

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**  
**(Disciplinary Committee)**

No. IBBI/DC/300/2025

19 December 2025

**ORDER**

This Order disposes of the Show Cause Notice (SCN) No. IBBI/C/2023/0127/919/21 dated 06.01.2025, issued to Mr. Aashish Gupta, an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP-P00687/2017-2018/11164, who is a Professional Member of the Insolvency Professional Agency of the Indian Institute of Insolvency Professionals of ICAI.

**1. Background**

- 1.1 The National Company Law Tribunal, New Delhi Bench (AA) *vide* its order dated 30.05.2019, initiated Corporate Insolvency Resolution Process (CIRP) of M/s. Anush Finlease and Construction Private Limited (Corporate Debtor / CD). Mr. Aashish Gupta was appointed as the Interim Resolution Professional (IRR) *vide* the same order and later confirmed as Resolution Professional (RP) of the CD.
- 1.2 The Complainant *vide* his complaint dated 21.11.2023 to the Board had alleged sale of property of the CD at an undervalued price and the failure of Mr. Aashish Gupta to appoint a third valuer despite significant difference in the valuations provided by the two valuers appointed by him in the matter of the Corporate Debtor.
- 1.3 The Board, in exercise of its powers under Section 218 of the Insolvency and Bankruptcy Code, 2016 (Code) read with Regulation 7(2) and 7(3) of the IBBI (Inspection and Investigation) Regulations, 2017 (Inspection and Investigation Regulations), appointed the Investigating Authority (IA) to conduct investigation in the matter of CIRP of the Corporate Debtor. The IA served a notice of investigation under Regulation 8(1) of Inspection and Investigation Regulations on 28.11.2023. However, Mr. Aashish Gupta did not provide his reply to the said notice of investigation with requisite information and records. The IA thereafter submitted the Investigation Report based on material available on record.
- 1.4 On perusal of the investigation Report, the Board formed a *prima facie* opinion that Mr. Aashish Gupta had contravened provisions of the Code and Regulations made thereunder and therefore issued SCN to Mr. Aashish Gupta on 06.01.2025. Mr. Aashish Gupta submitted his reply to the SCN *vide* email dated 01.02.2025.
- 1.5 The SCN, investigation report and the response of Mr. Aashish Gupta were referred to the Disciplinary Committee (DC) for disposal. Mr. Aashish Gupta availed the opportunity of personal hearing before the DC through virtual mode on 18.09.2025. Mr. Aashish Gupta also submitted his additional written submissions on 07.10.2025.
- 1.6 The DC has considered the SCN, the reply to SCN, oral and written submissions of Mr. Aashish Gupta and proceeds to dispose of the SCN.

**2. Alleged contravention, submissions of Mr. Aashish Gupta and findings of the DC.**

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

**Failure to Appoint a Third Valuer in Case of Significant Difference in the Liquidation Value.**

- 2.1 As per the valuation reports submitted by the complainant in the present matter, two valuers were appointed, viz. Mr. Vivek Jagtap and Mr. Deepak Bansal to conduct the valuation of land and building of the CD. While the valuation report of Mr. Vivek Jagtap (first valuer) estimated the liquidation value at Rs. 98.52 crores, the report submitted by Mr. Deepak Bansal (second valuer) estimated the liquidation value at Rs. 66.42 crores.
- 2.2 It was observed by the IA in its report that there was a significant difference in the liquidation value of the CD with reference to the two separate reports by the valuers submitted to the IP. Regulation 35(1)(b) of the CIRP Regulations as it stood then stated that if in the opinion of the Resolution Professional, the two estimates of a value are significantly different, he may appoint another registered valuer who shall submit an estimate of the value computed in the same manner.
- 2.3 Thus, the SCN alleged that there was failure on part of Mr. Aashish Gupta to appoint a third valuer as per regulation 35(1)(b) of CIRP Regulations.
- 2.4 Therefore, the Board was of the *prima-facie* view that Mr. Aashish Gupta had contravened sections 208(2)(a) & (e) of the Code and regulation 35(1)(b) of the CIRP Regulations.

**Non-Cooperation with the IA**

- 2.5 Clause 18 of the Code of Conduct for Insolvency Professionals states that an Insolvency Professional must appear, co-operate and be available for inspections and investigations carried out by the Board, any person authorised by the Board or the Insolvency Professional Agency with which he is enrolled.
- 2.6 Clause 19 of the Code of Conduct for Insolvency Professionals states that an Insolvency Professional must provide all information and records as may be required by the Board or the Insolvency Professional Agency with which he is enrolled.
- 2.7 It was observed that a notice of investigation was sent to Mr. Aashish Gupta by the IA on 28.11.2023 wherein he was directed to provide his response within 10 days of the receipt of the e-mail. However, Mr. Aashish Gupta failed to provide his response on the same despite repeated reminders from the IA.
- 2.8 It was, thus, evident that Mr. Aashish Gupta failed to submit the reply/records/documents within the time prescribed by the Board and further Mr. Aashish Gupta did not extend sufficient and appropriate co-operation to the Board, as required to carry out the investigation, which is his duty under Clauses 18 and 19 of the Code of Conduct.

2.9 Thus, the Board was of the *prima-facie* view that Mr. Aashish Gupta had contravened sections 208(2)(a) & (e) of the Code and regulation 7(2)(h) of IP Regulations read with Clause 18 and 19 of the Code of Conduct.

