INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/346/2026 29 September 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/93/2025-IBBI/202/1896 dated 19.02.2026, issued to Mr. Mukul Kumar, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P01670/2019-2020/12642 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI.

1. Background

1.1. The Corporate Insolvency Resolution Process (CIRP) of AMRL Hi-tech City Limited (Corporate Debtor/CD) commenced *vide* order of the National Company Law Tribunal, Chennai Bench (AA) dated 01.08.2023 on an application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) preferred by M/s. Swach Environment Private Limited and Mr. K. Gaurav Kumar was appointed as Interim Resolution Professional. Later, the AA vide its order dated 12.09.2023 appointed Mr. Mukul Kumar as the Resolution Professional (RP) of the Corporate Debtor.

1.2. The Board received a complaint against Mr. Mukul Kumar in respect of the CIRP of the CD. The Board sought response from Mr. Mukul Kumar vide email dated 04.08.2025. Mr. Mukul Kumar submitted his reply to the allegation in the complaint vide email dated 16.09.2025. The Board examined the allegations raised in the complaint vis-avis the material available on record.

1.3. The allegations in the complaint was examined by the Board and on perusal of the findings of the examination, the Board formed a prima facie view that Mr. Mukul Kumar contravened provisions of the Code and issued the SCN to Mr. Mukul Kumar on 19.02.2026 alleging contraventions of several provisions of the Code, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 (CIRP Regulations) and the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations). The reply of Mr. Mukul Kumar to SCN was received by the Board on 24.07.2026

1.4. The SCN and its response by Mr. Mukul Kumar were referred to the Disciplinary Committee (DC) for disposal. Mr. Mukul Kumar availed the opportunity of personal hearing before the DC through virtual mode on 11.05.2026. Mr. Mukul Kumar also submitted his additional written submissions on 25.05.2026. The DC has considered the SCN, the reply to SCN, oral and written submissions of Mr. Mukul Kumar and proceeds to dispose of the SCN.

2. Alleged Contravention, submissions of Mr. Mukul Kumar and analysis and findings of the DC.

2.1. Delay in forming opinion on PUFE Transaction and filing of S.19(2) Application.

2.1.1. Regulation 35A of the IBBI (Insolvency Resolution for the Corporate Persons) Regulations, 2016 (CIRP Regulations) states as under:

1. On or before the seventy-fifth day of the insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under sections 43, 45, 50 or 66.
2. Where the resolution professional is of the opinion that the corporate debtor has been subjected to any transactions covered under sections 43, 45, 50 or 66, he shall make a determination on or before the one hundred and fifteenth day of the insolvency commencement date.
3. Where the resolution professional makes a determination under sub- regulation (2), he shall apply to the Adjudicating Authority for appropriate relief on or before the one hundred and thirtieth day of the insolvency commencement date.

2.1.2. It was noted that CIRP of the CD commenced on 01.08.2023 and Mr. Mukul Kumar was appointed as RP on 12.09.2023. As per Regulation 35A of the CIRP Regulations, Mr. Mukul Kumar was required to form an opinion on avoidance transactions by 14.10.2023, make a determination of the same by 24.11.2023, and file appropriate applications, if any, before the Adjudicating Authority by 09.12.2023. However, it was noted that Mr. Mukul Kumar failed to make a determination and take subsequent steps.

2.1.3. It was further observed that the draft transaction audit report was received by Mr. Mukul Kumar on 17.01.2025, however, Mr. Mukul Kumar failed to determine and file any avoidance application till more than 300 days after receipt of the report. Mr. Mukul Kumar had also stated to have received the final transaction audit report, but no avoidance application had been filed by Mr. Mukul Kumar.

2.1.4. It was also noted that transaction auditor took 14 months' time to submit draft transaction audit report. Hence, there was an inordinate delay in submission of the transaction audit report by the Transaction Auditor. It was also noticed on perusal of minutes of 4th , 5th CoC and 6th CoC meeting that the suspended management failed to render necessary cooperation in providing information and documents required for conduct of the transaction audit. The CoC specifically directed the RP to initiate proceedings under Section 19(2) of the Insolvency and Bankruptcy Code, 2016 in case of continued non-cooperation. It was observed on perusal of minutes of the 7th CoC meeting held on 09.05.2024 that the list of requirements and query sheet received from Transaction Auditors was forwarded by Mr. Mukul Kumar to the director of the suspended board vide email dated 20.03.2024 which the director of the suspended board was stated to have received but the required information was not provided to the Transaction Auditor. It was, thus, seen that it took considerable time to obtain the required documents and information from the director of the suspended board leading to further delay in submission of transaction audit report.

2.1.5. Despite such delay in receiving required documents and information from the directors of the suspended board, instead of seeking AA's direction to them for providing the required information to the transaction auditor, Mr. Mukul Kumar chose to withdraw Section 19(2) application earlier filed by the erstwhile IRP.

2.1.6. It was further noted from the minutes of the 7th CoC meeting dated 09.05.2024 that Mr. Mukul Kumar stated that filing of a fresh Section 19(2) application was delayed on account of non-payment of fees to legal counsel. The same does not constitute a reasonable or valid justification for non-compliance with statutory duties cast upon Mr. Mukul Kumar under the Code.

2.1.7. It was therefore observed that Mr. Mukul Kumar failed to adhere to the mandatory timelines under Regulation 35A of the CIRP Regulations and take timely and effective steps under Section 19(2) of the Code despite continued non-cooperation by the suspended management and explicit directions of the CoC, thereby violating provisions of Section 19(2) of the Code and Regulation 35A of CIRP Regulations read with Clause 13 and 14 of Code of Conduct.

Submissions by Mr. Mukul Kumar.

2.1.8. Mr. Mukul Kumar submitted that Mr. K. Gaurav Kumar, was appointed as the IRP of the CD and in the 1st CoC meeting the IRP constituted the CoC and admitted M/s. Swach Environment Private Limited (Swach) to the CoC as an Operational Creditor with 66.38% voting share, there being no other eligible Financial Creditor.

