



2026:DHC:838



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
% **Judgment pronounced on: 02.02.2026**
+ **W.P.(C) 8974/2025 and CM APPL.38317/2025**

VIKAS PRAKASH GUPTA

.....Petitioner

Through: Mr. Satyajit Sarna, Mr. Sudev Juneja,
Mr. Mohit Negi and Mr. Debarchan
De, Advocates.

versus

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA AND
ANR

.....Respondents

Through: Ms. Amrita Singh, Mr. Prasang
Sharma and Mr. Sanket Khandelwal,
Advocates for R-1.
Mr. Rakesh Kumar, CGSC along with
Mr. Sunil, Advocate for UOI.

CORAM:**HON'BLE MR. JUSTICE SACHIN DATTA****JUDGMENT**

1. The petitioner has filed the present petition, assailing the Order dated 25.04.2025 passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India (respondent no.1) in IBBI/DC/284/2025, whereby the registration of the petitioner, a registered Insolvency Professional bearing Registration No. IBBI/IPA-001/IPP00501/2017-2018/10889, has been suspended for a period of one year.
2. The background of the matter is that National Company Law Tribunal, Chennai Bench (Adjudicating Authority), vide Order dated 19.02.2020, admitted an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") filed by State Bank of India for



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initiation of the Corporate Insolvency Resolution Process (CIRP) of Kamachi Industries Limited (Corporate Debtor). By the same order, the petitioner was appointed as the Interim Resolution Professional (IRP) to conduct the CIRP.

3. It is submitted that the said engagement was agreed at a consolidated fee of Rs. 7.42 lakhs, comprising IRP fees of Rs. 1.65 lakhs and support service fees of Rs. 5.77 lakhs.

4. It is submitted that on 05.05.2020, the first meeting of the Committee of Creditors (CoC) of the Corporate Debtor was convened, wherein the petitioner was proposed to be confirmed as the Resolution Professional (RP) on the same fee structure as approved at the IRP stage.

5. However, it is submitted that the CoC did not approve the proposed fees in the first meeting, expressing its desire to commercially negotiate the consolidated fees.

6. Thereafter, a second CoC meeting was held on 09.06.2020, wherein the fees was fixed at Rs. 4.50 lakhs, comprising RP fees of Rs. 1.65 lakhs and support service fees of Rs. 2.85 lakhs for support service provider (Quantum Resolution Professional Private Limited). The relevant portion of the minutes of Second CoC meeting dated 09.06.2020 is reproduced as under –

“4. Voting matters:

- i. To confirm the appointment of Mr. Vikas Prakash Gupta, IBBI Registration no. IBBI/IPA- 001/IPP00501/2017-18/10889 as the Resolution Professional (“RP”) of the Corporate Debtor for a monthly fee of Rs. 1.65 Lacs (Excluding of OPE & Taxes)*
- ii. To confirm the appointment of Quantum Resolution Professional Private Limited as Support service agency for a monthly fee of Rs. 2.85 Lacs (Excluding OPE & Taxes)”*



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7. Subsequently, it is submitted that on 06.03.2021, a complaint was purportedly filed before the Insolvency and Bankruptcy Board of India ("IBBI") by Mr. N. Murugesan, allegedly at the behest of Mr. Hari Iyer, claiming that the CoC had approved Rs. 2.85 lakhs to be paid directly to Quantum, but that the petitioner engaged other professionals instead.

8. The IBBI forwarded the complaint to the petitioner on 12.05.2021, to which the petitioner submitted a reply on 01.06.2021.

9. It is further submitted that the respondent no.1 issued a Show Cause Notice (SCN) dated 05.04.2024, nearly three years later, alleging contravention of the Insolvency Professionals Regulations and Board Circular No. IP/004/2018 dated 16.01.2018. The SCN is reproduced as under –



सत्यमेव जयते

ANNEXURE P - 8

भारतीय दिवाला और शोधन अक्षमता बोर्ड
Insolvency and Bankruptcy Board of India

213



7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001
Telephone : +91 11 23462900, +91 11 23462800
Fax +91 11 23462902, Web : www.ibbi.gov.in

F.No. COMP-11011/76/2021-IBBI / 856/145

April 05, 2024

Mr. Vikas Prakash Gupta, IBBI/IPA-001/IP-P00501/2017- 18/10889 Address: G-19, Shreevardhan Complex, Mezzanine Floor, Besides Landmark Building, Ramdaspath, Wardha Road, Nagpur, Maharashtra 440010 Email Id: vikas.gupta@bngca.com	श्री विकास प्रकाश गुप्ता आईबीबीआई/आईपीए-001/आईपी-पै00501/2017- 18/10889 पता: जी-19, श्रीवर्धन कॉम्प्लेक्स, मेजेनाइन फ्लोर, लैंडमार्क बिल्डिंग के अलावा रामदासपैठ, वर्धा रोड, नागपुर, महाराष्ट्र 440010 ईमेल आईडी: vikas.gupta@bngca.com
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Subject: Show Cause Notice under Section 219 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 11 and 12 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.

Signature Not Verified

Digitally Signed By: ROHIT
KUMAR PATEL
Signing Date: 03.02.2026
18:41:43

W.P.(C) 8974/2025

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Sir,

You are registered with the Insolvency and Bankruptcy Board of India (IBBI/the Board) as an Insolvency Professional in accordance with provisions of the Insolvency and Bankruptcy Code, 2016 (Code) read with the IBBI (Insolvency Professionals) Regulations 2016 (IP Regulations).

2. The Kenosha Industries Limited (Corporate Debtor/CD) was admitted into Corporate Insolvency Resolution Process (CIRP) vide order dated 19.02.2020 of the Adjudicating Authority (AA) wherein you were appointed as the Interim Resolution Professional (IRP). Subsequently, you were confirmed as the Resolution Professional (RP) in respect of the CD. Thereafter, you demitted the office of RP on 09.12.2022.