**Submissions by Mr. Aashish Gupta.**

- 2.10 Mr. Aashish Gupta submitted that pursuant to the first meeting of the Committee of Creditors (CoC) held on 01.07.2019, the CoC had approved the appointment of registered valuers for various asset classes of the Corporate Debtor. Further, six registered valuers were appointed, including Mr. Vivek Jagtap and Mr. Deepak Bansal, for the asset class of Land and Building. The valuers were provided with all requisite details, including particulars of the site, physical layout, information relating to acquisition of a portion of land by DMRC, as well as access to the financial statements of the Corporate Debtor and other relevant information gathered during the site inspection.
- 2.11 Mr. Aashish Gupta further submitted that both the valuers independently conducted site inspections and submitted their individual valuation reports in accordance with internationally accepted valuation standards. While Mr. Deepak Bansal in his valuation report treated the DDA demand as an adjustment for determining liquidation value, Mr. Vivek Jagtap's valuation report recorded the DDA liability as a footnote, noting that DDA may impose a penalty of approximately ₹39 crores for construction beyond sanctioned limits, though the same was not verified.
- 2.12 Mr. Aashish Gupta further submitted that the valuation reports were duly discussed in the 6<sup>th</sup> CoC meeting dated 19.02.2020, wherein it was observed that the first valuer had given a value of Rs.98.89 crores, which, after reducing Rs.39 crores, works out to Rs.59.89 crores, whereas the second valuer had given a value of Rs.66.42 crores. Thus, the actual difference is only about 10% and not as significant as is incorrectly sought to be portrayed by the complainant. Further, the CoC had taken the average of the two values to arrive at the liquidation value of the Corporate Debtor, and therefore there is no violation of regulation 35(1)(b).
- 2.13 Mr. Aashish Gupta further submitted that the valuation reports were deliberated upon in detail during the 6<sup>th</sup> CoC meeting dated 19.02.2020 [Item No. A9], wherein it was concluded that there was no requirement to conduct a third valuation. Further, the minutes of the 6<sup>th</sup> and 7<sup>th</sup> CoC meetings were duly shared with the members of the CoC, who specifically confirmed the correctness of the contents in the 7<sup>th</sup> CoC meeting dated 24.02.2020 in Item No. A3 and again in the 8<sup>th</sup> CoC meeting dated 13.03.2020 in Item No. A3. Mr. Aashish Gupta also submitted that even otherwise, there is no provision in the Code mandating any Resolution Applicant to match the liquidation value, as the same is only to assist the CoC in its commercial decision making.
- 2.14 Mr. Aashish Gupta further submitted that similar objections as to the failure to appoint a third valuer despite significant difference in the valuations provided by the two valuers appointed in the CIRP of the CD were raised by other aggrieved members of the class of financial creditors before NCLT. The NCLT in its order dated 19.12.2024, at para 13.2, recorded that, "*it is clear from the record of the 6<sup>th</sup> CoC meeting that the CoC had consciously noted that one of the valuers had taken the value of the building as zero considering the illegal construction and the liability of INR*

*39 crores towards DDA, and further decided not to proceed with a third valuation, and thus no default can be attributed to the Resolution Professional.”*

- 2.15 Mr. Aashish Gupta further submitted that the demand raised by the DDA was first brought to his attention by the erstwhile management of the Corporate Debtor, through an email dated 20.08.2019, enclosing a copy of the DDA’s communication dated 01.08.2011, whereby a demand of ₹25.55 crores and ₹1.77 crores, along with applicable interest, was raised. Moreover, the valuation report dated 28.02.2019, prepared by M/s. Rajat Varma & Associates on behalf of Punjab National Bank, had also recorded the existence of a DDA liability to the tune of approximately ₹40 crores.
- 2.16 Mr. Aashish Gupta also submitted that during the course of the CIRP, the suspended director, Mr. Rajiv Sharma, also verbally confirmed that the DDA liability was approximately ₹39 crores. This information was duly conveyed to both the registered valuers appointed during the CIRP of the CD for determining the value of land and building.
- 2.17 On the allegation of non-cooperation with the IA, Mr. Aashish Gupta submitted that he had inadvertently missed the email communications from the IA dated 28.11.2023 and 17.12.2024 and came to know about the complaint only upon receipt of the present Show Cause Notice dated 16.01.2025, which was received by him on 26.01.2025 and duly acknowledged on the same day.

#### **Analysis and findings of the DC.**

- 2.18 The DC notes that in the present matter notice of Investigation was sent to Mr. Aashish Gupta on 23.11.2023 on his email address registered with the Board i.e. aashish\_ca@rediffmail.com, stating that necessary documents/information be provided within 10 days. However, no response was received by the IA from him. As evident from Annexure-C of the SCN, reminder email communications were sent to the RP on 02.01.2024 and again on 17.12.2024. However, even then no response was provided by the RP. Further, the SCN dated 06.01.2025 was also sent to him vide email dated 06.01.2025. Mr. Aashish Gupta vide his email dated 26.01.2025 sought additional 15 days’ time to submit the detailed reply regarding the allegations against him. Thereafter, Mr. Aashish Gupta submitted his response to the SCN *vide* his email dated 01.02.2025.
- 2.19 The DC notes the submission of Mr. Aashish Gupta that he had inadvertently missed the email communications from the IA dated 28.11.2023 and 17.12.2024 and came to know about the complaint only upon receipt of the present SCN. However, on perusal of the email communications between the IA and Mr. Aashish Gupta, the DC observes that after 28.11.2023, email was sent again on 02.01.2024 by IA to Mr. Aashish Gupta for the documents which has not been replied and for which no explanation has been given. Therefore, Mr. Aashish Gupta did not cooperate with the IA despite two reminders and has nor furnished any explanation for not replying to email dated 02.01.2024. The DC cannot accept the justification of Mr. Aashish Gupta regarding inadvertent missing of email communication, especially when the communication is taking place on the email id registered with the Board.