2.1.9. Mr. Mukul Kumar further submitted that, on 12.09.2023, the IRP filed an application under Section 19(2) of the Code before the AA seeking necessary cooperation from the suspended Board of Directors of the CD for handing over the books, records and assets of the CD. On the same date, Mr. Mukul Kumar was appointed as the RP of the CD by the AA.

2.1.10. Mukul Kumar submitted that, on 28.09.2023, 2nd CoC meeting was convened, wherein he apprised the CoC of the need to appoint a Transaction Auditor to audit/investigate the loans provided to the Corporate Debtor by the SREI Group. He further informed the CoC that quotations from qualified Transaction Auditors were being obtained and that the matter would be placed before the CoC in the subsequent meeting. He submitted that, on 03.10.2023, the application under Section 19(2) of the Code was listed before the AA. However, despite service of notice, no reply was filed by the erstwhile Directors, and none appeared on their behalf.

2.1.11. Mr. Mukul Kumar further submitted that, on 30.10.2023, the 3rd CoC meeting the RP placed the quotations received from various Transaction Auditors before the CoC. Based on the lowest quotation, M/s Singhi & Co. was appointed to conduct the Transaction Audit of the Corporate Debtor for the period from 01.04.2014 to 01.08.2023. Subsequently, on 02.11.2023, the RP formally communicated the appointment to Singhi & Co. and sought the requisite relationship disclosure and PAN details for compliance purposes.

2.1.12. Mr. Mukul Kumar further submitted that, on 21.11.2023, 4th CoC meeting was convened, wherein the CoC was informed that substantial records required for conduct of the CIRP and completion of the Transaction Audit had not been handed over by the directors of the suspended board. The CoC expressed its dissatisfaction with the non-committal approach of the directors of the suspended board and, as recorded in the minutes that, in case the requisite documents were not handed over within ten days, a fresh application under Section 19(2) of the Code be filed before the AA.

2.1.13. Mr. Mukul Kumar further submitted that, on the same date, the application under Section 19(2) filed by the IRP was listed before the AA. On the said date, the counsel appearing for the erstwhile Directors merely filed vakalatnama and counter on behalf of two of the erstwhile Directors and sought further time to file vakalatnama and counter on behalf of the remaining Directors. Further, on 22.11.2023, Manas Negi, Associate – Business Consulting of Singhi & Co., sought the initial documentation required for conducting the Transaction Audit.

2.1.14. Mr. Mukul Kumar submitted that, at that stage, Mr. Mukul Kumar was not in a position to furnish the documents sought by the Auditor, as the erstwhile Directors had not handed over the requisite books of accounts and other statutory and financial records despite repeated requests. He further submitted that the Auditor had also not furnished its relationship disclosure in connection with its appointment or issued its engagement letter along with the requisite self-declaration. The engagement letter and self-declaration were furnished by the Transaction Auditor only on 28.11.2023. Thereafter, on 21.12.2023, upon being satisfied with the engagement letter and self-declaration and upon receipt of certain documents from the erstwhile management, the RP proceeded to share the available records with the Auditor.

2.1.15. Mr. Mukul Kumar submitted that on 02.01.2024, the application under Section 19(2) was listed before the AA, when the counsel for the erstwhile Directors filed vakalatnama and counter on behalf of the remaining Directors. The erstwhile Directors were attending the CoC meetings and repeatedly representing that they were in the process of collating and furnishing the requisite information and documents, while simultaneously contesting the Section 19(2) proceedings before the AA by filing their counters.

2.1.16. Mr. Mukul Kumar further submitted that, on 04.01.2024, the 5th CoC meeting was convened, wherein the minutes again recorded the continued non-cooperation of the directors of the suspended board and highlighted that the list of pending documents remained substantially identical to that recorded in the 4th CoC meeting, evidencing that no meaningful progress had been made in handing over the requisite records to the RP.

2.1.17. Mr. Mukul Kumar submitted that on 09.02.2024, the application under Section 19(2) of the Code was again listed before the AA. However, no substantive directions were passed in relation to the said application on that date, as the proceedings were primarily occupied with the submissions of counsel appearing on behalf of TIDCO, who sought its impleadment as a party to the proceedings. Subsequently, on 23.02.2024, when the application was again listed, Mr. Mukul Kumar withdrew the application originally filed by the IRP with the intention of filing a fresh application in view of the continued non-cooperation of the directors of the suspended board. The AA accordingly dismissed the application as withdrawn. Mr. Mukul

Kumar submitted that the withdrawal was not intended to abandon the proceedings, but was undertaken as a strategic measure in accordance with the directions of the CoC, with the intention of bringing the continuing non-cooperation of the directors of the suspended board before the AA through a fresh application.

2.1.18. Mr. Mukul Kumar further submitted that, notwithstanding the difficulties in obtaining records from the erstwhile management, the RP continued to pursue the requirements of the Transaction Audit. Upon receipt of additional documents from the erstwhile Directors, the RP, on 19.03.2024, forwarded to the Auditor the bank statements of all bank accounts of the Corporate Debtor along with other relevant documents, including maps, lease deeds, master plan documents and drawings. The RP also requested the Auditor to provide the final list of documents and responses required from the erstwhile management so that the same could be promptly obtained and furnished for completion of the TAR. Thereafter, on 20.03.2024 and 22.03.2024, the Auditor furnished the final data requirement list and detailed queries requiring responses from the erstwhile Directors, which were forwarded by the RP to the erstwhile Directors on the same dates.

2.1.19. Mr. Mukul Kumar submitted that substantial data requisitions continued to remain pending for several months and were furnished by the erstwhile Directors only on 24.06.2024, despite repeated follow-ups and the dissatisfaction expressed by the CoC. The delay in receipt of the requisite records was entirely beyond his control.