3. In exercise of its powers conferred under Section 218 of the Code read with Regulation 7(1) and 7(2) of the IBBI (Inspection and Investigation) Regulations, 2017 (Inspection and Investigation Regulations), IBBI appointed an Investigating Authority (IA) to conduct investigation into the allegations contained in a complaint in the matter of CD.

4. The IA served upon you the notices of investigation as per Regulation 8(1) of the Inspection and Investigation Regulations and in response thereof, you submitted your reply on 16.08.2022. After considering your reply the IA submitted the Investigation Report (IR) to the Board, a copy whereof is annexed herewith as Annexure A.

5. Based on the said IR and material available on record, the following has been observed with respect to your assignment as IRP/RP in the CIRP of CD:

- I. It is noted from the minutes of second meeting of the CoC that an agenda was put before the committee for the appointment of one Quantum Professional Private Limited as support service agency for a monthly fee of Rs. 2.85 Lacs. When you engaged Quantum for support services, it was not recognised as IPE by IBBI.
- II. The CoC, in its 2nd meeting, approved the total fee of Rs.4.50 Lacs i.e. Rs. 1.65 lac for your fees and Rs. 2.85 Lacs plus applicable taxes and OPE for support service provided by Quantum. A copy of minutes of second meeting of CoC is annexed hereto as Annexure B.
- III. However, you took consolidated fee of Rs 4.5 lac in your name. You disclosed in CIRP Form 2 filed with IBBI that the said fee was inclusive of fee for support services. An extract of CIRP Form 2 is annexed hereto as Annexure B-1. Thus, it is clear that you were not segregating fee for yourself and for Quantum as decided by CoC and as required by Circular No. IP/004/2018 dated 16.01.2018, which mandates that any other professional appointed by an IP shall raise bills / invoices in his / its name towards such fees, and such fees shall be paid to his / its bank account.
- IV. From the disclosures made by you to the concerned IPA, namely IIIPI of ICAI, it is noted that you have not made any disclosure to IPA about taking consolidated fee for yourself and also for Quantum at all. It indicated that said fee of Rs 4.5 lac was payable entirely to the you. A copy of the disclosure filed with concerned IPA is annexed hereto as Annexure C.
- V. Any arrangement as claimed by you before the IA are neither recorded in in any CoC deliberation or decision nor supported by any evidence or material.



- VI. Regulation 25A of the IP Regulations provides that an insolvency professional shall disclose fee payable to it, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by it to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website. The same is to be submitted within seven days from the date of demitting the office as RP of CD. Further, Regulation 26A of IP Regulations provides that an insolvency professional shall not accept/shave any fees or charges from any professional and/or support service provider who are appointed under the processes.
- VII. IBBI Circular No. IP/004/2018 dated 16.01.2018 mandates that any other professional appointed by an IP shall raise bills / invoices in his / its name towards such fees, and such fees shall be paid to his / its bank account. These provisions are intended to segregate fees of RP and support services in order to avoid any commingling so as to ensure fair dealings.

6. It appears that you were not segregating fee for yourself and for Quantum as decided by CoC and as required by Circular No. IP/004/2018 dated 16.01.2018. Further, you disclosed in CIRP Form-2 to IBBI half-truth and misleading information that your fee is inclusive of fee for support services and concealed this crucial information from IPA. This conduct indicates, a design in taking consolidated fees in your account in defiance of CoC decision and IBBI circular. Complete unsubstantiated claim of an arrangement of payment to employees of Quantum through you or directly, further corroborates that your claims are just an afterthought and is nothing but a ruse to camouflage the truth.

7. In view of the above the Board is of *prima facie* view that by your above-stated conduct and actions, you have contravened Regulation 7(2)(a) and (h) of IP Regulations read with Clause 1,2,3,25A and 26A of the Code of Conduct and Board Circular No. IP/004/2018 dated

16.01.2018. The said provisions are mentioned in brief as following and will be relied upon as per their text and objectives in this show cause notice:

- i. Regulation 7(2)(a) of IP Regulations which provides that an IP shall abide by the Code, rules, regulations, and guidelines thereunder and the bye-laws of the insolvency professional agency with which he is enrolled.
- ii. Regulation 7(2)(h) of the IP Regulations which provides that an IP shall abide by the Code of Conduct specified in the First Schedule to these Regulations.
- iii. Clause 1 of the Code of Conduct which mandates an IP to maintain integrity by being honest, straightforward, and forthright in all professional relationships.
- iv. Clause 2 of the Code of Conduct which mandates an IP to not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.
- v. Clause 3 of the Code of Conduct which mandates an IP to act with objectivity in its professional dealings by ensuring that his decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of a party, whether directly connected to the insolvency proceedings or not.
- vi. Clause 25A of the Code of Conduct which mandates an IP to disclose the fee payable to it, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by it to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.



- vii. Clause 26A of the Code of Conduct which mandates an IP to not accept/share any fees or charges from any professional and/or support service provider who are appointed under the processes.
- viii. Board Circular No. IP/004/2018 dated 16.01.2018 which provides that any other professional appointed by an insolvency professional shall raise bills/ invoices in his/ its (such as registered valuer) name towards such fees, and such fees shall be paid to his/ its bank account.

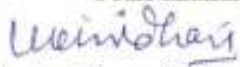
6. Therefore, in exercise of the powers conferred by Regulation 11(2) of the Inspection and Investigation Regulations, you are called upon to show cause, as to why suitable actions under section 220(2) of the Code read with Regulation 13 of Inspection and Investigation Regulations should not be taken against you for contraventions of the provisions of the Code and regulations, as stated above.

7. You may submit your reply to this show cause notice in writing, along with the material, if any, in support of your defence, to the undersigned, latest by April 19, 2024 from the date of receipt of this notice. In case, you desire to have an opportunity of a personal hearing before the Disciplinary Committee, you may indicate the same in your reply.

