

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
(Disciplinary Committee)

No. IBBI/DC/331/2026

13 July 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/23/2025-IBBI/1718 dated 06.11.2025 issued to Mr. Nimai Gautam Shah, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P00154/2017-2018/10323 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI.

1. Background

- 1.1 The Corporate Insolvency Resolution Process (CIRP) of Zep Infratech Limited (Corporate Debtor/CD) was initiated by an order dated 31.07.2023 by the National Company Law Tribunal, Ahmedabad Bench (AA) wherein Mr. Nimai Gautam Shah was appointed as Interim Resolution Professional (IRP) and subsequently confirmed as Resolution Professional (RP) in the matter. The Committee of Creditors (CoC) with 100% majority approved resolution plan submitted jointly by M/s. Deepvir Enterprise jointly with M/s. Kanha Ventures through e-voting conducted after 6th CoC meeting held on 23.12.2023. On 06.01.2024, Mr. Nimai Gautam Shah filed an application no. IA(Plan)/26(AHM)2024 for approval of resolution plan before the AA. In the said application, the AA *vide* its order dated 17.02.2025 referred the matter to the Board to examine the conduct of the RP in the matter of the CD. While ordering liquidation of the CD on 23.06.2025 and appointing Mr. Nandish Sunilbhai Vin as the liquidator, the AA also communicated its order to the Board for necessary action. Thereafter, Mr. Nimai Gautma Shah, RP, CoC and the Successful Resolution Applicant (SRA) filed appeals against the liquidation order passed by the AA before the Hon'ble National Company Law Appellate Tribunal (NCLAT). The matter was finally disposed of by the Hon'ble NCLAT *vide* its order dated 21.04.2026 while upholding the liquidation of the CD.
- 1.2 The Board took cognizance of the order of AA dated 17.02.2025 and sought response from Mr. Nimai Gautam Shah. The Board examined the issues *vis-à-vis* reply of Mr. Nimai Gautam Shah to the same and based on such examination, the Board had formed a *prima facie* view that Mr. Nimai Gautam Shah had contravened the provisions of the Code and the Regulations made thereunder and issued the SCN to Mr. Nimai Gautam Shah on 06.11.2025. Mr. Nimai Gautam Shah submitted his reply to the SCN on 18.11.2025.
- 1.3 The SCN and the reply of Mr. Nimai Gautam Shah to the SCN were referred to the Disciplinary Committee (DC) for disposal. Mr. Nimai Gautam Shah availed an opportunity of personal hearing before the DC on 25.03.2026 through virtual mode wherein he appeared along with his Advocate Mr. Harshit Khanduja. Mr. Nimai Gautam Shah submitted additional written submissions post personal hearing.

2. Alleged Contraventions, submissions of Mr. Nimai Gautam Shah, analysis and findings of the DC.

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

Contravention-I

2.1 Failure to ensure proper valuation of the assets of CD.

- 2.1.1 Section 18 of the Code entrusts the IRP to collect all information relating to the assets, finances and operations of the CD, monitor its assets, take control and custody of any asset over which the CD has ownership rights as recorded in the balance sheet of the CD, or any other registry that records the ownership of assets. Section 25 of the Code requires the RP to preserve and protect the assets of the CD including taking immediate custody and control of all the assets of the CD. Further, Regulation 35 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) requires the determination of fair value and liquidation value by two registered valuers. Fair value has been defined as the estimated realizable value of the assets of the CD, if they were to be exchanged on the insolvency commencement date (ICD) between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.
- 2.1.2 It was noted by the Board that in the 1st meeting of committee of creditors (CoC) held on 31.08.2023, Mr. Nimai Gautam Shah had apprised the CoC about the immovable properties of the CD located at Goa, Amreli, New Delhi and Ahmedabad based on the information provided by the management. In the Information Memorandum (IM), Mr. Nimai Gautam Shah disclosed brief details about major assets of the CD as on the ICD which included various land parcels at Lunsapur, Amreli having book value of Rs.16,78,100 (Rupees sixteen lakh seventy eight thousand one hundred) with the remarks that *"As per the Revenue record, Land is not in the name of the Company."*
- 2.1.3 On perusal of the valuation reports from the two registered valuers (RV's), it was observed by the Board that the land at Amreli (S.R No.147/2, 147/2 Paikie 1, 262 and 299/3, Village Lunsapur, Sub-District Jafrabad, District Amreli) was valued at book value of Rs.16,78,099 (Rupees sixteen lakh seventy eight thousand one hundred) giving reason that the market / liquidation value cannot be derived without identification of the land. The valuers also indicated the ownership of the said parcels of land with one Mr. Manven Dubey, Vice President, Sintex Power Ltd., instead of the CD. The IM and valuation reports indicated that the CD did not had ownership of land parcels in question.
- 2.1.4 In response to the Board during examination, Mr. Nimai Gautam Shah admitted that as per the revenue records, the land was in the name of the third parties and not in the name of the CD. The Board observed that despite being in possession of the revenue records and being

aware about the lack of clear title of land parcels, no evident steps were taken by Mr. Nimai Gautam Shah to rectify the title in the revenue records, except reference to a maiden visit to the Mamlatdar office of Jafrabad.