2.1.20. Mr. Mukul Kumar further submitted that, on 17.01.2025, the Auditor shared only a draft TAR, which was neither final nor signed and contained material deficiencies. The draft TAR was placed in the 11^{th} CoC meeting, wherein several deficiencies were identified and subsequently communicated to the auditor vide email dated 11.03.2025. Mr. Mukul Kumar further submitted that, on 08.08.2025, upon becoming aware of the related-party status of Swach through I.A. No. 740 of 2025 filed by TIDCO and upon independently examining the issue, a detailed communication was issued to the auditor pointing out that the draft TAR had failed to identify Swach as a related party.

2.1.21. Mr. Mukul Kumar submitted that the auditor furnished a final report only on 16.09.2025, which was again unsigned. The signed TAR was ultimately furnished by the Auditor on 24.10.2025, in terms of the engagement letter dated 27.11.2023. Mr. Mukul Kumar accordingly submitted that, at no stage, he remained inactive or failed to act diligently. On the contrary, the sequence of events demonstrated that he had undertaken continuous follow-ups, issued reminders, scrutinised the TAR and issued corrective directions to the auditor.

2.1.22. Mr. Mukul Kumar further submitted that the CIRP of the Corporate Debtor is still ongoing and that the RP has already filed the appropriate applications in relation to preferential, undervalued, fraudulent and extortionate transactions ("PUFE") on 06.03.2026. In the aforesaid circumstances, Mr. Mukul Kumar submitted that the allegation that he delayed the formation of opinion or failed to act diligently was wholly unfounded and deserved to be rejected.

Analysis and Findings of the DC.

2.1.23. The DC notes that Regulation 35A of the CIRP Regulations casts a mandatory, time-bound obligation on the resolution professional: to form an opinion on avoidance transactions within 75 days, make a determination within 115 days, and file an appropriate application before the Adjudicating Authority within 130 days of the insolvency commencement date. The CIRP of the CD commenced on 01.08.2023 and Mr. Mukul Kumar was appointed as RP by the AA on 12.09.2023. The DC notes that the CIRP qua the CD was commenced on 01.08.2023, whereas the avoidance application by Mr. Mukul Kumar was ultimately filed on 06.03.2026, over two years after the mandate of 130 days provided in Regulation 35A of the CIRP Regulation.

2.1.24. To appreciate the facts of the matter, the following timeline of events, as borne out from the records placed before the DC, is relevant:

Date	**Event**
01.08.2023	CIRP of the CD admitted; Mr. K. Gaurav Kumar appointed as IRP.
31.08.2023	1st CoC meeting comprising Swach Environment Pvt. Ltd. as Operational Creditor with 66.38% voting share was held; Mr. Mukul Kumar proposed as RP.
12.09.2023	IRP filed application under Section 19(2) before the AA (IA(IBC)/1656(CHE)2023) seeking cooperation of directors of the suspended board; Mr. Mukul Kumar appointed RP by the AA on the same date.
28.09.2023	2nd CoC meeting — RP informed CoC of the need to appoint a Transaction Auditor to examine SREI Group loans; quotations for selecting transaction auditor stated to be under process.
03.10.2023	Section 19(2) application listed before AA; no reply filed by erstwhile directors; AA granted a last opportunity.
30.10.2023	3rd CoC meeting — Singhi & Co. appointed as Transaction Auditor (lowest quotation) for the period from 01.04.2014 to 01.08.2023.
02.11.2023	RP formally communicated the appointment to Singhi & Co. and sought relationship disclosure/PAN details.
21.11.2023	4th CoC meeting — RP informed CoC that substantial records had not been handed over by directors of the suspended board; CoC expressed dissatisfaction, gave directors of the suspended board 10 days for compliance, and directed RP to file a *fresh* Section 19(2) application in the event of continued default. On the same date, the pending application was listed. counsel for two erstwhile directors filed vakalatnama/ counter, seeking time for filing vakaltnama and counter for the remaining respondents.
22.11.2023	Auditor sought initial documentation; RP unable to furnish as records had not been handed over; Auditor's own relationship disclosure/engagement letter also pending.
28.11.2023	Auditor furnished engagement letter and self-declaration.
21.12.2023	RP shared available (partial) records with the Auditor.

02.01.2024	Section 19(2) application listed; counsel for remaining directors filed vakalatnama/ counter; erstwhile directors continued to attend CoC meetings while contesting the Section 19(2) proceedings.
04.01.2024	In 5th CoC meeting, continued non-cooperation of directors of the suspended board recorded and no documents received as sought in 4th CoC meeting. No discussion recorded for withdrawing the pending Section 19(2) application.
09.02.2024	Section 19(2) application listed but no action taken.
23.02.2024	RP withdrew the pending Section 19(2) application (filed by the IRP); AA dismissed it as withdrawn, without recording liberty to file afresh.
18.03.2024	In the 6th CoC meeting held after the withdrawal of Section 19(2) application, the minutes record: *"Since enough time has been provided to the ex-management to furnish the records which is yet to be submitted before RP, therefore RP shall file a fresh Section 19(2) application against the suspended directors before the Adjudicating Authority."*
19.03.2024 – 22.03.2024	RP forwarded additional documents and the Auditor's final data/query requirements to erstwhile directors.
09.05.2024	In the 7th CoC meeting, RP stated that filing of the fresh Section 19(2) application was delayed on account of non-payment of fees to legal counsel.
24.06.2024	Erstwhile directors furnished required documents/responses, over three months after the query sheet.
17.01.2025	Auditor shared draft TAR — incomplete, unsigned, with material deficiencies.
27.01.2025	In the 11th CoC meeting, draft TAR placed before CoC for discussion and comments sought from the CoC on the draft TAR.
11.03.2025	Deficiencies in the TAR communicated to the Auditor.
09.05.2025	Receipt of I.A. No. 740/2025 preferred by TIDCO, which disclosed Swach as a related party of the CD.
15.05.2025	RP sent email removing Swach Environment Pvt. Ltd. from CoC upon determining its related party status vis-à-vis the Corporate Debtor.
30.06.2025	In the 12th CoC Meeting, the RP informed that Swach was removed on the basis of application received by TIDCO.
04.08.2025	An email dated 04.08.2025 was sent to the IP by IBBI to clarify the allegations raised in the grievance.
08.08.2025	RP informed vide email the related party status of the Swach to the Transaction Auditor.
13.08.2025	RP provided reply to email dated 04.08.2025 to IBBI.
16.09.2025	Auditor furnished final (unsigned) TAR.
24.10.2025	Auditor furnished the final signed TAR.
19.02.2026	IBBI issued Show Cause Notice (SCN).
24.02.2026	RP mailed to transaction auditor informing that RP's email dated 08.08.2025 not addressed satisfactorily in the final TAR dated 24.10.2025