8. The show cause notice along with its annexures and copy of the investigation reports, your reply with documents relied upon by you, if any, will be placed before the Disciplinary Committee for consideration and disposal in accordance with Section 220 of the Code and Regulation 13 of the Inspection and Investigation Regulations.

9. In case no reply to this show cause notice is received from you by the due date, it shall be deemed that you have nothing further to say, and the show-cause notice shall be disposed of on merits, *ex-parte*.

Yours faithfully,


(Keshav Kumar Giridhari)
Deputy General Manager

10. The SCN, *inter alia*, alleged that the petitioner improperly received consolidated fees without segregating payments for himself and the support services.

11. The petitioner filed a reply to the SCN on 19.04.2024.

12. It is submitted that after almost 11 months from date of receipt of the reply filed by the petitioner, the Disciplinary Committee acted in furtherance of the Show Cause Notice and conducted a hearing on 27.02.2025.



13. Thereafter, the Disciplinary Committee passed the Impugned Order dated 25.04.2025, holding the Petitioner guilty of violating the 2018 Circular and Clauses 25C and 26A of the Code of Conduct, and suspended his registration for one year with effect from 24.05.2025. The relevant portion of the Impugned Order dated 25.04.2025 is reproduced as under –

2.3 Analysis and Findings of the DC.

2.3.1 The DC notes that in the minutes of 1st CoC meeting dated 05.05.2020, it was stated that

"IRP appraised the CoC members that he wish to continue as RP at the same professional fee which is approved by State Bank of India. CoC members consented for the same. He further appraised to approve the fee of for support services at Rs. 5.77 Lacs (exclusive of Taxes) detailed breakup given in Exhibit – B. CoC members took note of the same and informed that they will take approval on the same from their higher authorities. The agenda is put for e-voting."

2.3.2 The Exhibit-B to the first CoC disclosed head wise fees for the support services as follows:

Sr.	Particulars	Name and Designation	Monthly fee chargeable
Ii	Professional fee, if any, payable to Consultancy firm associated with IRP for infrastructural support	Quantum Resolution P Ltd	135000
Iii	Professional fee towards engagement of industry specialist to run the operations of CD	Mr. Hari Iyer	65000
Iv	Professional fee towards engagement of full time Chartered Accountant	Shomit Bagchi – FCA	75000
V	Professional fee towards retainership of Insolvency lawyer/Advocate in the CIRP for other than appearing in cases contested by any other stakeholders	Pooja Ojha - CS, LLB	60000
Vi	Remuneration to MIS/Data/IT specialist for recovering updating ,analysing computer data related operations, accounts, salary of employees etc.	Siddharth Gupta - FCA Sridhar – CWA	62000
Vii	Remuneration on other Managers/staff to be engaged for cash flow management and monitoring	Piyush Jani - FCA, IP	50000
Viii	Remuneration of any other key management personnel	Pritesh Ingale – CS	40000
Ix	Remuneration for other support staff and logistics	Pratha - M.Com	35000
X	Rough estimate of out of pocket expenses and taxes (Actual expenses should not exceed by more than 50% of estimates)		50000
Xii	Any other costs/charges		5000
Total Support Service Fees			577000



2.3.3 Thereafter, Mr. Vikas Prakash Gupta forwarded minutes of first CoC meeting to the CoC members on 14.05.2020. One of the CoC members, Andhra Bank raised an issue regarding high fees being quoted for the support staff on 16.05.2020 stating that *"Regarding the supporting staff requested by the IRP it is observed that the fee quoted is on very high side. Further their scope of work and place of work also not explained. As such in our view the same needs detailed discussion in the CoC. As such we request the IRP to postpone the agenda of voting of the supporting service fees to the next CoC."*

2.3.4 Mr. Vikas Prakash Gupta replied on 19.05.2020 stating, inter alia, that *"It is my duty to bring it to your knowledge that State Bank of India has finalized my appointment as IRP on the basis of the Price Bid (Rs.7.42 Lacs) submitted which consisted of not only the IRP Fees of Rs.1.65 Lacs, but also Support Service Team Fees of Rs.5.77 Lacs for engagement of very experienced personnel in order to keep the Company as a Going Concern as the Plant is a running Unit."*

2.3.5 The SBI, who is another CoC member replied on 20.05.2020 replied that *"We refer to the trail mail. We recall that in the 1st CoC held on 05.05.2020 it was conveyed by us that only IRP's fees of Rs. 1.65 lacs was approved at the time of appointing Shri V P Gupta as IRP, as normally the support service fees are to be discussed in the CoC and every item is to be approved / ratified by the CoC. Hence approval of support service fees did not arise at the time of selection/ appointment of IRP. The proposal seeking approval in respect of CIRP expenses may to be put before the CoC for discussion and consensus. Accordingly, we suggest that another CoC meeting may be convened, at an early date, after getting opinion from the other CoC members."* The stand of the SBI was concurred by other CoC members viz. Bank of India and Andhra Bank.

2.3.6 Thereafter 2nd CoC meeting was held on 09.06.2020 where it was noted as follows:
"IRP informed CoC Members that at the time of selection process a consolidated Fee of Rs.7.42 Lacs comprising IRP fee of Rs. 1.65 Lacs and Support Service Fee of Rs. 5.77 Lacs was submitted and approved by State Bank of India. During the meeting CoC members negotiated and the total fee was further reduced to Rs.4.50 Lacs, resulting the fee of Support Service Agency Fees of Rs. 2.85 Lacs plus applicable taxes and OPE. The agenda of the same is put for voting.

...CoC also requested IRP to provide the complete details of the team members of Support service, IRP informed that he has presented the team composition in the 1st CoC meeting and same shall be shared again with all the CoC members."