2.20 Regulation 8 of the Inspection and Investigation Regulations mandates a resolution professional to provide all assistance to the IA during the process of investigation and states as follows::

*“8. Conduct of Investigation*

.....

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

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

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

*“19. An insolvency professional must provide all information and records as may be required by the Board or the insolvency professional agency with which he is enrolled.”*

2.22 The DC notes that the cooperation of an Insolvency Professional with the Investigating Authority is not a mere formality but a critical obligation cast upon insolvency professionals to uphold the integrity and credibility of the insolvency framework. Timely and complete furnishing of documents and clarifications is essential to ensure effective regulatory oversight and maintain confidence in the system. In view of the foregoing, the DC finds Mr. Aashish Gupta by not responding to the email communications from the IA has not cooperated with the IA in discharge of its duties.

2.23 The DC notes that in the present matter complaint was received by the Board against Mr. Aashish Gupta alleging that the CD’s property estimated to be worth approximately Rs.200 crores at its liquidation value was sold for a mere Rs.72 crores and also alleging that although there was significant difference between the liquidation value of the CD’s property of Rs.98.52 Cr given by valuer Mr. Deepak Bansal and Rs.66.42 Crores given by another valuer Mr. Vivek Jagtap, Mr. Aashish Gupta did not appoint a third valuer. The DC notes that to examine the allegations levelled by the complainant, the Board constituted the IA to investigate the complaint. In this regard, a notice of investigation was sent to Mr. Aashish Gupta on 28.11.2023 seeking his response on the allegations mentioned in the complaint. As examined in above paragraphs, Mr. Aashish Gupta failed to provided necessary cooperation to the IA and therefore the IA proceeded to examine the allegations on the basis of material available on record. While the issue related to the undervalued sale of CD’s property could not be examined in view of absence of providing necessary information and documents by Mr. Aashish Gupta, the SCN focussed on the issue which emerged from the facts established i.e. there was significant difference in the liquidation value estimated in the reports of two valuers and despite that the third valuer was not appointed. In absence of the reply from Mr. Aashish Gupta, surrounding circumstances leading to valuation were not examined before the issuance of SCN. The same are being examined in subsequent paragraphs.

- 2.24 The IA noted that if the liquidation value mentioned in the complaint is believed to be true, Mr. Aashish Gupta has indeed contravened Regulation 35(2)(b) of the CIRP Regulations by not appointing a third valuer despite the significant difference in valuation estimates of two valuers. However, the reply of Mr. Aashish Gupta now received by the DC brings out that the case requires re-examination of the aspect of undervaluation prompted by Mr. Aashish Gupta by providing incomplete information to the valuers regarding the liability related to the assets of the CD.
- 2.25 In this regard, during the proceedings before it, the DC inquired from Mr. Aashish Gupta vide email dated 18.09.2025, *inter alia* the following information:
- a) Complete details of the correspondence with the suspended management of the Corporate Debtor, Committee of Creditors members, or any other person, along with the documents that assisted him in assessing the liability of Rs.39 crores towards the Delhi Development Authority.
  - b) Copies of the information/documents and correspondence shared with the valuers, specifically relating to the liability of Rs.39 crores imposed by the DDA on the said land.
- 2.26 In response to the above queries, Mr. Aashish Gupta vide email dated 07.10.2025 has submitted the following:
- “The undersigned respectfully submits that the demand raised by the Delhi Development Authority (“DDA”) was first brought to the attention of the Resolution Professional by the erstwhile management of the Corporate Debtor through their email dated 20.08.2019, enclosing a communication issued by DDA dated 01.08.2011, whereby a demand of Rs. 25.55 crores and Rs.1.77 crores, along with applicable interest, was raised. (Copy of letter from DDA dated 01.08.2011 as Annexure 1 along with copy of mail received from erstwhile management is enclosed herewith as Annexure 2). Further, a valuation report dated 28.02.2019, prepared by M/s Rajat Varma & Associates on behalf of Punjab National Bank, also recorded the existence of a DDA liability to the tune of approximately Rs.40 crores. (Copy of valuation report dated 28.02.2019 is enclosed herewith as Annexure 3). The suspended director of the Corporate Debtor, Mr. Rajiv Sharma, during the course of the CIRP, verbally confirmed the said liability to be around Rs.39 crores, which fact was duly conveyed to both the registered valuers. (Copy of mail enclosed herewith as Annexure 4).”*
- 2.27 The DC on perusal of the information provided by Mr. Aashish Gupta noted that Mr. Aashish Gupta vide email dated 06.08.2019 had asked from the ex-management the documents related to
- “1. Approved Layout of Building/Area Statement (floor wise) (Hard and Soft copy).*
  - 2. Year of Construction (floor wise)*
  - 3. Acquisition cost of material with date of purchase. (Capital Work in Progress)*
  - 4. Permission of Building Construction and other related documents.”*