- 2.1.5 In response to the Board during examination, Mr. Nimai Gautam Shah also submitted that the ownership status of land parcels was disclosed in the IM which was duly discussed and approved by the CoC in the 3rd meeting held on 18.10.2023. Mr. Nimai Gautam Shah further submitted that the registered valuers in their independent judgement have valued the land parcels at book value due to title dispute and the valuations were shared with the CoC as recorded in the 4th meeting held on 05.12.2023. However, there was no evidence on record of any proactive steps taken by Mr. Nimai Gautam Shah to get the title issue rectified in the revenue records. Further, no application was also filed before the AA to seek any direction for effecting such rectification. Moreover, it was observed by the Board that the issue was not explicitly brought to the attention of the CoC for their informed consideration.
- 2.1.6 It was observed by the Board that it was only during the hearings on 17.12.2024 before the AA in relation to the application seeking approval of resolution plan that Mr. Nimai Gautam Shah undertook to file an explanation and indicate steps taken with respect to the land parcels in question. Thereafter, Mr. Nimai Gautam Shah obtained a legal opinion dated 13.02.2025 outlining the history of the land parcels in question. The legal opinion indicated that the land in the revenue records was in the name of few step back erstwhile owners or the Government. However, it concluded that the CD appeared to be the present owner of the land, but it cannot be said to be absolutely clear, marketable and unencumbered due to the reason of the land being in the name of erstwhile owners and subsequent mutation entries pending in the revenue records.
- 2.1.7 Instead of taking concrete action to regularize the title, Mr. Nimai Gautam Shah relied on the legal opinion which characterized the process of registering the land in the CD's name as a "mammoth task" likely to involve prolonged litigation, both civil and revenue. This approach reflects a lack of due diligence in discharging the duties as RP, especially considering the importance of the asset in question to the valuation and resolution process.
- 2.1.8 It was observed that the RVs appointed were constrained to value the land as per the book value as they were not provided with adequate information/document by the RP. As observed by the Board from the valuation report dated 07.11.2023 by LB Pratik Baldha (RV-1) in disclaimer stated "*However as per the current situation on site identification of the property is not possible, hence we are providing only book value of the property on the basis of date provided by client.*" Valuation report dated 04.11.2023 by LB Ronak Rangani (RV-2) in remarks stated "*5. Check authenticity of provided book value is not possible due to document Limitation. Hence, we provide valuation as per Given Book Value.*"
- 2.1.9 In view of the above, the Board concluded that the requisite information was not provided by Mr. Nimai Gautam Shah to the RVs to conduct the proper valuation of the assets. This resulted in flawed and unreliable valuation process. Therefore, *prima facie* Mr. Nimai Gautam Shah

failed to get the land valued properly despite disclosure by the RVs in their respective reports that valuation was conducted at the book value owing to lack of requisite information.

- 2.1.10 It was further observed from the financials for the year 2022-23 of the CD, enclosed with the IM that a deed of conveyance was executed between the CD and Sintex Industries Ltd. on 24.01.2023 and 28.03.2023 for transfer of land situated within the same area as the land parcels in question. This transaction was executed for a consideration of Rs. 436.81 crore as against the book value of Rs. 4.52 crore. This transaction could have served as an input for a more realistic valuation of the land parcels in question.
- 2.1.11 Therefore, Mr. Nimai Gautam Shah was in possession of the details pertaining to a comparable land transaction executed merely four months prior to the ICD, which provided an important input for determining the fair value of the land. Despite this, Mr. Nimai Gautam Shah failed to ensure that the fair value of the CD's assets was appropriately valued.
- 2.1.12 In response to the IA, Mr. Nimai Gautam Shah provided an email communication dated 24.02.2025 from the SRA, viz., Deepvir Enterprise with Kanha Ventures whose resolution plan was approved during the 10th CoC meeting held on 26.07.2024. In the said email communication, the SRA had indicated its willingness to assign / transfer the land at Amreli to operational creditors (mainly Income-tax Department) at free of cost, without making any modifications in the proposed resolution plan. The said communication suggested that, rather than actively pursuing resolution of the title issue, Mr. Nimai Gautam Shah shifted responsibility onto the SRA.
- 2.1.13 In light of the above observations, the Board had *prima facie* observed that Mr. Nimai Gautam Shah failed to take appropriate steps to rectify the title of land parcels in the revenue records and proceeded with the resolution process without addressing the title discrepancy. This resulted in inconsistent valuations and created ambiguity for the CoC which might have contributed to the approval of a resolution plan of a potentially lower value. Mr. Nimai Gautam Shah's conduct reflected gross negligence in taking custody and control over the assts of the CD and exercising necessary due diligence in ensuring proper valuation of the CD's assets. Such lapses were *prima facie* in violation of Sections 18 and 25(1) of the Code read with Regulation 35 of CIRP Regulations and Clause 14 of the Code of Conduct specified in First Schedule to IP Regulations.

2.2 Submissions by Mr. Nimai Gautam Shah.

- 2.2.1 Mr. Nimai Gautam Shah submitted that although the SCN referred to certain "*relevant extracts*" said to be enclosed as Annexure A (as mentioned in point no. 3 on page 1), no such annexure was enclosed with the copy served on him. Therefore, he prepared the reply without the benefit of said material, which was essential for a fully informed response.
- 2.2.2 He submitted that the CIRP of the CD commenced on 31.07.2023. At that point, the CD had absolutely no employee on its payroll. Its operations had ceased long before the CIRP had

begun. The directors of the suspended board were cooperative but were primarily technical professionals connected with project and on-field operations. They had very limited knowledge about the company's historical accounting, taxation, financial data or legal files. Many records were either very old, lost over time, or existed in a fragmented physical form, often without comprehensive context. The absence of institutional memory, combined with the absence of employees, placed a substantial practical burden upon him as the RP to reconstruct the CD's affairs as best as possible from whatever little documentation was available.