2.3.7 Thereafter, the following resolution was put for voting and approved by CoC after 2nd CoC meeting.

"Voting matters:

- i. To confirm the appointment of Mr. Vikas Prakash Gupta, IBBI Registration no. IBBI/IPA-001/IPP00501/2017-18/10889 as the Resolution Professional ("RP") of the Corporate Debtor for a monthly fee of Rs. 1.65 Lacs (Excluding of OPE & Taxes)*
- ii. To confirm the appointment of Quantum Resolution Professional Private Limited as Support service agency for a monthly fee of Rs. 2.85 Lacs (Excluding OPE & Taxes)."*

Thus, the fee of Rs.2.85 lakh (Rupees two lakhs eighty five thousand) was approved as fee for the Quantum as support service agency. The resolution passed by the CoC did not disclose any name other than Quantum as opposed to several names given as name of support services personnel in exhibit-B attached to the minutes of 1st CoC meeting and also as disclosed in the emails sent to the CoC member before 2nd CoC meeting.



The DC notes the disclosures made by Mr. Vikas Prakash Gupta in Form CIRP 2 filed before the Board and Form III submitted to the IPA where he stated that the RP fees included fee for the support service. The said disclosure is not in accordance with the resolution passed by the CoC where the fees for RP and Quantum was approved separately. Further, Mr. Vikas Prakash Gupta could not show whether the CoC modified the resolution for fees approved in the 2nd CoC meeting. Mr. Vikas Prakash Gupta contended that minutes of the 15th CoC meeting disclosed the list of persons who were part of the RP's internal support team and who did not draw any direct fees from the CIRP and therefore, there was no misrepresentation to the CoC regarding the composition of the RP support team. On perusal of the minutes of the 15th CoC, the DC notes that the minutes mentioned the names of the persons who attended the 15th CoC meeting and the persons being paid by him have been mentioned as the RP support team. However, there is no resolution which was moved for making a change or even an explicit information being given to the CoC that the RP would not be employing the services of Quantum as resolved and approved in the 2nd CoC meeting and Mr. Vikas Prakash Gupta would instead be employing the persons for giving support services directly. Hence, the act of Mr. Vikas Prakash Gupta of drawing the whole fees to himself is not correct in the absence of change in decision taken by CoC in the 2nd CoC meeting.

2.3.8 The DC also notes the statement of fees of support services as provided by Mr. Vikas Prakash Gupta as follows:

	FY 2020-21	FY 2021-22	FY 2022-23	Total
Particulars	Support Fees	Support Fees	Support Fees	Support Fees
1) Piyush Jani	9,31,755	7,26,500	9,22,500	25,80,755
2) Pooja Ojha	2,25,000	8,25,000	1,50,000	12,00,000
3) Sidharth Gupta	3,24,504	7,80,000	5,74,382	16,78,886
4) BackOffice Support Staff	13,89,565			13,89,565
5) Ashish Gohil		3,40,645	5,40,000	8,80,645
6) Accountsmann & Co	2,63,700	3,00,000	1,50,000	7,13,700
7) Mrunalini Damle		3,55,833	4,50,000	8,05,833
8) Ramesh Kumar & Associates	1,40,000	-		1,40,000
9) Sunil Kumar Dixit	-	1,00,000		1,00,000
10) Dipty Ranjan Mishra	1,44,000			1,44,000
11) ROC Sunita	23,000			23,000
Total	34,41,524	34,27,978	27,86,882	96,56,384

The DC notes that the above statement does not provide any fee being paid to Quantum. Further, there are several persons who have been employed and paid but whose names do not appear in Exhibit-B attached to the minutes of the 1st CoC meeting. Further, there are several names in Exhibit-B which do not find place in the names of persons employed and paid by Mr. Vikas Prakash Gupta. Thus, proper disclosure has not been made to the CoC and the IPA.



2.3.9 The DC observes that the submission of Mr. Vikas Prakash Gupta that the fees taken by him for the support service given by him for the CD was towards his internal team and does not require any approval from the CoC, is not tenable. The implication of the submission of Mr. Vikas Prakash Gupta is that fees of Rs.4.50 lakh (Rupees four lakh fifty thousand) were fees of the RP, a portion of which can be distributed to his internal team. However, the resolution approved by the CoC has only approved fee of Rs.1.65 lakh (Rupees one lakh sixty five thousand) for Mr. Vikas Gupta while separate fees of Rs.2.85 lakh (Rupees two lakh eighty five thousand) had been approved for support services to be provided by Quantum.

2.3.10 Paragraph 2 of the Circular issued by IBBI dated 16.01.2018 states as under:

"2. The Code of Conduct for Insolvency Professionals under the IBBI (Insolvency Professionals) Regulations, 2016 require that an insolvency professional must provide services for remuneration which is charged in a transparent manner, and is a reasonable reflection of the work necessarily and properly undertaken. He shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing his remuneration."

However, in this case Mr. Vikas Prakash Gupta accepted fees which was due to be paid to the Quantum thus violating the above Circular.

2.3.11 Paragraph 4 of the Circular issued by IBBI, dated 16.01.2018 states as under:

4. Similarly, any other professional appointed by an insolvency professional shall raise bills / invoices in his / its (such as registered valuer) name towards such fees, and such fees shall be paid to his / its bank account."

So, in this case Quantum should have raised the bill to the CD and the payment should have been made directly to Quantum. However, the bill has been raised by Mr. Vikas Prakash Gupta and payment has been received by him, thus violating the above Circular.

2.3.12 Subsequently Circular dated 16.01.2018 was subsumed in the Code of Conduct of the IP Regulations by way of following clauses The relevant clauses of the Code of Conduct is as follows:

"25C. An insolvency professional shall ensure that the insolvency professional entity or the professional engaged by it raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel." (inserted on 04.06.2022)

....