2.28 In response to this email, the ex-management provided sanctioned drawings of Plot No. 11, CBD Centre, Shahdara, Delhi vide email dated 07.08.2019. Mr. Aashish Gupta thereafter vide email dated 20.08.2019 sought further information as follows:

*“.....As per discussion with our technical team of land and building, the layout provided by you is only for Basement 1 to Basement 3 and ground floor to 6th floor only. The details and layout of 7th to 9th floor is not provided to us. Also, the details provided to us does not clarifies the total buildup area of the construction.*

*Hence, it is requested to provide the complete information of the constructed site as mentioned in the previous mail and area statement of each block/floor.”*

2.29 The ex-management replied to this email on the same day i.e. 20.08.2019 as follows:

*The documents related to sanction of revised building plans as made available, are being attached herewith for your perusal. The application for sanction of revised building plans is still pending with DDA. Copies of plans submitted there are sent for scanning and the same will be shared with you shortly. The information desired by you is available in those plans.*

2.30 The DC on perusal of the above-mentioned email communications noted that a pdf file having several documents was also enclosed by the ex-management in its email dated 20.08.2019 as follows:

- a) Application dated 20.04.2011 submitted by the CD to the DDA in respect of revised plans.
- b) Application dated 06.06.2011 submitted by the CD to DDA for dropping the show cause notice issued by DDA and for consideration of revised plan/proposal.
- c) Reminder dated 01.08.2011 from DDA to CD asking for deposit of provisional additional charges of Rs.25.54 crores plus interest as applicable and provisions prior to sanction charges of Rs.1.77 crores plus interest as applicable.
- d) Document dated 09.05.2012 from the CD to DDA several documents and requesting approval of construction.
- e) Letter dated 14.10.2014 from DDA to CD stating that CD's property was discharged from the purview of show cause notice dated 05.11.2009.
- f) Copy of receipt dated 25.11.2014 in respect of submission of proposal of building plans to Delhi Urban Art Commission (DUAC) and the response letter dated 01.12.2024 from the DUAC to the architect of the CD acknowledging the receipt of the proposal and asking for submission of certain further documents.

2.31 Thereafter, Mr. Aashish Gupta vide his email dated 18.02.2020 communicated the following to the valuers:

*“As requested by the valuers, following are the issues that should be considered for the valuation of the Land & Building of Anush Finlease:-*

*1. There is an expected penalty amounting to Rs.39 Crores levied by DDA due to illegal construction above the sanctioned limit. As per the discussion held with suspended director, Mr. Rajeev Sharma (ex-directors of the corporate debtor) has received a demand amounting to INR 39 crores approx. on account of excess construction of the building (approx. 19000 sqm instead of 12700 sqm). He further informed that no document to substantiate the above has been provided to them by the ex-directors. Thus, he is unable to provide any document to this effect to us.”*

2.32 The DC notes that the documents showing cumulative charges of Rs.27.31 crores plus interest payable to DDA were received by Mr. Aashish Gupta on 20.08.2019. However, Mr. Aashish Gupta had communicated an approximate value of Rs.39 crores to the valuers. The document also show that show cause notice dated 05.11.2009 issued by DDA has been discharged. The same has not been communicated to the valuers.

2.33 The DC notes that valuer Deepak Bansal in his valuation report dated 23.02.2020 had provided the fair value for the Land and Building as Rs.79.75 crores and liquidation value as Rs.66.52 crores. The DC notes that Mr. Deepak Bansal while taking into account the market value and circle rates of the area took the rate of the land as Rs.1,00,000/- square meter for the land of CD measuring 7,974.90 square metre and therefore the fair value of land was estimated to be Rs.79.75 crores. Further, Mr. Deepak Bansal has taken the fair value of building as zero giving following observations:

*“It is important to note that as communicated by the RP, the building plans are not approved by DDA. The corporate debtor has constructed 50% in excess of the approved FAR. In light of the above, the fair value of the building is considered zero.”*

2.34 Further, for estimating the liquidation value of the building he firstly calculated the fair value of the building by adopting replacement value method at Rs.52.52 crores and then took 5% of this replacement value i.e. Rs.2.62 crores as salvage value and treated the same as liquidation value of the building by making following remarks:

*“We have considered only 5% salvage value as liquidation valuer for building as building plans were not approved by DDA. Moreover, there is huge liability on account of illegal construction (39.00 crore as informed by RP)”*

2.35 Further, the other valuer Mr. Vivek Jagtap in his valuation report dated 10.09.2019 had provided the fair value for the Land and Building as Rs.134.91 crores and liquidation value as Rs.98.89 crores The DC notes that Mr. Vivek has taken the average selling rate of commercial space in Shahadra region of Rs.19,000/- square feet for ascertaining the estimated realisable value on completion of 136702.80 square feet of commercial area as Rs.259.74 crores. He then deducted an amount of Rs.80 crores for completing this 136702.80 square feet of commercial area for arriving at the current market value of Rs.153.76 crores. Though he has deducted Rs.80 crores as the cost for completing the project, but the same works out to Rs.29.39 crores approximately at

the rate of Rs.2750/- square feet to complete 136702.80 square feet of the project. Thereafter he took 90% of this current market value to calculate the estimated fair value of the land and building. Along with the valuation estimates he has also provided a Note as follows:

*“We have been informed by the RP, vide email, dated 18th February, 2020, that There is an expected penalty amounting to Rs.39 Crores levied by DDA due to illegal construction above the sanctioned limit. As per the discussion held with suspended director, Mr. Rajeev Sharma (ex-directors of the corporate debtor) has received a demand amounting to INR 39 crores approx. on account of excess construction of the building (approx. 19000 sqm instead of 12700 sqm). However, we have not been provided with any official letter or documents issued by the DDA, in support of the same. A copy of the email attached for ready reference, marked Annexure - 4.”*

Apart from the above note, Mr. Vivek has also mentioned regarding the effect of expected penalty from the DDA as under:

*“It is important to note that, the company has violated the by-laws of DDA, regarding the construction of the buildings. There is a high chance that DDA will impose the penalty on account of non-compliance of the by laws regarding the constructions.*

*However, it is also important to note that, the current Real Estate Scenario in the Delhi/NCR region is not satisfactory, and the entire industry as well as the Govt is working for its revival. Moreover, the Govt has set up a fund of Rs.25,000 crores for the purpose of revival of the Real Estate Sector.*

*Therefore, there is an opportunity for the willing buyer to get some rebates for regularise the unsanctioned construction area. However, we are not aware of the actual penalty that DDA may impose on the company.*

*The value of the assets, as reflected above, will get reduced by the amount of penalty, which the DDA authority will impose for violations of by laws regarding construction.”*

- 2.36 The DC notes that Mr. Aashish Gupta has sought to rely on the valuation report submitted by a valuer Mr. Rajat Verma on 28.02.2019 for one of the financial creditors, viz., Punjab National Bank for the purpose of NPA Account, to justify the figure of expected penalty of Rs. 39 crores. The DC observes that although an expected penalty amount of approximate Rs. 40 crores was estimated by the valuer, he had considered the rate of Rs.2,50,000/- square meter of land to estimate the market value of land as Rs.200 crores and the estimated value of the building as Rs.50 crores. Accordingly, he estimated the market value of the CD as Rs.250 crores. Further he has estimated the realisable value as Rs.200 crores, the rationale for which has not been provided by him in the valuation report. The DC observes that there is a difference in the market rate considered by Mr. Rajat Verma as against the two valuers – Mr. Deepak Bansal and Mr. Vivek Jagtap who were appointed during the CIRP of the CD. The DC finds that although Mr. Aashish Gupta has sought to rely on the expected penalty of Rs. 40 crores by DDA, there was no clarity sought by him from the valuers on the aspect of lower market value considered by them to arrive at a much lesser valuation than what was given by the valuer Mr. Rajat Verma.

- 2.37 The DC observes that there is difference in the methodologies and the factors considered by the above-mentioned valuers in their respective valuation reports. Mr. Rajat Verma in his valuation estimate had considered higher rate of Rs.2,50,000/- square meter of land to estimate the market value of land as Rs.200 crores and additional Rs.50 crores as market value of the building. However, while estimating the realisable value, he has taken only market value of the land viz., Rs.200 crores. Whereas on the other hand Mr. Deepak Bansal has considered the rate of Rs.1,00,000/- square meter for estimating fair value of the land and considered fair value of building as 'zero'. Although for estimating liquidation value of the building, he estimated the fair value as Rs.52.52 crores and then took 5% of it as salvage value to be considered as liquidation value of the building. In contrast to these methodologies, Mr. Vivek Jagtap has apparently considered the land and building of the CD as one composite unit while estimating their value. He has estimated the market value of finished building by firstly taking rate of Rs.19,000/- square feet for the completed shopping complex which comes to be around Rs.259.74 crores and then deducting Rs. 80 crores from it for unfinished work of the project and thereafter took 90% of this market value as fair value of the land and building property of the CD. The DC is of the view that such a difference in the estimates of valuation and methodology adopted by the valuers for estimating value of the same land and building of the CD may be examined by the Board for further necessary action.
- 2.38 The DC is of the view that while conducting valuation of assets of the CD for the purposes of processes under the Code, the asset of the CD needs to be valued independent of any liability of the CD. The liability of CD is considered separately through admission of claims by respective creditors/claimants, the treatment and fate of which is ultimately provided in the resolution plan. The valuation of an asset for purpose other than under the Code is different from that under the Code the assets are given their intrinsic value by the Prospective Resolution Applicants in the form of a resolution plan while the claims and liabilities associated with them are paid from this value in the form of distribution. In view of this, it is not clear to the DC from the available information as to why did Mr. Aashish Gupta communicate this liability which was in form of expected penalty of Rs.39 crores levied by DDA due to illegal construction above the sanctioned limit, to the valuers where he specifically mentioned in his communication that this issue has to be considered for the valuation of Land and Building of the CD, and simultaneously did not provide them with the DDA letter dated 14.10.2014 where it was stated that CD's property was discharged from the purview of show cause notice dated 05.11.2009. Further, it is also not clear as to why did the valuers take this expected penalty amount of Rs. 39 crores in to account while conducting valuation of the land and building assets of the CD. Further, it is seen that though the penalty amount as estimated by Mr. Rajat Verma has been considered, it is not clear whether the value of the asset as estimated by this valuer has been considered communicated to the stakeholders. The same may be examined by the Board.
- 2.39 The DC observes that in its resolution plan, the successful resolution applicant - Kendriya Bhandar had sought to extinguish any and all liabilities of CD towards DDA as follows:

***“3.8. Proposal for Statutory Liabilities including outstanding Governmental Authority Dues, Tax, etc.***

.....

