, 2016 seeking exclusion of the period during which, according to the Applicant, the bankruptcy process could not meaningfully proceed on account of the Respondent’s non-cooperation.
- 49.2. It is an admitted position on record that the bankruptcy process in respect of the Respondent commenced on 27.01.2025 pursuant to the order passed by this Adjudicating Authority. In terms of Section 138(1)(a) of the Code-
- 138. (1) The bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order—*
- (a) on the expiry of one year from the bankruptcy commencement date; or***
- (b) within seven days of the approval of the committee of creditors of the completion of administration of the estates of the bankrupt under section 137, where such approval is obtained prior to the period mentioned in clause (a).*
- 49.3. The Bankruptcy Trustee is required to apply for discharge upon expiry of one year from the bankruptcy commencement date, i.e., on or about 26.01.2026.
- 49.4. The Respondent submitted Form-E (Statement of Financial Position) on 30.06.2025 (Annexure A to rejoinder), wherein it was declared on oath that neither the Respondent nor his immediate family members held any immovable property. However, while investigation under Section 149 of the Code, the

Bankruptcy Trustee identified several assets which were not disclosed in the said Form-E, including inter alia:

- i. immovable properties at Aamby Valley City (Plots/Bungalows bearing Nos. 392 and 388);
- ii. residential premises at NCPA Apartments, Nariman Point, Mumbai;
- iii. agricultural land at Valsad;
- iv. partnership interest/receivables in M/s. Shree Ganesh Knitting & Manufacturing Mills; and
- v. Shareholdings in multiple private companies transferred to third parties.

49.5. The Form E was filed late by 148 days and that delayed the start of the proceedings. Upon such identification, the Bankruptcy Trustee addressed multiple communications and queries to the Respondent seeking complete disclosure, documents, and clarification with respect to the aforesaid assets. The material placed on record demonstrates that such queries were raised continuously up to 19.07.2025, however, the Respondent failed to furnish complete and satisfactory information. For better reference the extract of the email dated 19.07.2025 is reproduced hereinbelow:-

Date : 19/07/2025

To,
Navin Kumar Tayal,
Flat No.131/A,NCPA Appartments,
Nariman Point, Mumbai-400021

Email id : navin.r.tayal@gmail.com, krishnagroup2014@gmail.com
In the matter of

Navin Kumar Tayal (PAN : AABPT2833K)
Personal Guarantor of Krishna Knitwear Technology Limited
Flat No.131, 13th Floor, NCPA Apartment.

Subject : In continuance to letter 17/07/2025

Ref : Bankruptcy Proceeding against Mr. Navin Kumar Tayal
(PAN : AABPT2833K)
Order passed by Hon'ble NCLT Ahmedabad Bench w/s. 123 of the Insolvency &
Bankruptcy Code, 2016 i Item No.303 C.P. (IB) No.53 (AHM) 2025.

Dear Sir,

We have received email dated 18/07/2025 in response to our letter dated 17/07/2025.

You mentioned in the email that the said flat is on rent taken by your son, in this connection you asked to provide following documents :-

- 1) Copy of Rent Agreement with K. K. Jajodia Foundations .
- 2) Copy of Bank statement from where rent is paid
- 3) Contact details of person , who is at the helm of K. K. Jajodia Foundations .

You are requested to provide the details at the earliest.

Sunil Kumar Kedia
IBBI Regd. No. IBB/TPA-001/IP-P00028/2016-17/10064
Bankruptcy Trustee of Bankrupt Mr. Navin Kumar Tayal
appointed by Hon'ble NCLT, Ahmedabad.

Sunil Kumar Kedia (Insolvency Professional)
Bankruptcy Trustee of Bankrupt Mr. Navin Kumar Tayal (PAN : AABPT2833K)
Regd. E-mail id : kedia_kedia@yahoo.com
Correspondence Email : ipsunilkedia@gmail.com
Phone number : +91 9374712689
IBBI Regn. No. : IBB/TPA-001/IP-P00028/2016-17/10064
Date : 19/07/2025
Place : Surat

49.6. Consequently, the Bankruptcy Trustee was constrained to file IA No. 905/AHM/2025 on 29.07.2025 alleging non-cooperation on the part of the Respondent. The said application remains pending. This Adjudicating Authority, vide order dated 06.01.2026, issued directions to the Respondent to provide requisite information and documents, which itself constitutes a judicial recognition of the Respondent's non-cooperative conduct.