"26A. An insolvency professional shall not accept /share any fees or charges from any professional and/or support service provider who are appointed under the processes."
(inserted on 13.09.2022)

- 2.3.13 The transfer of fee by Mr. Vikas Prakash Gupta was extended over the financial year 2020-21 to 2022-23. Hence the contravention will be covered initially by the circular dated 16.01.2018 and subsequently by Clauses 25C and 26A of the Code of Conduct.
- 2.3.14 With regards to the submission of Mr. Vikas Prakash Gupta that the same issue, in the complaint was examined the IPA and no irregularity was found by the IPA in the payment process, the DC perused the grievance closure of the IIP-ICAI dated 25.07.2023 and found that the following was stated in the report *"the contentions of the complainant are merely a statement without adducing any documentary evidence in support. Further GRC observed that no specific allegation has been made by the complainant against the conduct of the respondent."* Thus, the grievance was closed because no allegation was made and no evidence was there to substantiate statements in the complaint. Thus, the submission of Mr. Vikas Prakash Gupta that IPA did not find any irregularities in payment process does not seem to be correct. Moreover, the allegations made in the SCN is with regards to taking fees in defiance to the decision of the CoC and the Circular of the Board.
- 2.3.15 In terms of the approval granted by the CoC, Quantum is a separate service provider. Hence it cannot be said to be the internal team of Mr. Vikas Gupta. The act of drawing the support services fee approved for Quantum in his own name is not in accordance with the resolution passed by the CoC where the fees for RP and Quantum were approved separately. Further, Mr. Vikas Prakash Gupta could not show whether the CoC modified the approval of fees granted in the 2nd CoC meeting. Since, the CoC had granted approval for appointment of Quantum for the support services, the fee which were due to Quantum should not have been taken by Mr. Vikas Gupta, in his account unless resolution approved in 2nd CoC meeting was modified by the CoC. Hence, the act of Mr. Vikas Prakash Gupta of drawing the whole fees to himself is in contravention of the approval granted by the CoC and the Circular of the IBBI.

3. Order.

- 3.1. 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 the registration of Mr. Vikas Prakash Gupta (Registration No. IBBI/IPA-001/IP-P00501/2017-2018/10889) for a period of one year.
- 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 forwarded to the Indian Institute of Insolvency Professionals of ICAI where Mr. Vikas Prakash Gupta is enrolled as a member.
- 3.4. A copy of this order shall be sent to the CoC/ Stakeholder Consultation Committee (SCC) of all the Corporate Debtors in which Mr. Vikas Prakash Gupta provides his services, if any. The CoC/SCC may decide whether to continue his services or not. In case the CoC/SCC



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decide to discontinue his services, the CoC/SCC may file an appropriate application before the AA.

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. Accordingly, the show cause notice is disposed of.

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

Sd/-
(Jayanti Prasad)
Whole Time Member
Insolvency and Bankruptcy Board of India

Dated: 25 April 2025
Place: New Delhi

14. Aggrieved with the aforesaid, the petitioner has filed the present petition.

15. While challenging the said order the petitioner has submitted as under:—

- i. The petitioner has already suffered punishment exceeding that imposed by the Impugned Order. It is submitted that in terms of Regulation 23A¹ of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, the Authorisation for Assignment (AFA) of an Insolvency Professional stands automatically suspended upon issuance of a Show Cause Notice. Without a valid AFA, an Insolvency Professional is statutorily barred from accepting new assignments.

¹23-A. The authorisation for assignment shall stand suspended upon initiation of disciplinary proceedings by the Agency or by the Board, as the case may be.



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- ii. Further, Regulation 13(2)² of the IBBI (Inspection and Investigation) Regulations, 2017 mandates that the Disciplinary Committee shall endeavour to dispose of a show cause notice within sixty days from the date of receipt of the reply thereto.
- iii. It is emphasised that in the present case, the Show Cause Notice dated 05.04.2024 was duly replied to by the petitioner on 19.04.2024. However, the Impugned Order was passed only on 25.04.2025, i.e., after more than one year, in clear breach of Regulation 13(2).
- iv. It pointed that on account of the said inordinate delay, the petitioner's AFA remained suspended for nearly one year prior to the passing of the Impugned Order, during which period the petitioner was prevented from undertaking any professional assignment, resulting in financial and reputational loss. It is submitted that this punitive consequence has not been considered by the respondent no.1 while imposing the further suspension of one year, rendering the action ex facie arbitrary and excessive.
- v. It is averred that the respondent no.1, by permitting the AFA suspension to continue for nearly one year due to its own delay, and thereafter imposing a further suspension of one year, has subjected the petitioner to a punishment wholly disproportionate to the alleged lapse.
- vi. It is further submitted that while observing that as per the Second Meeting of the Committee of Creditors, Quantum Resolution Professional Private Limited ("Quantum") ought to have been paid

²(2) The Disciplinary Committee shall endeavour to dispose of the show-cause notice within a period of [sixty days from the due date for receipt of reply to the show-cause notice].



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directly for support services, and that payment through the petitioner amounted to a contravention, the Disciplinary Committee ignored the factual background that Quantum is a company in which the petitioner holds 90% shareholding, and that serious shareholder disputes involving Mr. Hari Iyer were pending before the NCLT, Mumbai.

vii. It is submitted that in order to safeguard the CIRP and prevent misuse of funds, the petitioner, with full knowledge of the CoC, directly paid the relevant team members the amounts earmarked for support services.

viii. The case of the petitioner is that CoC approved the requirement of support services and fixed only the upper limit of CIRP costs, as contemplated under Section 28 of the Code. The case of the petitioner is that under Section 28 of the Code, the power of the CoC is only limited to approve the upper limit of CIRP costs and not to approve each appointment made by the RP to assist in the CIRP.

ix. It is submitted that the petitioner has the right under the Code and the regulations flowing from it, to appoint his support staff team, and pay them as per the fees approved by the CoC.

x. It is also emphasised that the Impugned Order records no finding whatsoever of unlawful gain, derived by the petitioner under Section 220(3) of the Insolvency and Bankruptcy Code, 2016. It is submitted that the petitioner did not retained any sum in excess of the RP Fee earmarked for him by the CoC.

xi. It is submitted that the entire allegation, even if assumed to be correct, pertains at best to a procedural or secretarial non-compliance.



xii. The CoC was kept duly informed of all such matters, and CoC did not ever make any objection.

xiii. In order to substantiate its case the petitioner has placed reliance on *Sandeep Kumar Bhatt v. Insolvency & Bankruptcy Board of India and Others*, 2025 SCC OnLine Del 2102.

