

1.

**NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH**
(through web-based video conferencing platform)

Item No. 102 & 210

IA No. 315/JPR/2026

IA No. 217/JPR/2025

IA No. 290/JPR/2026

IA No. 297/JPR/2026

IA No. 305/JPR/2026

IA No. 311/JPR/2026

CP No. (IB)- 16/7/JPR/2021

Under Section 7 of IBC, 2016

In the matter of:**Bhala Finance Pvt. Ltd.****.... Financial Creditor/Applicant****Versus****Tushar Realhome LLP****...Corporate Debtor/Respondent****Coram: HON'BLE MS. REETA KOHLI, JUDICIAL MEMBER****HON'BLE MS. KAVITA BHATNAGAR, TECHNICAL MEMBER****PRESENT: -**

For the RP	:	Anubha Singh, Adv. Shubham Chaudhary, Adv.
For the IIFL	:	Sanjay Jhanwar, Sr. Adv. Akshat Kulshrestha, Adv. Surabhi Bairathi, Adv.
For the Applicant	:	Aditya Joshi, Adv. Sameer Sharma, Adv. Puneet Garg, Adv.

ORDER**IA No. 290/JPR/2026, IA No. 305/JPR/2026, IA No. 311/JPR/2026**

The counsel for the applicant who has preferred all the above stated IAs state that all the three IAs may be heard and disposed off with a common order in view of the factual matrix in the present case. The contention of the counsel is that the RP had tendered his resignation on 06.06.2026 to the CoC but as Chairperson failed to fix the meeting of CoC for acceptance of the said resignation. The counsel contends that on 17.06.2026 the applicant filed an IA

RK

Solr

Solr

290 of 2026 with the prayer for acceptance of resignation of the RP. The Hon'ble Court was pleased to issue notice to the RP and post the case for 29.06.2026. It is only after the issuance of notice in the said IA, the RP issued notice on 20.06.2026 for holding the CoC meeting on 25.06.2026 to consider the resignation tendered by him on 06.06.2026 and for the appointment of new RP. The contention of the counsel is that firstly the RP should have fixed the meeting immediately after tendering the resignation for acceptance of the same. Secondly, the RP after tendering the resignation could not have chaired the said meeting where the agenda was for the acceptance of his own resignation. The counsel further contends that the RP could not have clubbed the agenda of 'Acceptance of his own resignation' with the 'Appointment of new RP' as the appointment of the new RP was the prerogative of the CoC. Moreover, after tendering his resignation, he should not have chaired the meeting for acceptance of the resignation and appointment of the new RP. To substantiate his contention the counsel has drawn our attention to the relevant clauses of Schedule I of IBBI (Insolvency Professionals) Regulations, 2016. The particular reference was made to Clauses 1, 3, 5, 8 & 9 which are as under:

1. *An insolvency professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.*
3. *An insolvency professional must act with objectivity in [its] professional dealings by ensuring that [its] decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.*

Sd/-

Sd/-

3.

3A An insolvency professional must disclose the details of any conflict of interest to the stakeholders, whenever he comes across such conflict of interest during an assignment.

5. An insolvency professional must maintain complete independence in [its] professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences.

8. An insolvency professional shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders entitled to distribution under sections 53 or 178 of the Code, and the concerned corporate person/ debtor as soon as he becomes aware of it, by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as applicable.

8A.....

8B.....

8C.....

8D.....

9. An insolvency professional shall not influence the decision or the work of the committee of creditors or debtor, or other stakeholders under the Code, so as to make any undue or unlawful gains for [itself] or [its] related parties, or cause any undue preference for any other persons for undue or unlawful gains and shall not adopt any illegal or improper means to achieve any mala fide objectives.

The contention of the counsel is that in view of the abovesaid Regulations, the conduct of the RP deserves to be honest, upright and have integrity. But in the present case after tendering his resignation but not fixing the meeting for acceptance of the same casts a serious doubt on the fairness of the conduct of the RP.

The counsel contends that on 25.06.2026, when the resignation was placed before the CoC and CoC resolved to accept the said resignation tendered by the

Sd/-

Sd/-

4.