3.8.3. Specifically, all dues under the provisions of Applicable Laws relating to the Delhi Development Authority (DDA) (including without limitation, any unpaid dues penalties, liabilities, compounding charges, conversion charges or any other dues whether or not relating to the sanction plan or the misuse of the land use or unauthorized construction or for actual construction more than the sanctioned plan) whether admitted or not, due or contingent, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan or on account of any activity whatsoever prior to the effective date, the same shall stand extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company shall not be liable to pay any amount against such dues. All notices, assessments, orders, appellate or other proceedings pending or threatened in relation to the Company, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall stand terminated and withdrawn and all consequential liabilities, if any, shall stand extinguished and be considered as not payable by the Company by virtue of the order of the Adjudicating Authority approving this Resolution Plan and any reassessment, revision or other proceedings under the provisions of the Applicable Laws would be deemed to be barred in relation to any period prior to the Effective Date, by virtue of the order of the Adjudicating Authority approving this Resolution Plan. Any other liability, civil or criminal, on the erstwhile Directors or any of the personnel authorised by the Corporate Debtor or in its management, for any of their acts before the date of approval of the Resolution Plan by the NCLT, shall be solely on their account and neither AFCPL or its newly appointed Directors or key managerial person shall be liable for such past acts of non-compliance or violation of any of the provisions in law. Thus, the RA requests the Adjudicating Authority to grant a waiver of the above stated claims or dues. Furthermore, any NOC (no objection certificate) for any bank loan or mortgage granted by DDA before the effective date shall be deemed to be null & void.”

2.40 The resolution plan of Kendriya Bhandar containing the above provisions was approved by the NCLT vide its order dated 01.04.2020 with the following terms:

*“In view of the urgency, I hereby approve the Resolution Plan under Section 31 of the IBC looking at the approval given by the CoC making it clear that the exemptions or discounts anything asked in this plan, which is not permitted under law, are not approved.”*

2.41 In the scheme of the Code, any person or organisation towards whom any amount is due by the CD, becomes a creditor of the CD (either financial or operational creditor) and is eligible to file its claim during the CIRP. The treatment of the claim with respect to the quantum of claim and the manner in which it will be received is provided in the resolution plan. In the present case, the DC observes that DDA had not filed its claim (amounting to Rs. 39 crores approx. as calculated by the Resolution Professional) with the Resolution Professional and therefore, in terms of the law laid

down in the matter of *Ghanashyam Mishra and Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.* when the resolution plan is approved by NCLT, the claims, which are not part of the resolution plan, shall stand extinguished and the proceedings related thereto shall stand terminated.

- 2.42 From the stipulation placed in the plan regarding the liability of the CD towards DDA and position of law laid down by apex court in the case *Ghanashyam Mishra and Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.*, it is quite clear that the penalty of the DDA stands extinguished as per the plan. Since, this liability is dealt separately in the resolution process and stands extinguished, the devaluation in the value of the assets on that account is unjustified as the asset is to be valued independent of the liabilities which are to be dealt separately by the plan. This aspect needs to be investigated as the same did not crop up before the Investigating Authority in view of non-cooperation of the IP during investigation proceedings.
- 2.43 The DC further observes on perusal of the documents related to the CIRP of the CD, that the CIRP of the CD raises various questions which necessitates further examination of the facts. It is observed that the Successful Resolution Applicant in this case is Kendriya Bhandar (Central Govt. Emp. Consumer Cooperative Society Ltd.). Kendriya Bhandar in its resolution plan has mentioned the background of the CD as follows

**“1.1. Background**

1.1.1 *M/s AnushFinlease And Construction Pvt. Ltd. (AFCPL)(hereinafter referred to as the “Company” or “Corporate Debtor”) was incorporated and registered under the Companies Act, 1956 on 28<sup>th</sup> January 1997 in the name and style of M/s AnushFinlease And Construction Pvt. Ltd. (AFCPL), and having its registered office at Plot no. 11, CBD Centre, Shahadra East, Delhi-110032., with Corporate Identification Number U65910DL1997PTC084696.*

1.1.2 *The company is engaged in the business of running and operation of Hotels.*

1.1.3 *AFCPL has partly constructed Hotel & Commercial Complex in the name “Astra Arcade” situated at Plot no. 11, CBD Centre, Shahadra East, Delhi-110032.”*

- 2.44 Further, the background of Kendriya Bhandar, as mentioned in the resolution plan, is that it was established in 1963 as a welfare project of Govt. of India, under aegis of Ministry of Personnel, P.G. & Pensions, Government of India with the main objective to provide good quality items of daily needs to the consumers at very reasonable prices. It is running chain of more than 110 nos. Grocery/ Consumer retail outlets in Delhi having a turnover of Rs.1500 crores and fulfilling the household requirements of the Government employees and the general public at a large as a welfare measure.
- 2.45 However, under the resolution plan, Kendriya Bhandar has proposed to complete the project of the CD within 4 years from the approval of the sanction plan from the competent authority. The relevant portion from the resolution plan is as follows:

***“3.5. Proposal for Development of the Hotel & Commercial Complex***

- 3.5.1. *The RA proposes to complete the project within 4 year from the approval of the Sanction Plan from the competent authority.*
- 3.5.2. *RA proposes to infuse sufficient funds for each project to meet required cash flows and also to meet shortfall if any so that the project work does not effected due to lack of funds.*
- 3.5.3. *RA will seek all required approvals within a period of one year from date of approval by Adjudicating Authority.*
- 3.5.4. *RA proposes not to charge any fee of first transfer by unit holder during the term of Resolution Plan.”*

- 2.46 This proposal of completing the project of partially completed hotel and commercial complex bearing name ‘Astra Arcade’ by Kendriya Bhandar, which was established for a very different purpose of providing consumer items to the government employees, is unusual. This coupled with the events leading to approval of resolution plan and the events post approval of resolution plan, as mentioned in the following paragraphs calls for greater examination of the facts concerning the resolution plan.
- 2.47 The DC observes that the resolution plan was approved by the single member bench of the NCLT vide its order dated 01.04.2020 on the basis of two unnumbered applications filed one by the Resolution Professional – Mr. Aashish Gupta and another by the Kendriya Bhandar. The urgent hearing was accorded by the NCLT on the grounds of corona virus outbreak and the proposal of Kendriya Bhandar to convert the hotel and commercial complex in construction into a temporary shelter which could accommodate 2500-3000 persons and cater the needs of the Government as a measure to control the spread of the pandemic.
- 2.48 Further, just 2 days after the approval of resolution plan, two new directors were appointed in the CD on 03.04.2025. When application was moved before Registrar of Companies (RoC) for inclusion of the newly inducted directors as authorised signatories, certain objections were raised by the RoC with respect to non-compliance with the requisite regulatory compliances. Thereafter, Kendriya Bhandar had filed an Interlocutory application on 25.05.2020 for inclusion of these two newly inducted directors viz., Mr. Devasish Garg and Mr. Raj Kumar Verma, in the list of the authorized signatory of the CD. These two newly inducted directors seem to be private individuals unconnected to Kendriya Bhandar. Mr. Devashish Garg is associated with one VI Farms group and is a director in the three companies of VI Farm group - Vi Farm Maharashtra Limited, Vi Farm Haryana Limited, and Vi Farm Organics Limited.
- 2.49 The DC further notes that the order dated 01.04.2020 of NCLT approving the resolution plan was challenged before the NCLAT by Suchi Paper Mills Ltd. which was one of the member of financial creditors in a class in Comp. App. (AT) (Ins) No. 830 of 2020. The appeal was decided by NCLAT vide order dated 16.10.2023 where the NCLAT found the NCLT Order dated 01.04.2020 to be passed without jurisdiction and therefore remanded back the matter to NCLT.
- 2.50 The DC has examined the resolution plan submitted by Kendriya Bhandar which proposes for acquiring controlling stake in the CD as follows:

## 1. Genesis of Resolution Plan

As an integral part of the Resolution Plan, the Resolution Applicant proposes to acquire a controlling stake in the Company in the manner set out in the Resolution Plan and upon implementation of each of the following steps in the sequence set out hereunder:

## 2. Detailed Steps of Financial Proposal

<b>Step 2:</b> <b>Infusion of nominal Equity by Resolution Applicant</b>	<p>1. Resolution Applicant to infuse an amount of Rs 1.5 Crore to subscribe 15 lacs equity shares having face value of Rs 10 each</p> <p>2. Resolution Applicant shall effect the payment directly to the bank account of Corporate Debtor; Upon receipt of the said sum, shares shall be immediately issued to the Resolution Applicant</p> <p>3. Such shares can be issued in either demat or physical form, at the sole discretion of RA, and upon issuance of physical mode, requirement of issuance in demat form for Limited Company shall be dispensed with</p> <p>4. Certified Copy of Approval of the Resolution Plan shall be deemed to be the comprehensive requirement for the same and the need for process for Preferential Allotment under Companies Act, 2013 or any such other rules shall be deemed to be dispensed with including but not limited to the requirement of separate account and resolution for Preferential Allotment</p>
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- 2.51 The DC while perusing the shareholding details of the CD from the records of the MCA, observes that the shareholding had not been transferred to Kendriya Bhandar. It is further observed from the audited balance sheet of the Kendriya Bhandar for the Financial Year 2020-2021, as available on their website, that there is no mention of investment of Kendriya Bhandar in CD post approval of resolution plan on 01.04.2020 in the balance sheet. Current as well as non-current investments as mentioned in the balance sheets are reproduced below:-

### Non-current Investments

<b>PARTICULARS</b>	<b>AS AT 31.03.2023 (Rs.)</b>	<b>AS AT 31.03.2022 (Rs.)</b>	<b>AS AT 31.03.2021 (Rs.)</b>	<b>AS AT 31.03.2020 (Rs.)</b>
<i>SCHEDULE: 'E' INVESTMENTS (Non Current)</i>				
<i>Fixed deposits with schedule banks</i>	1282931494	777393225	572402276	548619300
<i>Interest Accrued and Due</i>	46637603	39689218	29195605	34500916
<i>In Shares of N C C F</i>	100000	100000	100000	100000
<b>TOTAL</b>	1329669096	817182442	601697881	683220215