16. While refuting the aforesaid contentions of the petitioner the respondent no. 1 has submitted as under –

i. The petitioner has acted in blatant violation of Circular No. IP/004/2018 dated 16.01.2018 issued by the Insolvency and Bankruptcy Board of India, as well as Clauses 25C³ and 26A⁴ of the Code of Conduct under the IBBI (Insolvency Professionals) Regulations, 2016.

ii. It is submitted that the said provisions mandate that an insolvency professional must charge remuneration in a transparent manner and that any professional engaged by an insolvency professional must raise invoices in his/its own name and receive payment directly in his/its own bank account.

iii. It is pointed that the minutes of the meetings of the Committee of Creditors unequivocally demonstrate that the CoC approved a bifurcated fee structure, (a) a sum of ₹1.65 lakh per month as the fee payable to the petitioner; and (b) a sum of ₹2.85 lakh per month

³ 25C. An insolvency professional shall ensure that the insolvency professional entity or the professional engaged by it raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel.

⁴ 26A. An insolvency professional shall not accept/share any fees or charges from any professional and/or support service provider who are appointed under the processes.



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towards appointment of Quantum Resolution Professional Private Limited as the support service agency.

iv. Despite the above, it is submitted that the petitioner received the entire consolidated amount of ₹4.50 lakh per month (₹1.65 lakh + ₹2.85 lakh) in his own name. Further, in the disclosures made by the petitioner in Form CIRP-2 filed before the respondent no.1 and Form III submitted to the Insolvency Professional Agency, the petitioner stated that his fees were inclusive of the fee for support services. This disclosure was directly contrary to the express resolution passed by the CoC in its second meeting, wherein the fee of the petitioner and the fee payable to Quantum were approved separately.

v. The petitioner was unable to demonstrate that the CoC had ever modified or altered the resolution passed in the second CoC meeting with regard to the approved fee structure.

vi. It is submitted that the petitioner attempted to justify his conduct by contending that the sum ~~₹~~2.85 lakh per month was distributed by him to professionals engaged as part of his internal team and that such engagement did not require approval of the CoC. This contention was categorically rejected by the Disciplinary Committee. It is averred that while the petitioner was free to distribute his own fee of ₹1.65 lakh in any manner he deemed fit, he was not entitled to receive or redistribute the separately approved support service fee contrary to the CoC's decision.

vii. Further the case of the respondent no. 1 is that the timeline prescribed under Regulation 13(2) of the IBBI (Inspection and



Investigation) Regulations, 2017 is directory and not mandatory, as evident from the expression “shall endeavour to dispose of the show cause notice”. The Regulation does not prescribe any consequence for non-adherence to the indicative timeline. Accordingly, mere consumption of time beyond the period mentioned in Regulation 13(2) does not invalidate the disciplinary proceedings or the Impugned Order.

viii. The respondent also submits that no double jeopardy has been caused to the petitioner. It is submitted that Suspension of Authorisation for Assignment (AFA) under Regulation 23A of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 and suspension of registration under Section 220⁵ of the Insolvency and Bankruptcy Code, 2016 operate in distinct fields and serve different purposes.

⁵220. Appointment of Disciplinary Committee.—(1) The Board shall constitute a Disciplinary Committee to consider the reports of the Investigating Authority submitted under sub-section (6) of Section 218: Provided that the members of the Disciplinary Committee shall consist of whole-time members of the Board only.

(2) On the examination of the report of the Investigating Authority, if the Disciplinary Committee is satisfied that sufficient cause exists, it may impose penalty as specified in sub-section (3) or suspend or cancel the registration of the insolvency professional or, suspend or cancel the registration of insolvency professional agency or information utility as the case may be.

(3) Where any insolvency professional agency or insolvency professional or an information utility has contravened any provision of this Code or rules or regulations made thereunder, the Disciplinary Committee may impose penalty which shall be—

(i) three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention; or

(ii) three times the amount of the unlawful gain made on account of such contravention, whichever is higher:

Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed more than one crore rupees.

(4) Notwithstanding anything contained in sub-section (3), the Board may direct any person who has made unlawful gain or averted loss by indulging in any activity in contravention of this Code, or the rules or regulations made thereunder, to disgorge an amount equivalent to such unlawful gain or aversion of loss.

(5) The Board may take such action as may be required to provide restitution to the person who suffered loss on account of any contravention from the amount so disgorged, if the person who suffered such loss is identifiable and the loss so suffered is directly attributable to such person.



ix. It is emphasised that the Suspension of AFA under Regulation 23A is an automatic consequence upon issuance of a show cause notice. It is intended as a protective measure to safeguard the interests of stakeholders during the pendency of disciplinary proceedings. The suspension merely prevents acceptance of new assignments and does not affect ongoing assignments. In contrast, suspension of registration imposed upon conclusion of disciplinary proceedings constitutes a punishment under the Code. Such suspension impacts both new and ongoing assignments, as the order is communicated to stakeholders, who may then decide whether to continue with the services of the insolvency professional. Since the two suspensions differ in their nature, purpose, and legal effect, one cannot be set off against the other.