RP, RP became *functus officio*. But contrary to law and propriety the RP has gone ahead with the appointment of the new RP. The counsel has also drawn our attention to the proceedings recorded in the minutes of meeting held on 25.06.2026. The attention is drawn to the entire discussion wherein the CoC ultimately chose to appoint the representative of the homebuyers as the new RP without following the code of conduct. The counsel contends that the representative of the homebuyers who has been appointed as the new RP has a direct conflict of interest and his appointment as the new RP is against the code of conduct for the Insolvency Professionals. The contention of the counsel is that the RP who was chairing the meeting after tendering the resignation himself had conflict of interest. In addition, he has gone ahead in appointing the new RP who also has conflict of interest apparent on face of record. Therefore, the counsel contends that not only the RP should have convened the meeting at the earliest after tendering his resignation for the acceptance of the same. But the process and the manner in which he has gone ahead in appointing the new RP is beyond the jurisdiction of the RP. The perusal of the minutes of meeting clearly show that the RP has in effect adjudicated upon the issue whether the authorized representative of the homebuyers could actually be made an RP in the present case? Therefore, this conduct of the RP is illegal arbitrary and not in terms of law.

The counsel for the applicant has further contended that neither in the minutes of the meeting held on 25.06.2026 nor till date the authorized

Sd/-

Sd/-

representative has withdrawn his authority to act as the authorized representative of the homebuyers. Therefore, as on date, he is not only acting as an Authorized representative of the homebuyers but also has been approved to act as the RP. Therefore, the conflict of interest is in existence even till date.

The counsel contends that in view of the above said; the proposed agenda for the meeting and the minutes drawn of the meeting held on 25.06.2026 deserve to be treated as *non est*, null and void and the appointment of the representative of the homebuyers as the RP deserves to be set aside.

On the other hand, the ld. counsel for the respondent at the outset states that though the reply is ready but she has not been able to file the same because of the technical glitch. The copy of the reply has already been served to the counsel opposite and she is ready to advance the arguments.

The counsel contends that in the facts and circumstances of the present case, the RP has not committed any irregularity or illegality in any manner. It is submitted that on 06.06.2026 the RP had tendered his resignation. But vide order dated 09.06.2026 in **IA 181 of 2024, IA 182 of 2024 and IA 334 of 2025**, this Hon'ble Court was pleased to direct the RP to reconstitute the CoC within a period of one week. It was in view of the specific directions by the Hon'ble Tribunal, the RP was left with no other option but to reconstitute the CoC in terms of the directions. The counsel further states that the reconstitution of the CoC was done within the stipulated time period and the reconstitution report was also

placed before the Hon'ble Court which was taken on record vide order dated 19.06.2026. The counsel further submits that after the reconstitution of CoC, the notice for the CoC meeting was issued on 20.06.2026. The meeting was scheduled for 25.06.2026. The counsel contends that in terms of Schedule 1, Clause 22 A of the Conduct Rules, the resignation even if tendered has to be recommended by the CoC and once the recommendations is approved by the Adjudicating Authority, only then the same can be said to be the acceptance of the resignation. Till the resignation is accepted by the Adjudicating Authority the RP is duty bound to conduct his duties as an RP. The counsel has particularly drawn our attention to Clause 22 A and that Explanation under the said clause which states as under;

22 A. An insolvency professional may resign from the assignment, subject to the recommendation of the committee of creditors in a corporate insolvency resolution process, consultation committee in liquidation process, the debtor or the creditor in the insolvency resolution process of personal guarantor to the corporate debtor, as the case may be, and the approval of the Adjudicating Authority.

Explanation. - The insolvency professional shall continue to discharge his duties, functions and responsibilities till the approval of resignation by the Adjudicating Authority."

Therefore, the counsel contends that the Insolvency Professional is bound to discharge his duties, functions and responsibilities till the approval of resignation by the Adjudicating Authority. It is submitted that the conduct of the RP in view of the facts and circumstances of the present case and also in view of the conduct Regulations, 2016 cannot be said to be irregular in any manner.

Sd/-

RK

Sd/-

With respect to agenda item for the appointment of new RP, the counsel submitted that, in view of the fact that the RP is duty bound to carry on with his duties even after the recommendation and acceptance of his resignation by the CoC. The RP put the proposal for appointment of new RP before the CoC. The CoC comprising of the homebuyers and IIFL proposed the names of two proposed RPs. With the voting in the CoC, the name proposed by the IIFL was rejected and it is the homebuyer's proposal which was duly accepted with 77.13% of the voting. The counsel further states that in terms of law the RP had very fairly put across the members of CoC the issue if the authorized representative could be proposed and accepted as the RP. But in view of the voting in favour of the proposed RP, the respondent was left with no other option but to accept the same. In view of the abovesaid factual background, the respondent accepted the proposal of the CoC approved with 77.13% voting. Now, it is for the CoC to seek approval of the name from the Adjudicating Authority by filing an appropriate IA. The counsel has also referred to the judgment of the Hon'ble NCLAT in the case of *Victory Welfare Association Vs. Arunava Sikdar & Anr.* to buttress her contention where in the similar set of circumstances, the Hon'ble NCLAT has been pleased to take notice of Regulation 22 A and the Explanation thereunder to hold that the RP is entitled to discharge his duties till the resignation is accepted by the Adjudicating Authority. Thus, any action taken by the RP prior to that cannot be said to be beyond the jurisdiction. There is no prohibition in the regulations to the conduct of the proceedings.