- 2.2.3 He submitted that the CoC consisted of financial creditors, including one member holding approximately 90.5% of the voting share. The authorised representative of this creditor attended all meetings and actively participated in the discussions. All decisions relating to valuation, IM preparation, access to information, tax filings, and the limitation of records were discussed in the presence of the COC. Nothing was concealed from the COC at any stage, and all significant challenges faced by Mr. Nimai Gautam Shah were openly shared with them.
- 2.2.4 Mr. Niami Gautam Shah submitted that when he took charge as the RP, he visited the Amreli (Jafrabad) land parcel. At the site, he observed that the land was open, undemarcated and located in a vast stretch of unmarked territory without any visible signs of defined boundaries. No operational activity or infrastructure existed on the land. The land had been purchased decades ago by a company that had subsequently been amalgamated into Zep Infratech Limited. The suspended directors had no personal knowledge of the land's history because the acquisition pre-dated their association with the company by many years.
- 2.2.5 Immediately after visiting the site, Mr. Nimai Gautam Shah went to the Mamlatdar's office at Jafrabad to trace official revenue records. The officials informed him, after searching their registers, that the land records were extremely old, and in many instances, incomplete or unavailable. One significant complication was that the land did not stand in the name of the CD but in the name of predecessor entities or, in some parts, in the name of erstwhile farmers or in the name of the Government. The absence of digitization for land records of such vintage meant that even basic documentation such as title extracts, mutation entries or boundary maps was unavailable in the usual format.
- 2.2.6 Upon realising this, Mr. Nimai Gautam Shah convened a meeting with the suspended management and requested them to provide all documents in their custody. They managed to locate certain old maps, lease papers and bits of correspondence relating to the land. Although limited, these were handed over by Mr. Nimai Gautam Shah to both registered valuers along with a full explanation of the historical nature of the land. The valuers were accordingly made fully aware of the incomplete nature of the title documentation.
- 2.2.7 Recognising the inherent complexity of the land's history, he sought a specialized legal opinion from the office of Advocate A.M. Kothari, a leading real estate law firm. They conducted a preliminary study based on the documents available and their experience with similar lands in the region. Their oral assessment, shared fully with the CoC, was that the defects in the title were longstanding and structural. According to them, rectification, even if

attempted, would require litigation spanning ten to twenty-five years and the chances of achieving clear title were very low. They also indicated that due to the age of the land records and the absence of clear revenue documentation, even determining the exact boundaries of the land would be a challenge.

- 2.2.8 After considering the facts placed before it, the CoC reached the commercial conclusion that pursuing litigation for title rectification was neither economically prudent nor time-efficient, especially when the Resolution Applicants had full knowledge of these defects and had factored them into their valuations. Under the Code, the CoC's commercial wisdom is paramount and as the RP, he was duty-bound to implement its decisions. Mr. Nimai Gautam Shah acted strictly in accordance with the CoC's directions and placed all relevant information before them.
- 2.2.9 The Prospective Resolution Applicant (PRA) also conducted their own detailed due diligence, both before and after plan approval. They independently discovered that title rectification was practically impossible, and therefore, they offered the land to the Income Tax Department without consideration, particularly since portions of the land already appeared as Government land in revenue records. This conduct on their part clearly demonstrated that the valuation of the land was not impacted by any step or omission on his part; rather, the land's inherent historical defects dictated its limited economic viability.
- 2.2.10 At no point did any stakeholder, whether the CoC, the PRA, or the suspended management, raised any complaint or grievance with regard to the manner in which Mr. Nimai Gautam Shah handled title and valuation of the Amreli land. All decisions were taken transparently and with the complete knowledge of the COC. It is thus submitted that there was no negligence, omission or lack of diligence on his part.
- 2.2.11 Mr. Nimai Gautam Shah in his additional written submission submitted that continuation of disciplinary proceedings by the IBBI at this stage is premature, legally untenable, and liable to be dropped, in view of the pendency of an appeal before the Hon'ble NCLAT concerning the very same CIRP and underlying issues. He submitted that any parallel adjudication by the IBBI would result in conflicting findings; pre-judging issues *sub judice*; and undermining the appellate jurisdiction of the NCLAT.
- 2.2.12 He submitted that settled principle under insolvency jurisprudence is that findings of the AA are subject to appellate correction, and until such process attains finality, any derivative or consequential proceedings ought not to be crystallised. Proceeding with disciplinary action in parallel would amount to indirectly affirming the NCLT's *prima facie* observations; rendering the appellate remedy illusory; and violates the doctrine of judicial discipline.
- 2.2.13 He relied on the judgement of Hon'ble Supreme Court in *Creditors of Essar Steel India Limited v. Satish Kumar Gupta (2019)* wherein it was emphasized that the insolvency framework is adjudicatory in nature with clearly demarcated institutional roles, and regulatory bodies cannot interfere with or override the commercial and judicial determinations made within CIRP. He also relied on the judgement of Hon'ble Supreme Court *K. Sashidhar v.*

Indian Overseas Bank (2019), wherein it was held that commercial and procedural decisions taken during CIRP fall within the domain of the CoC and the adjudicatory fora and cannot be second-guessed by external authorities unless there is manifest illegality.