x. Another contention is that the scope of judicial review under Article 226 of the Constitution of India in disciplinary or departmental proceedings is confined to examination of the decision-making process and not the merits of the decision itself. This Court does not sit as an appellate authority over disciplinary findings.

xi. It is submitted that the determination of the appropriate punishment for proved misconduct lies exclusively within the domain of the competent disciplinary authority. Where the penalty imposed is permissible in law and based on established misconduct, the writ

-
- (6) The Board may make regulations to specify—
(a) the procedure for claiming restitution under sub-section (5);
(b) the period within which such restitution may be claimed; and
(c) the manner in which restitution of amount may be made.



court cannot substitute its own discretion for that of the disciplinary authority.

xii. Reliance has been placed on *State of Andhra Pradesh v. S.Sree Rama Rao* - 1963 SCC Online SC 6, *UOI v. Sardar Bahadur*-(1972) 4 SCC 618, *Union of India v Parma Nanda* (1989) 2 SCC 177, B.C. *Chaturvedi v. UOI* - (1995) 6 SCC 749, *Regional Manager & Disciplinary Authority v. S. Mohammed Gaffar* (2002) 7 SCC 168, *Lucknow Kshetriya Gramin Bank v. Rajendra Singh* (2013) 12SCC 372, *State of Karnataka &Anr. v. N. Gangaraj* (2020) 3 SCC 423, *General Manager, Appellate Authority, UCO Bank v. Krishna KumarBhardwaj* (2022) 13 SCC 237 and *State of Karnataka &Anr. v. Umesh* (2022) 6 SCC 563.

ANALYSIS AND CONCLUSION:

17. Both the parties have been heard. At the outset this Court considers it apposite to first examine whether the scope of its jurisdiction extends to interfering with orders passed by the Disciplinary Authority.

18. In *Sandeep Kumar Bhatt v. Insolvency & Bankruptcy Board of India and Others*, 2025 SCC OnLine Del 2102, a Division Bench of this Court, while delineating the scope of judicial review under Article 226 in matters arising from disciplinary proceedings of the IBBI, observed as under—

“31. Ordinarily, the writ court would not interfere in matters arising out of disciplinary proceedings or administrative decision, save and except where there is apparent or palpable infraction of a statute, statutory rule or regulation or the proceeding displays violation of the principles of natural justice. It is trite that it is the decision-making process and not the decision itself which may be



open to judicial review under Article 226 of the Constitution of India. Yet another facet to consider such category of matters is on the proportionality of the penalty imposed. It is trite that unless the penalty imposed is such which shocks the conscience of the court, or that which no prudent man would reach, no interference by courts is warranted, ordinarily. This view of this Court stands fortified from the judgment of the Supreme Court in *Union of India v. K.G. Soni*⁷. The relevant paras are extracted hereunder: (SCC pp. 797-799, paras 13 and 15)

“13. In *Union of India v. G. Ganayutham* this Court summed up the position relating to proportionality in para 31, which read as follows: (SCC pp. 478-479, para 31)

‘31. The current position of proportionality in administrative law in England and India can be summarised as follows:

(1) To Judge the validity of any administrative order or statutory discretion, normally the *Associated Provincial Picture Houses Ltd. v. Wednesbury Corpn.* test is to be applied to find out if the decision was illegal or suffered from procedural improprieties or was one which no sensible decision-maker could, on the material before him and within the framework of the law, have arrived at. The court would consider whether relevant matters had not been taken into account or whether irrelevant matters had been taken into account or whether the action was not bona fide. The court would also consider whether the decision was absurd or perverse. The court would not however go into the correctness of the choice made by the administrator amongst the various alternatives open to him. Nor could the court substitute its decision to that of the administrator. This is the *Associated Provincial Picture Houses Ltd. v. Wednesbury Corpn.* test.

(2) The court would not interfere with the administrator's decision unless it was illegal or suffered from procedural impropriety or was irrational — in the sense that it was in outrageous defiance of logic or moral standards. The possibility of other tests, including proportionality being brought into English administrative law in future is not ruled out. These are the *Council of Civil Service Unions v. Minister for the Civil Service* principles.

(3)(a) As per *Bugdaycay v. Secy. of State for the Home Deptt., Regina v. Secy. of State for the Home Department, ex p Brind* and *R. v. Ministry of Defence, ex p Smith* as long as the convention is not incorporated into English law, the English courts merely exercise a secondary judgment to find out if the decision-maker could have, on the material before him, arrived at the



primary judgment in the manner he has done.

(3)(b) If the convention is incorporated in England making available the principle of proportionality, then the English courts will render primary judgment on the validity of the administrative action and find out if the restriction is disproportionate or excessive or is not based upon a fair balancing of the fundamental freedom and the need for the restriction thereupon.

(4)(a) The position in our country, in administrative law, where no fundamental freedoms as aforesaid are involved, is that the courts/Tribunals will only play a secondary role while the primary judgment as to reasonableness will remain with the executive or administrative authority. The secondary judgment of the court is to be based on Associated Provincial Picture Houses Ltd. v. Wednesbury Corpn. and Council of Civil Service Unions v. Minister for the Civil Service principles as stated by Lord Greene and Lord Diplock respectively to find if the executive or administrative authority has reasonably arrived at his decision as the primary authority.

(4)(b) Whether in the case of administrative or executive action affecting fundamental freedoms, the courts in our country will apply the principle of 'proportionality' and assume a primary role, is left open, to be decided in an appropriate case where such action is alleged to offend fundamental freedoms. It will be then necessary to decide whether the courts will have a primary role only if the freedoms under Articles 19 and 21, etc. are involved and not for Article 14.'

15. To put it differently, unless the punishment imposed by the disciplinary authority or the appellate authority shocks the conscience of the court/tribunal, there is no scope for interference. Further, to shorten litigations it may, in exceptional and rare cases, impose appropriate punishment by recording cogent reasons in support thereof. In the normal course if the punishment imposed is shockingly disproportionate, it would be appropriate to direct the disciplinary authority or the appellate authority to reconsider the penalty imposed."