06.03.2026	RP filed the PUFE applications before the AA.

2.1.25. From the given chronology of events, the DC notes that an application under Section 19(2) of the Code was already pending before the AA, having been filed by the erstwhile IRP on 12.09.2023 seeking cooperation of the directors of the suspended board. Further, the minutes of 2nd , 3rd , 4th , 5th and 6th CoC meetings show continued non-cooperation by the directors of the suspended board wherein the issue of continued non-cooperation from the directors of the suspended board of the CD was discussed.

2.1.26. The DC notes that the discussion as recorded in the 4th CoC meeting dated 21.11.2023 was only that the RP to file a fresh application in the event the directors of the suspended board continued to default and failed to cooperate within the 10 days' time granted to them. The issue of fresh filing of Section 19(2) application was contemplated as an additional measure, not contingent on the withdrawal of the application already pending before the AA. At no point in the 4th CoC meeting, there was any discussion or authorisation to Mr. Mukul Kumar to withdraw the application already pending before the AA. The minutes of the 5th CoC meeting dated 04.01.2024 are silent on any proposal to withdraw the pending application.

2.1.27. The DC further notes that, in the 4th CoC meeting dated 21.11.2023, under Item No. 6(c) relating to the status of handover of documents pertaining to the Corporate Debtor by the ex-management/ directors of the suspended board, Mr. Mukul Kumar informed the CoC that several important documents and records were still pending to be handed over. These included the books of account of the Corporate Debtor along with the Profit & Loss Account, Cash Flow Statement and Balance Sheet maintained up to FY 2022-23 and unaudited accounts for the period from 01.04.2023 to 01.08.2023; list of creditors and debtors; details and status of assets, including fixed and current assets; details of vehicles; records relating to buildings, plant and machinery, furniture and fixtures, electrical and electronic items; details and records of payments towards salaries, TDS, GST, ESI/PF, electricity and municipal/corporation and water taxes; statutory registers maintained under various applicable laws; details of subsisting litigations along with the advocates/counsels representing the Corporate Debtor; email credentials of the Corporate Debtor; contact details of the agency managing the Corporate Debtor's website; and other relevant corporate records, including minutes books, shareholders' and directors' resolutions, company seals and statutory books.

2.1.28. The DC further notes that even after the 4th CoC meeting, the Section 19(2) application filed by the erstwhile IRP continued to be listed before the AA on occasions — on 02.01.2024, when counsel for the remaining directors of the suspended board filed vakalatnama/counter, and again on 09.02.2024, when no substantive directions were passed. The DC notes that the withdrawal of the Section 19(2) application was made on 23.02.2024, without any express CoC deliberation about withdrawal.

2.1.29. The DC notes that 19(2) application was heard several times and considerable time was taken in the procedural aspects of filing of vakalatnama/ counter of several parties, correct measure is always to bring additional facts to the notice of the AA by way of an additional affidavit/ application rather than filing a fresh application which will require an additional round of compliance of procedural aspects before the substantive hearing. The RP did not take the correct course of action of placing additional facts of continued non-compliance rather chose to withdraw the application which was not the express decision of CoC. Further, even at the time of withdrawal, no intent of refiling is expressed even in terms of reserving the liberty to file afresh. The DC notes that this withdrawal took place without any recorded CoC deliberation or authorisation preceding it, and stands wholly disconnected from the limited direction given at the 4th CoC meeting, which contemplated a fresh filing without recording withdrawal of the current Section 19(2) application.

2.1.30. The DC further notes that it was only at the 6th CoC meeting dated 18.03.2024 which was held more than three weeks after the withdrawal of IA vide AA order dated 23.02.2024 had already taken place and the CoC came to be informed of it after the fact. The minutes record: *"CoC was not pleased about the casual and non-committal approach from suspended directors/ex-managements and wanted clear time-lines for hand-over of the above-said documents to the RP. CoC informed the RP that this approach clearly amounts to non-cooperation as on the one hand they are attending all the CoC meetings and on the other they are delaying the handover of the requisite company documents. RP further informed the CoC that he has withdrawn the IA 1656 of 2023 – Case title: K. Gaurav Kumar, IRP AMRL Hitech City Limited Vs. Basu Jaidip & 4 others (Section 19(2) application) filed by the erstwhile IRP. Since enough time has been provided to the ex-management to furnish the records which is yet to be submitted before RP, therefore RP shall file a fresh Section 19(2) application against the suspended directors before the Adjudicating Authority. CoC took note of the same."*.

2.1.31. The DC has also taken note of the corrigendum to the minutes of the 6th CoC meeting as recorded in the minutes of the 7th CoC meeting, whereby the following paragraph came to be inserted after the last paragraph of Item No. 6, Point (iii): *"COC also suggested the RP to include all the details required from the Suspended Board about the Corporate Debtors in the Fresh 19(2) to be filed with NCLT and state that the Suspended Directors are only attending the CoC meeting to show case that they are cooperating with RP. However, they have not provided the important information for the purpose of valuation of CD*." The DC notes that the corrigendum inserted via the 7th CoC meeting minutes, merely elaborated on what the fresh application should capture i.e., the full extent of information sought and the conduct of the directors of the suspended board of attending meetings while withholding material information. However, it does not, in any manner, retrospectively authorise or explain the earlier withdrawal.