### Current Investments

<b>PARTICULARS</b>	<b>AS AT 31.03.2023 (Rs.)</b>	<b>AS AT 31.03.2022 (Rs.)</b>	<b>AS AT 31.03.2021(Rs.)</b>	<b>AS AT 31.03.2020 (Rs.)</b>
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<i>d) Investment(current) In Fixed deposits with scheduled banks</i>	229188658	559796426	631039402	473828433
<i>Interest Accrued and Due on Fixed Deposits</i>	24955121	21761460	32932683	20676491
<i>Sub Total (A)</i>	17507749039	16036593230	7834924933	4612284264

2.52 Further, while reading through the public website of Kendriya Bhandar accessible at <https://kendriyabhandar.org/aboutus/?action=financial>, it is found that the event of taking over of CD by Kendriya Bhandar is not mentioned in the key milestones of Kendriya Bhandar from 2020 to till date which otherwise mention opening all retail stores of Kendriya Bhandar as follows:

1	22.01.2020	<i>Kendriya Bhandar opened its new &amp; retail Store in Vayusenabad, New Delhi</i>
2	10.07.2020	<i>Kendriya Bhandar opened its new Retail Store in GST Bhawan (Ice House), 41/A, Sasoon Road, Pune 411001.</i>
3	17.10.2020	<i>Kendriya Bhandar opened its new Retail Store in East Kidwai Nagar, New Delhi</i>
4	10.12.2020	<i>Kendriya Bhandar opened its new Retail Store in IIT, Jodhpur.</i>
5	26.01.2021	<i>Kendriya Bhandar opened its new Retail Store in AIIMS, Jodhpur.</i>
6	01.10.2021	<i>Kendriya Bhandar opened its new Retail Store in BSF Camp Paloura, Jammu.</i>
7	17.02.2022	<i>Kendriya Bhandar opened its new Retail Store in Niharika Community Center, Sector 31, Noida.</i>
8	31.03.2022	<i>Kendriya Bhandar crosses the sale of Rs.4000 crores.</i>
9	29.07.2022	<i>Kendriya Bhandar opened its new Retail Store in NSG Sehkari Awas Samity Limited, Greater Noida.</i>
10	15.08.2022	<i>Kendriya Bhandar opened its new Retail Store in AIIMS, Deoghar, Ranchi.</i>

2.53 Even while looking at the place where the CD was situated i.e. Plot no. 11, CBD Centre, Shahadra East, Delhi- 110032, no trace of Kendriya Bhandar can be found. The address now belongs to one Devasya City Center which is not related to Kendriya Bandar, as verified from the website - <https://devasyacitycenter.com/> and <https://devasyahotel.com>.

2.54 It appears from the above facts that the though, Kendriya Bhandar has portrayed itself as the SRA, it does not appear to have contributed money to the CD and has not taken shareholding in CD as has been brought out above. Hence, it needs to be examined whether RP has ensured that the Kendriya Bhandar has infused funds as per plan from its books. It also needs to be examined whether the performance security was taken by the RP from the SRA at the time of submission of resolution plan and whether the same was taken in the form so that the same could have been forfeited by the CD on non-compliance by SRA in terms of regulation 36B(4A) of CIRP Regulations. It also needs to be examined whether the directors to the CD have been appointed with the approval of competent authority in Kendriya Bhandar. If the investigation reveals that the directors were not so approved, it may be checked whether they were eligible in terms of section 29A of the Code.

### 3. ORDER

- 3.1. In view of the foregoing discussions, the DC finds that Mr. Aashish Gupta has failed in extending necessary cooperation to the IA during the investigation process and because of which several issues as flagged in above paragraphs were not investigated by the IA. The DC is of the view that these are crucial aspects relating to the CIRP of the CD which may be investigated by the Board.
- 3.2. Further, the DC in exercise of the powers conferred under section 220 of the Code read with regulation 13 of the Inspection and Investigation Regulations and regulation 11 of the IP Regulations hereby:
- imposes a penalty of Rs. 2,00,000/- (Rupees Two lacs only) on Mr. Aashish Gupta for failing in his statutory duty of cooperating with the IA to be deposited by him directly into the Consolidated Fund of India (CFI) under the head "Penalty imposed by IBBI" on <https://bharatkosh.gov.in>, within 45 days from the date this order takes effect, and
  - directs Mr. Aashish Gupta (Registration No. IBBI/IPA-001/IP-P00687/2017-2018/11164) to extend all necessary cooperation to the IA in further investigation.
- 3.3. Since, Mr. Aashish Gupta had not cooperated with the IA during the investigation process, complete facts were not available to the IA. This in turn has led to several findings by the DC requiring further investigation, as mentioned above. In view of the non-cooperation by Mr. Aashish Gupta, the DC directs that the AFA of Mr. Aashish Gupta shall not be renewed for a period of three months or till the conclusion of the investigation, whichever is earlier.
- 3.4. This order will come into effect immediately in view of para 3.1, 3.2 and 3.3 of the order.
- 3.5. Further, it may be seen from the discussions above that the three valuers have adopted different methodologies and different value for the same property. The same may also be examined for any further necessary action.
- 3.6. A copy of this order shall be forwarded to the Insolvency Professional Agency of the Indian Institute of Insolvency Professionals of ICAI where Mr. Aashish Gupta is enrolled as a member.
- 3.7. A copy of this order shall also be sent to Chairman, Kendriya Bhandar and Ministry of Personnel, Public Grievances & Pensions, Government of India.
- 3.8. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.
- 3.9. Accordingly, the show cause notice is disposed of.

Dated: 19 December 2025  
Place: New Delhi

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