- 2.2.14 He submitted that the allegations in the SCN are inseparably linked to the CIRP decisions (valuation, disclosures, IM preparation, CoC awareness), all of which fall within the adjudicatory and commercial domain already under appellate scrutiny.
- 2.2.15 He submitted that the NCLAT may arrive at findings on valuation, disclosures, and conduct of the RP which might materially differ from any conclusion drawn by the IBBI. Parallel proceedings would create an untenable situation of conflicting adjudications. The SCN proceeds on a *prima facie* assumption of lapses, which are precisely the issues under challenge before the appellate forum. Continuing proceedings would effectively pre-judge the appeal. The RP would be compelled to defend identical issues simultaneously before two fora, potentially taking inconsistent positions or suffering adverse inference in one forum based on proceedings in another. The IBBI would, in effect, be reviewing CIRP conduct without awaiting final judicial determination, thereby exceeding its regulatory mandate. It is prayed that the proceedings initiated pursuant to the SCN dated 06.11.2025 be dropped/closed in limine.
- 2.2.16 He further submitted that doctrine of *sub judice* mandates that where an issue is directly and substantially in issue before a competent court or tribunal, parallel adjudication by another forum must be avoided. Further, institutional comity requires that the IBBI, as a statutory regulator, must defer to the adjudicatory hierarchy under the Code; and Disciplinary consequences, if any, must follow after final adjudication, not during pendency.
- 2.2.17 He submitted that the record itself demonstrates that the RP acted diligently and transparently disclosed the title defects and limitations in the IM and placed all relevant information before the CoC. Independent valuers were informed of the limitations and conducted valuation accordingly. The CoC, exercising its commercial wisdom, took an informed decision not to pursue prolonged title rectification litigation. He submitted that RP's conduct has been independently validated through a clean peer review report by IIIPI, negating any allegation of negligence. These aspects reinforce that the issues raised are at best interpretational and circumstantial, not disciplinary misconduct warranting penal consequences.
- 2.2.18 Mr. Nimai Gautam Shah has submitted email correspondence through which the documents required for valuation were shared to the valuers which included copy of sale deeds of all the parcels of land, audited financial statements of last two financial years, copy of land ownership map showing land boundaries details of the land transferred to Sintex Industries Limited as per the AA order provided in the Audited Financials Statement for F.Y. 2022-23 and information regarding title of land as per revenue record including information that substantial portion of the land is declared as "Sri Sarkar". In view of declaration of land as "Sri Sarkar" by Government, the CD does not have control over the said land.

- 2.2.19 He submitted that the discussion of defect in title of immovable property was noted in the 3rd CoC meeting and in the 4th CoC meeting. He submitted that a confirmation email has been received from the lead CoC member having 90.5% voting share giving confirmation that the CoC members, in their commercial wisdom, consciously accepted the valuation of the said land at its book value, as determined by the registered valuers, at the time of approval of Resolution Plan. The aforesaid decision was taken *inter alia* on account of significant title-related concerns, and a substantial portion of the land has been declared as “Sri Sarkar”, thereby giving rise to material legal uncertainties and potential encumbrances.
- 2.2.20 He submitted that due to circumstances beyond his control, namely the complete absence of employees, extremely old and incomplete corporate records, technical issues with government portals, and the historical nature of the Amreli land. At no point he acts negligently, carelessly or with any intent to suppress information.

2.3 Analysis and Findings of the DC.

- 2.3.1 Before proceeding to the merits of the contravention, the DC notes the preliminary submission of Mr. Nimai Gautam Shah that no annexures were enclosed with the SCN served upon him, and that he was therefore compelled to prepare his reply without the benefit of the said material. The DC has examined the records in this regard. It is noted that the Board *vide* its email dated 06.11.2025 at 04:08 P.M. sent the SCN along with all annexures, including Annexure A, to Mr. Nimai Gautam Shah in the email id cnjabd@gmail.com, registered with the Board. The said email and its attachments form part of the record before the DC. In view of this, the contention of Mr. Nimai Gautam Shah that Annexure A was not served upon him is factually incorrect. The DC observes this to be a diversionary tactics by Mr. Nimai Gautam Shah and, therefore, does not find any merit in this submission and proceeds to consider the matter on merits.
- 2.3.2 The DC has also noted that the appeal before the Hon’ble NCLAT against the order of the AA dated 23.06.2025 had been disposed of on 21.04.2026. Thus, the issue of parallel adjudication resulting in conflicting findings or pre-judging issues which are *sub judice*, therefore, does not arise.
- 2.3.3 Further, the DC observes that orders of the AA and/or references by the Hon’ble NCLAT may be a trigger point to initiate investigation against any service provider but the examination of the conduct of an IP is not limited to the references made therein. The Board independently examines the conduct of any service provider under Section 218 of the Code when it has reasonable ground to believe or generally under Section 196 (f) & (g) of the Code read with IBBI (Inspection and Investigation) Regulations, 2017.
- 2.3.4 The DC notes that the principal issue for determination under the SCN herein is whether Mr. Nimai Gautam Shah, in his capacity as IRP/RP, discharged his statutory obligations with respect to taking custody and control of the assets of the CD, ensuring proper valuation of those assets, and exercising due diligence in addressing the title discrepancy pertaining to the land parcels situated at Village Lunsapur, Sub-District Jafrabad, District Amreli.

2.3.5 The DC notes the order dated 17.12.2024 where the AA had made certain observation regarding the land at Amreli as follows:

“Further, he undertakes to file an explanation and steps, if any, taken qua the land of the corporate debtor situated at Amreli which has been valued by both the valuers at book value.”

2.3.6 Subsequently while referring the matter to the Board, the AA in its order dated 17.02.2025 made the following observation regarding the asset in question:

“6. As regards land situated at Amreli, Ld. Counsel has stated in the affidavit as under:

"Apropos to the land situated at Lunsapur, Jafrabad, Amreli, it is submitted that subsequent to the commencement of CIRP, the applicant herein has taken full control over the said land bearing Revenue Survey Nos. 147/2, 147/2 paiki 1, 262 and 299/3, being a property of the Corporate Debtor. Further, the Applicant herein had duly provided the copies of the sale deeds, break-up of survey-wise book values and survey map for Lunsapur to both the registered valuers who had carried out valuation of the said property. "

7. During the course of hearing, Ld. Counsel appearing on behalf of the Resolution Professional sought further time to place on record the dispute pertaining to the land at Amreli and also the minutes of the COC, where the said disputes were brought to the notice of the COC and the decision of COC in this regard.