2.1.32. The DC notes that despite the CoC's direction on 18.03.2024 that a fresh application under Section 19(2) of the Code be filed, no proactive step was taken by Mr. Mukul Kumar to file it. Instead, at the very next CoC meeting i.e., the 7th CoC meeting dated 09.05.2024, Mr. Mukul Kumar informed the CoC that filing of the fresh Section 19(2) application stood delayed on account of *non-payment of fees to legal counsel*. The DC notes that Mr. Mukul Kumar rather than filing Section 19(2) application to remedy the vacuum created by withdrawal of Section 19(2) application, had delayed the matter on account of lapse for want of payment of professional fees, a ground that cannot, under any circumstance, justify non-compliance with a statutory duty cast upon an insolvency professional under the Code. The DC notes that eventually, a fresh Section 19(2) application was not filed on the ground that the erstwhile directors eventually furnished documents on 24.06.2024 after a period of more than 4 months after the withdrawal of the Section 19(2) application.

2.1.33. The DC notes that, in the 8th CoC meeting dated 06.09.2024, under item 6(iii), Mr. Mukul Kumar informed the CoC that the Transaction Auditor had confirmed receipt of all the requisite documents to assist in completion of the TAR and that the audit was in progress and the report would be submitted shortly. However, the DC notes that, in the final TAR, the Transaction Auditor has specifically highlighted a list of documents which had not been provided, including the Tally books of account for the period from 01.04.2014 to 31.03.2019, agreements, bank account statements, and more than 20 other documents. The DC further notes that most of the documents identified by the Transaction Auditor as not having been received were the same documents which had earlier been sought from the directors of the suspended Board, as recorded in the 4th CoC meeting dated 21.11.2023. Despite the non-receipt of such documents, the minutes of the 8th CoC meeting record that the Transaction Auditor had confirmed receipt of all the required documents to assist in completion of the TAR. This is in conflict with the observations of the transaction auditor in the final audit report which state that several documents were not received. So, instead of taking steps for getting the records from the management either by follow-up or by filing application u/s 19(2), the RP has misrepresented before the CoC that all documents required by transaction auditor have been received.

2.1.34. To summarise, the DC notes that after the expiry of the 10 days period granted to the suspended board of the directors pursuant to the 4th CoC meeting, and in the absence of any response or production of the requested records, a prudent RP ought to have taken timely steps under Section 19(2) of the Code and approached the AA for appropriate directions and assistance in obtaining the records and information from the erstwhile management. Instead, Mr. Mukul Kumar continued to wait for the records during the subsequent 5th, 6th, 7th and 8th CoC meetings. Even in the 8th CoC meeting, while stating that the required documents had been received, he did not bring to the notice of the CoC that certain important and basic records were still outstanding. Accordingly, the DC observes that Mr. Mukul Kumar failed to file a fresh application under Section 19(2) of the Code, despite the non-receipt of essential books, records and bank statements after repeated requests to the directors of the suspended board.

2.1.35. Even after the 8th CoC meeting on 06.09.2024 wherein the RP has informed the CoC that transaction auditor has informed that all the documents have been received, there has been a considerable delay of more than 3 months in receipt of the draft TAR, which has been received only on 17.01.2025. The RP has been able to show only one email dated 13.11.2024, sent as a reminder to the transaction auditor. This does not justify the delay of 3 months. The DC notes that reasonable diligence under Regulation 35A which specifies that an opinion be formed within 75 days and determination of transactions be done within 115 days from insolvency commencement date; required the RP to actively monitor and press for timely completion of the auditor's exercise once the impediment of missing records had been removed, rather than allow the assignment to proceed at the auditor's own pace without any follow ups.

2.1.36. The DC notes that the draft TAR received on 17.01.2025 was placed before the CoC on 27.01.2025, in the 11th CoC meeting, however, the comments on the Draft TAR was shared to the auditors on 11.03.2025 i.e, after a gap of nearly two months from its receipt. The said email, inter alia, highlighted: (i) lack of proper formatting/numbering of sections (ii) non-availability of books of accounts for 01.04.2014 to 31.03.2019 and the possible ways to get it (iii) incomplete lease agreements and absence of loan sanction letters (iv) failure to clarify the applicable sections (43/45/50/66) for identified related-party transactions (v) incomplete related-party mapping (vi) lack of clarity on classification of below-market-rate lease transactions (vii) non-capture of ICICI Bank account details and (viii) absence of a concluding opinion on the identified transactions. The Final TAR was received, with only minor modifications, on 16.09.2025, i.e., after a further period of over six months raising a serious question as to whether these deficiencies were, in substance, ever addressed. Mr. Mukul Kumar has not provided any justification for such a delay. He has also not provided any details of the follow-up made by him with the transaction auditor for providing the final TAR.

2.1.37. The DC further notes that among the deficiencies flagged in the said email was the specific query as to whether the missing data relating to the books of accounts for the period 01.04.2014 to 31.03.2019 could still be obtained. However, no response placing any substitute or alternate documentation on record appears to have been furnished by the Auditor, nor is there anything on record to show that any of the given issue highlighted in the email dated 11.03.2025 being addressed. The DC finds it strange that, on the one hand, Mr. Mukul Kumar had submitted before the 8th CoC meeting that all records were made available with the Auditor, while on the other hand, his own email dated 11.03.2025 sought to ascertain whether the missing data could be retrieved by any means reflecting an inconsistency in his stated position.

2.1.38. The DC further notes that in the email dated 11.03.2025, Mr. Mukul Kumar himself specifically highlighted that the details of the ICICI Bank account, as available from the bank statement, ought to be captured, and that separate letters could be written to the bank, if necessary, to obtain the account and signatory details. However, the Final TAR records the non-availability of the statements of ICICI A/c No. 605030701 (Escrow) for the period from April 2014 to 2023 and ICICI A/c No. 000905026500 for the period from April 2014 to 2023, listing the same merely as a limitation of the report. The DC finds it strange that despite this specific direction contained in his own email dated 11.03.2025, no further steps such as addressing a letter to the bank, appear to have been taken by Mr. Mukul Kumar to obtain these basic and fundamental bank statements, and their non-availability was conveniently recorded only as a limitation in the Final TAR rather than being pursued to closure.