49.7. Despite the aforesaid directions, the material on record, including the Rejoinder Affidavit dated 07.03.2026, reveals that the Respondent continued to

adopt an evasive stand by denying knowledge, claiming lack of possession of documents, or attributing ownership of assets to third parties, without substantiating such claims by cogent documentary evidence.

- 49.8. The replies furnished by the Respondent are replete with statements such as “not in my knowledge”, “documents not available”, or “property not belonging to me”, which, in the considered view of this Adjudicating Authority, do not amount to meaningful cooperation as contemplated under the Code.
- 49.9. It is further evident that such conduct of the Respondent has had a direct bearing on the administration of the bankruptcy estate. As recorded in the written submissions of the Applicant, no effective steps such as taking control of assets, valuation, or realization could be undertaken, and the estate of the bankrupt remains substantially unadministered on account of the Respondent’s failure to disclose and cooperate.
- 49.10. The Respondent has opposed the present Application contending that the timeline prescribed under Section 138(1)(a) of the Code is mandatory and admits of no exclusion, and that the Bankruptcy Trustee is attempting to invoke Rule 11 of the NCLT Rules to circumvent the statutory scheme. It has also been argued that the Bankruptcy Trustee has indulged in

fishing and roving inquiries and has failed to take substantive steps for administration of the estate.

49.11. This Adjudicating Authority is unable to accept the aforesaid contentions of the Respondent. The time-bound framework under the Code is indeed premised on expeditious completion of the process; however, such framework necessarily presupposes bona fide and complete cooperation by the bankrupt. The statutory scheme cannot be interpreted in a manner to permit a bankrupt to frustrate the process by withholding material information and thereafter seek discharge by mere efflux of time as required by the Code. Such a claim and practice will motivate the bankrupt to not cooperate, as in this case, and wait for completion of one year and seek discharge. We note that such an interpretation would defeat the scheme and purpose of the Code.

49.12. The Respondent has relied upon the judgments in ***GLAS Trust Company LLC v. BYJU Raveendran & Ors.*** [(2025) 3 SCC 625], ***Ebix Singapore Pvt. Ltd. v. Committee of Creditors of Educomp Solutions Ltd.*** (2021 SCC Online SC 707) and ***Anil Syal v. Ajay Gupta & Anr.*** (Company Appeal (AT) (Insolvency) No. 523 of 2025) to contend that timelines under the Code are mandatory and cannot be extended by invoking inherent powers.

49.13. There is no dispute as to the said legal position.

However, the same is not applicable to the facts of the present case, where the delay in administration of the bankruptcy estate has been found to be directly attributable to the Respondent's failure to comply with his statutory obligations under Section 150 of the Code. The Respondent cannot be permitted to take advantage of such conduct to seek discharge by efflux of time.

49.14. The maxim that a party cannot be permitted to take advantage of its own wrong applies with full force. Further, it is a settled principle that where the process of law is obstructed by a party's conduct, procedural timelines cannot be interpreted in a manner that defeats substantive justice. In analogous insolvency jurisprudence, exclusion of time has been permitted where delay is attributable to factors beyond the control of the process, including conduct of stakeholders.

49.15. Further, the powers of this Adjudicating Authority under Rule 11 of the NCLT Rules, 2016 are meant to advance the cause of justice and to prevent abuse of the process of law. In a situation where the bankruptcy process has been impeded by deliberate non-cooperation and suppression of material information, invocation of such inherent powers to grant exclusion of time is both justified and necessary to give effect to the underlying object of the Code, namely, proper

administration of the bankruptcy estate for the benefit of creditors.