...

9. From the records of the present case, it is seen that the corporate debtor owns nearly 46,000 sq. meters of land at Amreli, which was acquired some time in 2010/11 on an ownership basis.

10. The two valuers appointed by the RP have valued this land at book value, which comes to nearly Rs.16.78 lakhs. The mandate of the IBC, 2016, and the attended regulations require the RP to value the land at the market value as on CIRP date."

2.3.7 It is not in dispute that Mr. Nimai Gautam Shah was aware, from an early stage of the CIRP, that the land parcels at Amreli were not recorded in the name of the CD in the revenue records. Mr. Nimai Gautam Shah submitted that upon visiting the site, he proceeded to the Mamlatdar's office at Jafrabad to trace revenue records and thereafter obtained documents from the suspended management which were handed over to the registered valuers. He further submitted that he sought a legal opinion dated 13.02.2025 from Advocate A.M. Kothari, which was shared with the CoC, and that the CoC, after considering the complexity and cost involved in title rectification, took a conscious commercial decision not to pursue litigation.

- 2.3.8 The DC observes that the legal opinion was however taken only after explanation was sought by the AA from Mr. Nimai Gautam Shah. Further, there is no proof to substantiate his submission that oral assessment regarding standing defects in the title and structural issue was shared fully with the CoC. Moreover, while a visit to the Mamlatdar's office and collection of available documents represent preliminary steps, they fall well short of the diligence expected of an RP in respect of an asset recorded in the balance sheet of the CD. The RP is required to collect all information relating to the assets of the CD, take control and custody of any asset over which the CD has ownership rights as recorded in the balance sheet of the CD, or any other registry that records the ownership of assets in a timely manner. The conduct of Mr. Nimai Gautam Shah fell short of the statutory duty imposed on him by the Code under Section 18 of the Code.
- 2.3.9 His negligence is further exacerbated by the fact that Mr. Niamri Gautam Shah failed to provide details of a deed of conveyance executed between CD and Sintex Industries Ltd. on 24.01.2023 and 28.03.2023 for transfer of land situated within the same area as land parcels in question for a consideration of Rs. 436.81 crore as against a book value of Rs. 4.52 crore respectively. Such comparable transaction could have served as an input for a more realistic valuation of the land parcels in question. The DC notes that he was in knowledge of this comparable land transaction through financials for the year 2022-23, enclosed with the IM. This transaction was executed merely four months prior to the insolvency commencement date and constituted a directly comparable transaction which could have served as a meaningful input for determining the fair value of the Amreli land. The DC does not accept the submission of Mr. Nimai Gautam Shah that valuation of such nature was practically impossible. At least, Mr. Nimai Gautam Shah should have placed the information regarding the aforesaid sale transaction within the knowledge of the registered valuers. But he has not placed on record any material information that was shared with the registered valuers and to ensure that it was factored into their assessment.
- 2.3.10 Regulation 27 read with Regulation 35 of the CIRP Regulations provides for an RP to conduct valuation of assets of CD and for which he is required to provide adequate information to the registered valuers conduct a reliable valuation. The DC notes that both the registered valuers, in their respective reports, explicitly stated that they were constrained to value the land at book value owing to inadequacy of documentation and inability to identify the land on site. Registered Valuer 1 stated that *"identification of the property is not possible, hence we are providing only book value of the property on the basis of data provided by client"*, and Registered Valuer 2 noted that *"Check authenticity of provided book value is not possible due to document limitation."* The responsibility for providing adequate information to the valuers rested squarely with the RP.
- 2.3.11 The DC notes the observation made by the Hon'ble NCLAT regarding commercial wisdom of CoC while upholding the liquidation of CD in its order dated 21.04.2026 as follows:
- "The Commercial wisdom of the CoC which the Supreme Court has kept beyond judicial scrutiny is that which is founded on intelligent decisions made on the intelligible criteria which manifests and reflects the IBC's values alongside the compliance of the procedure*

prescribed, but not otherwise. In the instant case, the commercial wisdom of the CoC, given the context in which it is employed to bail out the plan deserves to be taken note of for lack of it."