2.1.39. The DC notes that Mr. Mukul Kumar had removed Swach from the CoC on 15.05.2025, which itself reflects that he was aware of Swach's related-party status at that stage. It was only thereafter, when an email dated 04.08.2025 was sent by IBBI to Mr. Mukul Kumar calling for clarification on the allegations raised in the grievance, that Mr. Mukul Kumar, vide email dated 08.08.2025, informed about the related party status of Swach to the transaction auditor. The DC finds that the more than 3 months delay in communication to the transaction auditor on 08.08.2025 on receipt of IBBI's notice dated 04.08.2025 rather than at the time of removal of Swach from the CoC on 15.05.2025 clearly demonstrates a lack of diligence on the part of Mr. Mukul Kumar, who ought to have flagged this fact to the Auditor suo motu as soon as he became aware, rather than waiting to be prompted by a query from IBBI.

2.1.40. The DC also notes that even the treatment of Swach's related-party status in the Final TAR dated 24.10.2025 was found deficient by Mr. Mukul Kumar himself. Mr. Mukul Kumar vide email dated 24.02.2026 informed the Auditor that his request dated 08.08.2025 to revisit the TAR in light of Swach's related-party status had not been satisfactorily addressed in the final report and further pointed out that the related-party structure of AMRL and Swach set out at Page 64 being unsupported by any explanation of common directors, related-party transactions, or controlling interest. Mr. Mukul Kumar further recorded that, on consultation with other professionals, he had been advised that PUFE applications could not be filed on the basis of a TAR containing such errors, and that an amended TAR ought to be obtained. The DC finds it significant that these were not minor or clerical infirmities and were raised extremely late on 24.02.2026, over a year after the draft TAR was first received despite the related-party concern having been flagged by Mr. Mukul Kumar himself as far back as 08.08.2025 or the issue of non-availability of books of account being highlighted in the 4th CoC meeting dated 21.11.2023.

2.1.41. The DC notes that the obligation under Regulation 35A is transaction-specific and does not require the RP to hold back action on transactions already identified merely because the auditor's report, taken as a whole, remained under revision for other reasons. It was incumbent upon Mr. Mukul Kumar to segregate the transactions already identified from those requiring further clarification, and to take timely steps in respect of the former without waiting for the report to be updated in its entirety. His failure to do so resulted in the specific PUFE instances flagged as early as 17.01.2025 remaining unactioned for a further period of over a year, consuming nearly a year of avoidable delay over and above the delay already caused by the auditor in furnishing the draft as well as final TAR and the directors of the suspended board in furnishing the required documents.

2.1.42. The final signed TAR was received on 24.10.2025. Even thereafter, a further period of over four months elapsed before the PUFE applications came to be filed on 06.03.2026, and this filing followed, rather than preceded, the issuance of the Show Cause Notice to Mr. Mukul Kumar on 19.02.2026.

2.1.43. Mr. Mukul Kumar can not escape his primary responsibility by attributing the delay to the auditor or suspended management, as he failed to discharge his duties correctly and promptly at multiple occasions: in the unauthorised withdrawal of the pending Section 19(2) application, in the subsequent non-filing of section 19(2) application despite non-receipt of information as recorded in draft and final TAR, in the unmonitored seven-month gap between furnishing of information on 24.06.2024 and receipt of draft TAR on 17.01.2025 from the auditor, in the delay in sharing the comments on draft TAR to the transaction auditor, and in the delay in filing the PUFE applications after receipt of the final TAR.

2.1.44. The DC notes that an analysis of the CD's financial statements for FY 2016-17 to FY 2020-21 shows that Finance Costs and Cost of Materials Consumed were the two most significant expense heads incurred by the CD, together constituting a substantial proportion of total expenses throughout the relevant period as apparent from the details of expenses extracted from the financial statements: -

PARTICULARS	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
REVENUE					
Revenue from Sale of Products	0	0	0	11,723,191	0
Revenue from Sale of Services	26,050,000	13,584,000	3,604,000	5,000,000	0
Other Operating Revenues	1,877,266	100,617	1,114,226	542,351	344,757
Gross Sales	**27,927,266**	**13,684,617**	**4,718,226**	**17,265,542**	**344,757**
Less:Duties	0	0	0	0	0
Total Revenue from Operations	**27,927,266**	**13,684,617**	**4,718,226**	**17,265,542**	**344,757**
Other Income	0	3,392,644	7,437,620	799,709	4,187,109
Total Revenue	**27,927,266**	**17,077,261**	**12,155,846**	**18,065,251**	**4,531,866**
EXPENSES					
Cost of Materials Consumed	87,619,739	153,101,958	53,462,959	38,501,478	8,810,062
Purchases of Stock in Trade	0	0	0	0	0
Changes in Inventories of Finished Goods, Work In Progress and Stock In Trade	- 623,912,821	- 832,058,669	- 795,772,298	- 636,277,541	- 599,877,741
Total Employee Benefit Expense	34,390,613	35,420,177	28,659,445	23,261,444	21,338,994
Total Other Expenses	62,912,014	47,582,909	47,759,925	30,641,553	97,133,454
EBITDA	**466,917,721**	**609,638,242**	**670,608,195**	**561,138,608**	**472,939,988**
EBITDA %	**1671.91**	**4454.92**	**14213.14**	**3250.05**	**137180.68**
Finance Costs	513,113,176	611,953,584	676,804,608	569,842,586	477,851,642
Total Depreciation, Depletion and Amortization Expense	964,635	763,411	804,550	653,422	501,795
Total Expenses	**75,087,356**	**16,763,370**	**11,719,189**	**26,622,942**	**5,758,206**

2.1.45. Swach was engaged by the CD, for the construction, operation, repair and maintenance of the "water and wastewater treatment facilities" for treatment and distribution/supply of water within the SEZ of the Corporate Debtor, pursuant to a Memorandum of Understanding dated 07.02.2017. Given that the Cost of Materials Consumed is the cost incurred for payments to Swach, and that the Finance Costs pertained to the loan(s) availed by the CD from SREI which has been adjudged as a related party by the RP, both these expenses heads required extremely careful scrutiny by the transaction auditor and RP. However, the TAR does not have any comments on the same. So, even after taking nearly two years, the TAR remains deficient.