- 49.16. The material on record clearly establishes that from **29.07.2025** (date of filing of IA No. 905/AHM/2025 for non-cooperation) till **26.01.2026** (expiry of one year from the bankruptcy commencement date), the process was materially hindered due to the Respondent's conduct. The said period, quantified as 182 days, represents a period during which effective progress in the bankruptcy process was not possible on account of such non-cooperation. Additionally, the Bankrupt filed Form E late by 149 days.
- 49.17. Based on the facts of the case and position of law, we are of the view that it is not a case in which the Bankrupt requires to be discharged as per section 138 of the Code. The Bankruptcy Trustee has not been able to fully identify the asset of the Bankrupt and will take time considering the nature of investigations required in the case. The Bankruptcy order passed under section 126 requires to be continued till the functions to be performed by the Bankrupt as required by section 149 are fully carried out.
- 49.18. In view of the foregoing facts and circumstances, this Adjudicating Authority is of the considered opinion that the Applicant has made out a sufficient and compelling case for exclusion of the aforesaid period from the

computation of the one-year period under Section 138(1)(a) of the Code.

- 49.19. Accordingly, Issue No. IV is answered in the affirmative. The Bankruptcy Trustee is entitled to exclusion of the period from **29.07.2025 to 26.01.2026 (182 days)**, and such period shall stand excluded for the purpose of computation of the statutory period under Section 138(1)(a) of the Code.
- 50.** In view of the findings recorded hereinabove, **I.A. No. 905 of 2025** and **I.A. No. 267 of 2026** are disposed of in the following terms: -
- 51.** It is held that the Respondent/Bankrupt has failed to comply with his obligations under Section 150 of the Insolvency and Bankruptcy Code, 2016 and Regulation 12 of the Bankruptcy Regulations, 2019 and has not extended full and effective cooperation in the bankruptcy process, resulting in delay in administration of the bankruptcy estate.
- 52.** The Respondent/Bankrupt is directed to furnish the following information and documents to the Bankruptcy Trustee: -

- A. Complete particulars and supporting documents in respect of the immovable properties situated at Valsad, including when those were purchased, present use of the property, and details of legal heirship and whether any action has been taken to mutate the properties.
- B. Details relating to the property at NCPA Apartments, Nariman Point, Mumbai, including the nature of his occupation and the arrangement with M/s. K.K. Jajodia Foundation;
- C. Full information on the K K Jajodia Foundation including the settlor, trustee, and beneficiaries, copy of income tax returns filed and bank statements for last five years;
- D. Records pertaining to his association with M/s. Shree Ganesh Knitting and Manufacturing Mills, including capital account and relevant financial documents, to and information on all the immovable properties owned by the said firm and companies in which the firm has/had investments.
- E. Details and supporting documents relating to transfer of shares in the companies referred to in the application, including who are the purchaser, share transfer forms, consideration received, copy of relevant income tax returns, and mode of transfer, to the extent available.

- F. Information on all the bank accounts of various entities for which the bankrupt is or has been the authorised signatory and information of entities of which he was the authorised signatory immediately after transfer of shareholding in the above companies.
- G. Information on all the cases against the bankrupt initiated by the Enforcement Directorate and SEBI and information on all bank accounts from which fines, penalties and related fees are paid.
- 53.** The aforesaid information and documents shall be furnished within a period of 14 days from the date of this order, failing which appropriate consequences in accordance with law, including under Section 186 of the Code, may follow.
- 54.** The Bankruptcy Trustee shall also obtain all the information about the bankrupt available with various creditors and other relevant persons connected with the bankruptcy process in view of Regulation 12 discussed above.
- 55.** This Adjudicating Authority is conscious that the timeline under Section 138 is mandatory; however, where the process is demonstrably obstructed by the conduct of the bankrupt, strict adherence to timelines cannot be permitted to defeat the object of the Code.

56. In view of the aforesaid conduct of the Respondent who has failed to comply with his obligations under the Code and has not extended effective cooperation, the period from 29.07.2025 to 26.01.2026, aggregating to 182 days, is hereby **excluded** from computation of the period prescribed under Section 138(1)(a) of the Insolvency and Bankruptcy Code, 2016.
57. Accordingly, **I.A. No. 905 of 2025** and **I.A. No. 267 of 2026** in CP (IB)/53(AHM)2025 stands **allowed** in the above terms.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Aditi /LRA

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)