- 2.3.12 In context of the observation made by the Hon'ble NCLAT, the DC observes that the commercial wisdom of the CoC is closely linked to specific statutory duties cast upon the RP. The CoC's ability to exercise informed commercial judgment is itself contingent upon the RP having placed accurate, complete, and reliable information before it, including a credible valuation of the CD's assets. Where the valuation of a significant asset has been conducted at book value due to inadequacy of information provided by the RP, the CoC cannot be said to have been placed in a position to exercise fully informed commercial judgment. The DC therefore does not find any merit in the submission that CoC approval of the IM or the valuation reports provides a justification for the conduct of the RP. The RP being Chairperson of the CoC and the statutory officer entrusted with conducting the CIRP and bears an independent obligation to ensure that the process is carried out in accordance with the provisions of the Code and the applicable regulations. In the other words, approval given by the CoC does not absolve RP of its responsibilities & obligations provided under the Code and its underlying Regulations. Being Chairperson of the CoC, the RP should disclose and record his independent opinion in the CoC meeting.
- 2.3.13 The DC is not persuaded by the submission that the absence of employees, cooperative suspended directors but with limited knowledge, and the historical complexity of the land records presented an insurmountable obstacle. These are circumstances which the RP was obligated to navigate through appropriate professional and legal channels. The DC notes that an RP is expected to take all reasonable and available steps within the framework of the Code, including approaching the AA for appropriate directions wherever necessary, in order to ensure that the interests of all stakeholders are protected and that the resolution process proceeds on the basis of reliable asset valuations. No such application was filed in the present case.
- 2.3.14 The DC further notes that even before approaching the AA, since the title of the land parcels stood in the name of a company that had since been amalgamated with the CD, Mr. Nimai Gautam Shah could have relied upon the order of amalgamation to seek registration of title in the name of the CD. It is the duty of the RP to pursue litigation on behalf of the CD wherever necessary to protect the assets of the CD, and the apprehension of a long litigation is not, by itself, a valid ground for abdicating this responsibility. If the title of the land had been cleared, it could have led to a significant enhancement in the value realised for the CD.
- 2.3.15 The DC further notes the submission of Mr. Nimai Gautam Shah that the SRA, after approval of the resolution plan, independently concluded that title rectification was practically impossible and offered the land to the Income Tax Department without consideration. The DC observes that this development, rather than mitigating the RP's conduct, reinforces the significance of the asset and the inadequacy of the steps taken during the CIRP. Moreover, the authority of SRA to offer land to Income Tax Department is unclear in terms of whether it was against its admitted claim. The fact that the SRA was compelled to dispose of the land

without consideration underscores the adverse consequence of the title issue remaining unaddressed, and the corresponding impact on the value ultimately realised for the stakeholders.

2.3.16 In view of the foregoing, the DC holds the contravention.

Contravention-II

2.4 Non-Disclosure of Brought Forward and Carry Forward Losses in Information Memorandum.

2.4.1 Section 25(2)(g) of the Code requires the RP to prepare the IM in accordance with Section 29. Section 29 of the Code requires the RP to prepare an IM in such form and manner containing such relevant information as may be specified by the Board. In this regard, Regulation 36 of CIRP Regulations, *inter alia*, provides the information and details to be provided in the IM. It is stipulated that the IM shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the CD including its operations, financial statements, to the prospective resolution applicant (PRA). Further, Regulation 36(2)(j) mandates that the IM shall include details such as company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the CD such as brought forward losses in the income tax of the returns, etc.

Brought forward Losses.

2.4.2 It was noted by the Board that the financial statements for the preceding three financial years (FYs) 2020-21 to 2022-23 before the ICD along with the trial balance for FY 2023-24 as on the ICD were enclosed with the IM dated 18.10.2023. Also, the income tax return (ITR/ Form ITR-6) filed for the Assessment Year (AY) 2023-24 on 26.10.2023 reflected brought forward capital loss of Rs.1.39 crore and brought forward unabsorbed depreciation to the tune of Rs.1.04 crore. However, Mr. Nimai Gautam Shah did not disclose brought forward capital loss of Rs.1.39 crore pertaining to previous FYs in the said IM. Further, it was noted that brought forward unabsorbed depreciation to the tune of Rs.1.04 crore was also not mentioned in the IM dated 18.10.2023. In view of the above, it is observed that Mr. Nimai Gautam Shah did not ensure complete and accurate disclosure in the IM, with respect to the brought forward losses.

Carry Forward Losses.

2.4.3 It was noted by the Board that the losses for the current FY 2022-23 to be carried forward to future years were significantly higher and were also not reflected in the IM. The said ITR reflected a carried forward business loss of Rs. 376.62 crore and a capital loss of Rs. 202.09 crore for FY 2022-23.

- 2.4.4 In response, Mr. Nimai Gautam Shah stated that the details of the carried forward losses were not available at the time of preparation of the IM as these were finalized only upon filing of the ITR. It is stated that Mr. Nimai Gautam Shah had already circulated the request for resolution plan (RFRP) including IM to the PRAs on 19.10.2023. Therefore, as on ICD as well as on the date of IM, the details of carried forward losses were not available as the same were arrived at only after filing of the ITR for AY 2023-24 on 26.10.2023.
- 2.4.5 Mr. Nimai Gautam Shah in his reply to the Board submitted that an email dated 08.11.2023 was sent to the PRAs, informing them about the filing of the ITR for FY 2022-23 and the carried forward losses disclosed therein.
- 2.4.6 It was further observed that the IM as prepared by Mr. Nimai Gautam Shah was placed before the CoC in its 3rd meeting held on 18.10.2023. The ITR was filed on 26.10.2023. The financial statements for the year 2022–23 were already available with Mr. Nimai Gautam Shah. The timelines of issuance of IM and filing of ITR indicate that the ITR finalisation would be under process at the time of preparation and issuance of IM.
- 2.4.7 In view of the above, it is observed that Mr. Nimai Gautam Shah did not ensure complete and accurate disclosure in the IM, with respect to the carried forward losses. Given that this information was reasonably ascertainable at the time of issuance of IM, it ought to have been included in the IM to facilitate timely and informed decision-making by the PRAs and the CoC. While the subsequent disclosure to PRAs and CoC is noted, the IM could have been revised or they should have been promptly informed after filing of the ITR. The delay in incorporating this material information and informing the PRAs and CoC reflects a gap in level of diligence expected in the conduct of the resolution process.
- 2.4.8 Thus, Board, held *prima facie* view that Mr. Nimai Gautam Shah had contravened Sections 25(2)(g), 29, 208(2)(a) & (e) of the Code, Regulations 36 of CIRP Regulations, Regulation 7(2)(a) and (h) of IP Regulations read with Clauses 12 and 14 of the Code of Conduct specified in First Schedule to IP Regulations.