2.1.46. In view of the foregoing, the DC finds that Mr. Mukul Kumar failed to adhere to the mandatory timelines prescribed under Regulation 35A of the CIRP Regulations and failed to take timely and effective steps under Section 19(2) of the Code. The DC accordingly finds

Mr. Mukul Kumar in contravention of Section 19(2) of the Code and Regulation 35A of the CIRP Regulations, read with Clauses 13 and 14 of the Code of Conduct.

2.2. **Failure to verify the related party status of the Swach as member of the CoC.**

2.2.1. It was observed from the minutes of the 2nd CoC meeting held on 28.09.2023 that Mr. Mukul Kumar continued with the CoC as constituted by the IRP, including Swach as a CoC member.

On perusal of the transaction audit report dated 17.01.2025, it was observed that the auditor has explained the relationship between the CD and Swach, indicating common control as under:-

AMRL and SWACH Holding Structure

SIFL (SREI Infrastructure Finance Ltd) Parent Company

SEFL (SREI Equipment Finance Ltd) 100% Subsidiary	**TAIML** (Trinity Alternative Investment Managers Ltd) 50.76% Stake

SAIT (SREI AIF Trust) Solely managed by TAIML **AMRL** **58.61% Stake (via SAIT)**	**SAIT BNF** (SREI AIF Bharat Nirman Fund) Solely managed by TAIML **Swach** **100% Stake (via SAIT BNF)**

Note :-

1. SREI Infrastructure Finance Limited (SIFL) is the parent company at the core of the structure.
2. SIFL owns 100% of SREI Equipment Finance Limited (SEFL), making it a wholly owned subsidiary.
3. SIFL also holds 50.76% stake in Trinity Alternative Investment Managers Limited (TAIML).
4. TAIML manages two funds exclusively:
   a. SREI AIF Trust (SAIT), which in turn holds a 58.61% stake in AMRL.
   b. SREI AIF Bharat Nirman Fund (SAIT BNF), which in turn holds a 100% stake in Swach.

In summary, SIFL has direct control over SEFL, and indirect control over AMRL and Swach through TAIML-managed funds (SAIT and SAIT BNF).

2.2.2. Upon Examination of the shareholding pattern of the CD and Swach, as reflected in Form MGT-7 filed with the MCA, it was noticed that SAIT holds 58.61% shareholding in the CD and 99.99% in Swach, prima facie establishing common control. It was, thus, observed that despite MCA data indicating related party status of the member of the CoC constituting operational creditors only, Mr. Mukul Kumar failed to carry out the required diligence on the related party status of the members of the CoC.

2.2.3. It was noted from the minutes of the 12th CoC meeting held on 30.06.2025 that Mr. Mukul Kumar re-examined Swach's related-party status and removed it from the CoC only after filing of the IA by Tamilnadu Industrial Development Corporation (TIDCO). Despite disclosure in the transaction audit report dated 17.01.2025, Mr. Mukul Kumar did not act and waited till filing of IA by TIDCO.

2.2.4. It was therefore observed that Mr. Mukul Kumar failed to exercise due diligence in timely verification of the related-party status of Swach and continued its participation in the CoC for a considerable period thereby violating Clause 14 of Code of Conduct.

2.2.5. Thus, Board, was of the prima-facie view that Mr. Mukul Kumar contravened Section 19(2) of the Code, Regulation 35A of the CIRP Regulations, Regulation 7(2) (a) and (h) of Insolvency Professionals Regulations, hereinafter referred to as (IP Regulations) read with Clause 13 and 14 of the Code of Conduct for Insolvency Professionals, hereinafter referred to as Code of Conduct

Submissions by Mr. Mukul Kumar.

2.2.6. Mr. Mukul Kumar submitted that the issue regarding the related party status of Swach came to his knowledge only upon filing I.A. No. 740 of 2025 by TIDCO before the AA. Immediately upon becoming aware of the pleadings therein, he independently examined the matter, including the applicability of Section 5(24)(i) of the Code, and concluded that Swach qualified as a related party of the CD.

2.2.7. Mr. Mukul Kumar further submitted that, without any delay, he, vide email dated 08.08.2025, informed the Transactional Auditor that the draft Transaction Audit Report had failed to identify and disclose the related party status of Swach and called upon the Auditor to revisit the report in light of the said observation. Mr. Mukul Kumar submitted that his conduct clearly demonstrated that he acted promptly, independently and transparently upon acquiring knowledge of the related party relationship of Swach with the CD.

2.2.8. Mr. Mukul Kumar submitted that he cannot be faulted for the non-identification of a related party relationship which was neither apparent from the incomplete records handed over by the erstwhile directors nor identified in the draft report prepared by the professional Transactional Auditor. Upon acquiring knowledge of the said relationship, Mr. Mukul Kumar not only independently examined the issue but also ensured that the Auditor revisited the analysis and finalised the report accordingly.

2.2.9. In the circumstances, Mr. Mukul Kumar submitted that the allegation of negligence or failure on the part of the RP in relation to the identification of the related party status of Swach is wholly misplaced and devoid of merit.

Analysis and Findings of the DC.