FINDINGS

After having appreciated the contentions raised by both the counsels and having gone through the IBBI (Insolvency Professionals) Regulations, 2016 and also the judgment relied upon by the respondent/RP, we deem it appropriate to hold that the conduct of respondent/RP *Mr. Satyendra Prasad Khorania* was neither illegal nor irregular in scheduling and chairing the meeting on 25.06.2026. The delay as stated by the Id. counsel for the applicant in holding the meeting, despite tendering the resignation on 06.06.2026 deserves to be appreciated, in view of the peculiar facts and circumstances of the present case. The Court cannot afford to lose sight of the fact that on 09.06.2026, the Hon'ble Single Bench had delivered the judgment in **IA 181 of 2024, IA 182 of 2024 and IA 334 of 2025** directing the RP to reconstitute the COC within the stipulated time period. In view of this direction by the Hon'ble Court, respondent RP was left with no other option, but to comply with the directions of the Hon'ble Court. Therefore, the conduct of the RP in reconstituting the COC and placing the same on record on 19.06.2026 cannot be faulted with. Immediately, on submission of the report of reconstitution of CoC, the RP issued the notice for holding the CoC meeting on 25.06.2026. The meeting has been rightly chaired by the respondent/RP as he by merely tendering the resignation could not have presumed that the resignation shall be recommended/accepted by the CoC. Even after the recommendation/acceptance of the resignation by the CoC, it in effect comes into

Solr

Solr

effect only once the same is approved by the Adjudicating Authority. Therefore, till the resignation is duly accepted and approved by the Adjudicating Authority, the RP is duty bound to continue to act as RP and chair the meetings of CoC. Hence, the fixing of the meeting after placing on record his resignation and the acceptance of the same subsequently by the CoC cannot be faulted with.

As far as the appointment of the new RP is concerned. The contention of the counsel for the applicant is that the outgoing RP has exceeded his jurisdiction, as the moment his resignation is accepted by the CoC, he loses all his rights and authority to chair the meeting. We are unable to agree with the said contention particularly in view of the fact that the CIRP is a time bound process and the RP is expected to perform his duties and responsibilities diligently, so as to complete the resolution process within the stipulated timelines. Keeping the said fact in view, Regulation 22 A categorically states that the RP is to continue to discharge his duties, functions and responsibilities till the approval of resignation by the Adjudicating Authority. Therefore, the RP was well within his rights to chair the meeting and move forward the agenda for the appointment of new RP.

Regarding the appointment of Authorised Representative of the homebuyers as the RP on the ground that the name stood approved by the CoC with 77.13% of the voting. On perusal of the various clauses IBBI (Insolvency Professionals) Regulations, 2016 referred by the applicant, we are of the considered opinion that the counsel for the applicant has been able to make out

10.

the case of conflict of interest in the approval of the name of the Authorised Representative of homebuyers as the RP in the present case. In fact, the counsel for the applicant has further contended that even after the approval of his name as the RP, the Authorized Representative has failed to tender his resignation as Authorized Representative and till date he continues to represent the homebuyers as an Authorized Representative even though his name has been approved by the CoC for appointment as RP. Thus, the conflict of interest is writ large in the present case. As an AR, he is to protect the interest of homebuyers whereas the RP is supposed to be a neutral person. Thus, the appointment of *Mr. Vishnu Upadhyay*, the Authorized Representative of the homebuyers cannot be said to be in terms of law. Therefore, we deem it appropriate to set aside the said decision taken by the RP in the meeting held on 25.06.2026 and appoint *Ms. Divya Somani* having Reg. No. *IBBI/IPA-001/IP-P-02407/2021-2022/13670* and email id: cacsdivyasomani@gmail.com as the new RP in the present case and direct the newly appointed RP to schedule the next CoC meeting within a period of one week from the date of her appointment. Registry is directed to forward the copy of this order to the newly appointed RP for information and necessary compliance. With these observations the IA is partially allowed and disposed off.

IA No. 315/JPR/2026

Notice of motion: Adv. Akshat Kulshreshtha accepts notice on behalf of Respondent No. 2. Adv. Anubha Singh accepts notice on behalf of Respondent

Solr

Solr

No. 1 and prays for time to file reply. Let the reply be filed within a period of one week from today. Posted to 13.07.2026.

IA No. 217/JPR/2025, IA No. 297/JPR/2026

To be taken up on 13.07.2026.



(Kavita Bhatnagar)
Technical Member



(Reeta Kohli)
Judicial Member

July 03, 2026