2.5 Submissions by Mr. Nimai Gautam Shah.

- 2.5.1 Mr. Nimai Gautam Shah submitted that when the CIRP commenced, the CD had no employees. The suspended directors did not know the password to the Income Tax e-filing portal. The registered email linked to the company's account was an old ID to which none of the directors had access. He submitted that his office attempted to reset the password, but the reset link was sent only to this inaccessible email ID. Recognising that access to the portal was essential, he attempted to register himself as an authorised representative of the CD using his personal Income Tax login. However, approval from the CPC for such authorisation was delayed for reasons purely related to systemic processes beyond his control. During this time, the suspended management provided the RP with physical copies of income tax returns for AY 2021-22 and AY 2022-23. From these paper returns, it appeared that the earlier years had small unabsorbed losses. However, on 21.08.2023, the Income Tax Department submitted a massive claim of Rs.251 crore for the AY 2021-22, enclosing the assessment order and

supporting documents. Once this assessed demand was admitted, based on the assessment order produced as part of the claim, all earlier carried- forward losses would mandatorily stand absorbed under the Income Tax Act. In such a situation, disclosing such losses in the IM, without confirmation of their survival, would have been not only speculative but also potentially misleading

- 2.5.2 The IM was prepared in early October 2023 and was approved by the CoC on 18.10.2023. During this period, he did not have portal access and had no way to verify whether carried-forward losses actually existed or were available. Further, the AY 2023-24 return had substantial losses, and if not filed before 31.10.2023, these losses would lapse, resulting in an irreversible loss to the CoC.
- 2.5.3 He submitted that his focus during this critical fortnight was to secure portal access so that the return for the AY 2023-24 could be filed in time and the CD's assets could be preserved. After persistent follow-ups, the suspended management was able to obtain the password only on evening of 19.10.2023. He submitted that his DSC on the portal was approved on 26.10.2023, after which he immediately filed the AY 2023-24 return on the same evening, preserving the substantial losses for the benefit of the CoC. On 08.11.2023, after ensuring that the return had been successfully processed on the portal, he circulated the complete returns and all details of losses to the PRAs and to the CoC. This disclosure was made well before the final date for submission of resolution plan (23.11.2023), giving the PRAs adequate time to take these figures into account.
- 2.5.4 He further submitted that non-disclosure of proposed losses for A.Y. 2023-24 in the IM whose income tax return had not yet been filed, at the stage of preparation of the IM or on the date of approval of IM by the CoC, he was not certain due to the technical problems on income tax website, whether he would be able to file the income tax return of A.Y. 2023-24 before the due date of 31.10.2023. In such a scenario, there was no way in which he could pre-empt and disclose this huge carried forward loss in IM, which may or may not be available. The non-inclusion of losses in the IM was therefore purely attributable to non-availability of verified information and was done out of caution and professional prudence. It would have been inappropriate to include figures that could not be confirmed or that might have been already absorbed against the large assessed tax liability. Once the losses were verified and confirmed, they were transparently disclosed before any prejudice could arise.
- 2.5.5 In the additional written submissions filed by him, he submitted that the modified draft IM was emailed to the CoC on 17.10.2023 which was approved by the CoC on 18.10.2023. The RFRP and the IM were emailed to all the PRAs on 19.10.2023 at 10.22 A.M. The suspended management provided the correct income tax login credentials on 19.10.2023 at 06:29 P.M. After registering digital signature, the ITR was filed on 26.10.2023. After unsuccessfully waiting for the intimation under Section 143 of the Income tax Act, 1961 to be generated, he emailed the entire income tax return to all the PRAs on 08.11.2023.

2.5.6 He submitted that the alleged non-disclosure of losses was due to non-availability and uncertainty of verified tax data, which was subsequently disclosed sufficiently prior to plan submission date.

2.6 Analysis and Findings of the DC.

2.6.1 The DC deals with non-disclosure of brought forward and carry forward particulars by Mr. Nimai Gautam Shah in the IM prepared by him. In this regard, the DC notes the Regulation 36(2)(j) of the CIRP Regulations reproduced as under: -

“36. Information memorandum.

....

(2) The information memorandum shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant and shall contain the following details of the corporate debtor-] -

....

(j) company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities

....”

2.6.2 The particulars which are discussed in subsequent paragraphs are tabulated below:

Sr.	Particulars	Financial Year (FY)	Amount (crore in Rs.)
(i)	Brought forward capital losses	2022-23	1.39
(ii)	Brought forward unabsorbed depreciation	2022-23	1.04
(iii)	Carry forward business loss	2022-23	376.62
(iv)	Carry forward capital losses	2022-23	202.09
(v)	Demand by IT Department	2021-22	251.78

2.6.3 The figures pertaining to ‘brought forward’, (i) & (ii), relate to losses those had already crystallised in prior assessment years and were therefore pre-existing at the time of preparation of the IM dated 18.10.2023. The DC notes submissions of Mr. Nimai Gautam Shah that the suspended management provided him with physical copies of IT returns for AY 2021-22 and AY 2022-23 where it appeared that the earlier years had small unabsorbed losses. The DC observes that even after in possession of these IT Returns, still Mr. Nimai Gautam Shah did not disclose the above particulars in the IM. No reason has been provided by Mr. Nimai Gautam Shah for not disclosing these particulars.