2.2.10. The DC notes that Swach was inducted into the CoC as an Operational Creditor with 66.38% voting share at the very 1st CoC meeting held on 31.08.2023. The CoC controlled by Swach proposed replacement of IRP K Gaurav Kumar with Mr. Mukul Kumar as RP. Mr. Mukul Kumar pursuant to his appointment as RP continued with the CoC so constituted, including Swach as a member, as recorded in the subsequent CoC meetings. The DC notes that Mr. Mukul Kumar has got his assignment as RP because of the vote of Swach.

2.2.11. The DC notes that the erstwhile IRP had mentioned the related party status of Swach as *'under verification'* in the list of creditors dated 15.08.2023. This shows that there was, from the beginning, an apprehension that Swach might be a related party of the CD. The DC further notes that the erstwhile IRP had classified the claim of SREI Infrastructure Finance Limited and SREI Equipment Finance Limited as 'under verification' for claim as well as for related party in the list of creditors dated 15.08.2023. The DC notes that the RP had accepted the claim of SREI entities but declared them as related party of the CD. Hence, for claims of SREI entities, the due diligence was conducted, however for Swach no records are placed by Mr. Mukul Kumar to show the due diligence undertaken by him for verifying the status of Swach as related party of the CD. Since the verification of related party status was still pending, it was the RP's duty to examine whether Swach was a related party of the CD under Section 5(24) of the Code for allowing it to continue in the CoC with voting share.

2.2.12. A Google search by the DC with the names of the CD and Swach returned a search result https://sezindia.gov.in/sites/default/files/board_of_approval/files/2Supplementary%20Agenda.pdf which shows association between the two as far back as 2017. The Supplementary Agenda of the Board of Approval for SEZs records Swach's proposal to act as co-developer in the SEZ being developed by the CD. It also records that a co-developer agreement dated 07.02.2017 already existed between the two entities. The DC notes that it should have prompted Mr. Mukul Kumar to examine the corporate and management structure of the CD and Swach at a considerably earlier stage. Discovering it did not require the intervention of any third party.

2.2.13. The above search also showed a search result from zaubacorp.com (https://www.zaubacorp.com/AMRL-HITECH-CITY-LIMITED-U70101TN2000PLC044980) that showed that Mr. Ashish Mathur held directorships in both companies. He was a director of the CD from 31.12.2021 to 28.10.2022 and has been a director of Swach from 21.04.2023 onwards. This information was available in the public domain and indicated a link between Swach and the CD. In the DC's view, this circumstance should have put Mr. Mukul Kumar on alert. It was a red flag that called for further inquiry into the relationship between Swach and the CD. A prudent RP in that position would have been more vigilant and would have made further inquiries.

2.2.14. The DC further notes that the relationship between the CD and Swach could have been discovered from the public record without the information from TIDCO. The shareholding pattern of the CD and Swach as reflected in their respective Form MGT-7 filed with the MCA, being a public information available showed SAIT (SREI AI Trust) holding 58.61% shareholding in the CD and 99.99% in Swach, prima facie establishing common control. This association of Swach being co-developer with CD, directorship of Mr. Ashish Mathur in the CD as well as in the Swach, taken together with the common-control shareholding pattern independently verifiable from MCA records, constituted a sufficient trigger that ought to have prompted the RP to examine the corporate and management structure of the CD and Swach at a considerably earlier stage, and did not require the intervention of any third party for its discovery.

2.2.15. The DC notes that Mr. Mukul Kumar did not act to verify or address Swach's related-party status until compelled to do so on receipt of I.A. No. 740 of 2025 which was filed by TIDCO before the AA on 18.03.2025 and was registered on 02.05.2025. The DC notes that the service of the given application was made to Mr. Mukul Kumar only on 09.05.2025, following which he removed Swach from the CoC by email dated 15.05.2025. The DC notes that it was only after the receipt of notice dated 04.08.2025 from IBBI that Mr. Mukul Kumar communicated to the transaction auditor on 08.08.2025 that the draft TAR had failed to identify and disclose Swach's related-party status.

2.2.16. The DC notes Mr. Mukul Kumar's submission that he acted immediately, independently and without any delay upon becoming aware of Swach's related-party status, and that he cannot be faulted for a relationship that was neither apparent from the incomplete records handed over by the erstwhile directors nor identified by the Transaction Auditor. The DC does not agree with the submission of the RP that the relationship was not apparent as has been brought out above. The DC also does not agree with the submission of the RP that the records handed over did not show any relationship as the related party status was kept under verification by the IRP and even a public search shows relationship between the two parties which should have led the RP to conduct a closer scrutiny of the relationship between the two parties. This closer scrutiny would have uncovered common control which, in any event, was a matter of public record on the MCA portal.

2.2.17. In view of the foregoing, the DC finds that Mr. Mukul Kumar failed to exercise the due diligence required of him in verifying the related-party status of a member of the CoC despite sufficient information being available in the public domain. The DC accordingly finds Mr. Mukul Kumar in contravention of Regulation 7(2)(a) and (h) of the Insolvency Professionals Regulations read with Clause 14 of the Code of Conduct.

3. Order.

3.1. The DC in exercise of the powers conferred under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends the registration of Mr. Mukul Kumar (Registration No. IBBI/IPA-001/IP-P01670/2019-2020/12642) for a period of two years. Further, in terms of Section 206 of the Code, Mr.

Mukul Kumar shall not be eligible to continue his existing assignments.

3.2. This Order shall come into force on expiry of 30 days from the date of its issue.

3.3. A copy of this order shall be sent to the CoC of all the corporate debtors in which Mr. Mukul Kumar is providing his services. The CoC of the respective corporate debtors shall replace Mr. Mukul Kumar with another Resolution Professional/Liquidator.

3.4. A copy of this order shall be forwarded to Indian Institute of Insolvency Professionals of ICAI where Mr. Mukul Kumar is enrolled as a member.

3.5. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.

3.6. A copy of this order shall also be forwarded to the National Company Law Tribunal, Chennai, Division Bench - II, for information.

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

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

Dated: 29 September 2026
Place: New Delhi