- 2.6.4 Regulation 36(2)(j) of the CIRP Regulations specifically provides for disclosure of brought forward losses in the IM. His submission that there were difficulties in accessing the income tax portal does not explain the non-updation of the IM after the information was available with him. Further, where the availability of such losses is uncertain or disputed, the appropriate course of action would have been to disclose the figures with suitable qualifications or caveats, rather than to omit them entirely. The omission of these figures, without any qualification or note in the IM, deprived the PRAs of material information essential for informed assessment of the value of the CD.
- 2.6.5 The DC also note inconsistency in the submissions of Mr. Nimai Gautam Shah. In his initial submission, he stated that the suspended directors did not have the password to the Income Tax e-filing portal and that the registered email linked to the company's account was an old ID to which none of the directors had access. However, in a same submission subsequently, he stated that after persistent follow-ups, the suspended management was able to obtain the password on the evening of 19.10.2023. These two statements are mutually inconsistent. The DC is therefore unable to place reliance on the explanation offered by Mr. Nimai Gautam Shah.
- 2.6.6 The DC notes that the carried forward losses for FY 2022-23 which are business loss of Rs.376.62 crore and capital loss of Rs.202.09 crore was reflected in the ITR filed on 26.10.2023. The IM was prepared and circulated on 18.10.2023, and the RFRP was circulated to PRAs on 19.10.2023. The ITR was filed on 26.10.2023, i.e., one week after the IM was placed before the CoC. Still, he does not explain non-updation of the IM after details becoming available with him. The DC also notes that the demand raised by the IT Department for Rs.251 crore has no bearing on the disclosure of 'brought forward' and 'carry forward' particulars in the IM.
- 2.6.7 In this regard, the DC also notes the following observation in order of the AA dated 23.06.2025:

“33. The relevant facts as discussed in this order are again summarised below:

The Corporate Debtor had hundreds of crores of assets and liabilities as on 31.03.2021, 31.03.2022, and 31.03.2023 but the RP has identified only four immovable properties (two of these are residential premises at Delhi and Goa, one office at Ahmedabad and one land at Amreli. The RP has received claims from only two unsecured financial creditors (one of them is financial creditor to whom corporate guarantee was provided by the CD) and from Income Tax Department.

...

The CD has carried forward business loss of Rs 376.62 crores. carried forward unabsorbed depreciation of Rs 1.04 crores and carried forward long term capital loss of Rs 203.48 crores. Though, the SRA has asked for a prayer from this Adjudicating Authority to approve affording a reasonable opportunity of being heard by the jurisdictional principal commissioner of income tax in accordance with section 79 (2) of the Income Tax Act, 1961 to allow carry forward of losses of the previous year. However, these intangible assets have not been

considered while valuing the CD or while submitting the Resolution Plan. It is made clear that this Adjudicating Authority has no power to decide the issue of carry forward of losses/depreciation and the same will be subjected to the provisions of the Income Tax Act, 1961.”

The above observation, which was further upheld by the Hon’ble NCLAT, states that the intangible assets like carried forward business loss of Rs.376.62 crore, carried forward unabsorbed depreciation of Rs.1.04 crore and carried forward long term capital loss of Rs.203.48 crore were not considered while submitting the resolution plan. It substantiates the impact of their non-disclosure in IM and its impact in a CIR process leading to non-approval of resolution plan and pushing CD to liquidation which is a last resort.

2.6.8 In view of the foregoing, the DC holds the contravention.

3. Conclusion.

3.1. Across both contraventions, the DC finds that Mr. Nimai Gautam Shah, as RP, fell short of the diligence and disclosure obligations cast on him under the Code.

- (a) Regarding the issue of valuation of assets of the CD, it is observed that despite having early knowledge of the title discrepancy of the land in question, Mr. Nimai Gautam Shah took steps only after the issue was highlighted by the AA. He further failed to furnish relevant details with comparable transaction to the RVs. The DC observes that the CoC's exercise of its commercial wisdom is dependent upon the RP who is required to place correct, complete, and reliable information before it, including a credible valuation of the CD's assets. The RP cannot seek to justify his conduct solely on the basis of the CoC's commercial wisdom. Being Chairperson of the CoC, he is under an independent obligation to furnish accurate and relevant information and facts, record his independent opinion to enable the CoC to take commercial decision and act in the interest of the CD.
- (b) Regarding the issue of omission of brought-forward losses and carried-forward losses in IM, Mr. Nimai Gautam Shah tried to explain them with delay in filing of return while the disclosure in this regard should have been made with caveats in IM or amend the IM as required.

4. Order.

- 4.1. In view of the foregoing discussion, the DC in exercise of the powers conferred under section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends registration of Mr. Nimai Gautam Shah (Registration No. IBBI/IPA-001/IP-P00154/2017-2018/10323) for a period of two years.
- 4.2. This Order shall come into force on expiry of 30 days from the date of its issue.
- 4.3. A copy of this order shall be sent to the CoC of all the CDs in which Mr. Nimai Gautam Shah is providing his services. The CoC of the respective CDs shall replace Mr. Nimai Gautam Shah with another IRP/RP/Liquidator/Bankruptcy Trustee within a period of 30 days.

- 4.4. A copy of this order shall be forwarded to Indian Institute of Insolvency Professionals of ICAI (IIPI) where Mr. Nimai Gautam Shah is enrolled as a member.
- 4.5. 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.
- 4.6. Accordingly, the show cause notice is disposed of.

-sd/-

(Dr. Bhushan Kumar Sinha)

Whole Time Member

Insolvency and Bankruptcy Board of India

-sd/-

(Jayanti Prasad)

Whole Time Member

Insolvency and Bankruptcy Board of India

Dated: 13 July 2026

Place: New Delhi