(emphasis supplied)

35. Lastly, in respect of the charge levelled against the appellant for violation of procedures and process of CIRP as envisaged in IBC, this being purely on factual basis, we are refraining from



entering into such issue. Though, we are not interfering with the opinion of the DC that the appellant may have infringed certain procedural aspects of the IBC of obtaining valuation reports, etc. we have considered the issue only with respect to the proportionality of penalty.

36. The above analysis regarding charges (a), (b) and (c) levelled against the appellant appear to our mind to be aspects which may have inadvertently been overlooked by the DC and it is possible that considered from the above point of view, a penalty, not so severe in nature may perhaps, have been imposed upon the appellant. We are also aware that ordinarily in such cases, the remit to the DC on this aspect, would be the correct course of action, however, having regard to the fact that almost 1 year and 4 months of the penalty imposed have already lapsed i.e. from 1-12-2023 leaving 8 months remaining, we deem it appropriate not to remit the matter for decision of the DC lest it may get further delayed defeating the purpose of such remit. In that view of the matter and in our considered opinion, the penalty imposed of two years suspension from taking any assignment as IRP is reduced to the period already undergone and the suspension of the appellant would be deemed to come to an end from the date of this order.”

19. Thus, it is clear that interference by a writ court in disciplinary or administrative matters is permissible in the following circumstances:

- (i) where there is a clear infraction of a statute, statutory rule or regulation, or violation of principles of natural justice;
- (ii) where the decision-making process itself is vitiated, rather than the decision on merits; and
- (iii) where the penalty imposed is grossly disproportionate, such that it shocks the conscience of the Court.

20. Applying the above principles to the present case, this Court is of the considered view that the penalty imposed upon the petitioner does not meet the test of proportionality. Also, certain relevant aspects have not been considerate while passing the impugned order.



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21. The gravamen of the allegation against the petitioner, as also the finding recorded by the Disciplinary Committee (“DC”), is that pursuant to the decision taken in the second meeting of the Committee of Creditors, Quantum Resolution Professional Private Limited was approved as the support service agency, and consequently, payments towards support services were required to be made directly to Quantum. It has been observed that the petitioner, Mr. Vikas Prakash Gupta, by drawing the entire professional fee into his personal account, acted in contravention of the approval accorded by the CoC as well as the relevant Circulars issued by the Insolvency and Bankruptcy Board of India (“IBBI”).

22. However, while arriving at the aforesaid conclusion, the Disciplinary Committee failed to advert to relevant material and mitigating circumstances placed on record by the petitioner. It has been specifically contended that the petitioner holds a 90% shareholding in Quantum and that, after the amounts were credited to his account, the sums earmarked by the CoC towards support services were duly disbursed to the concerned team members of Quantum. Any deviation, if at all, was confined solely to the mode of disbursement (the payments were made by the petitioner to individual team members instead of being routed through Quantum as a corporate entity).

23. The petitioner has also annexed in the present petition invoices raised by the support team, Forms 16A evidencing deposit of TDS (Annexure P-11), as well as a detailed Statement of Kamachi RP and Support Fees. Statement of Kamachi RP and Support Fees are reproduced as under -



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**Statement of Kamachi RP and Support Fees**

Particulars	FY 2020-21			FY 2021-22			FY 2022-23			Total		
	RP Fees	Support Fees	Total	RP Fees	Support Fees	Total	RP Fees	Support Fees	Total	RP Fees	Support Fees	All Total
	165000	285000	450000	165000	285000	450000	165000	285000	450000			
Kamachi Total Billing	2,896,896	3,518,176	5,595,172	2,961,798	3,540,170	5,623,898	3,531,808	3,565,008	4,077,900	5,613,684	9,644,546	15,258,230
TDS @ 18%	366,641	633,190	999,831	371,112	642,029	1,011,259	437,260	461,736	731,980	1,009,913	1,736,038	2,745,941
Total Bill	3,263,537	4,151,366	6,595,503	3,332,910	4,182,199	6,623,898	3,969,068	4,026,744	4,809,880	6,623,597	11,380,584	18,004,171
Total Bill Amount (Excluding TDS & GST)	2,896,896	3,518,176	5,595,172	2,961,798	3,540,170	5,623,898	3,531,808	3,565,008	4,077,900	5,613,684	9,644,546	15,258,230
Less : CPE	-	-	-	223,058	-	223,058	27,800	-	27,800	250,858	-	250,858
Less : Amount paid to Support Services	-	3,440,524	3,440,524	-	3,407,938	3,407,938	-	2,766,882	2,766,882	-	9,656,384	9,656,384
(1) Piyush Jari	-	816,755	816,755	-	776,500	776,500	-	812,530	812,530	-	2,588,755	2,588,755
(2) Pooja Gupta	-	715,000	715,000	-	825,000	825,000	-	750,000	750,000	-	1,328,000	1,328,000
(3) Siddharth Gupta	-	324,504	324,504	-	780,000	780,000	-	374,382	374,382	-	1,678,886	1,678,886
(4) Backoffice Support Staff	-	1,389,565	1,389,565	-	-	-	-	-	-	-	1,389,565	1,389,565
(5) Ashish Gohil	-	-	-	-	540,645	540,645	-	540,000	540,000	-	888,645	888,645
(6) Accountant & Co	-	268,766	268,766	-	300,000	300,000	-	250,000	250,000	-	713,766	713,766
(7) Miscellaneous Service	-	-	-	-	855,833	855,833	-	453,000	453,000	-	875,833	875,833

	-	-	-	-	343,000	343,000
	300,000	130,000	-	-	300,000	300,000
	-	-	-	-	344,000	344,000
	-	-	-	-	23,000	23,000
1,730	333,792	1,073,031	1,406,800	(221,852)	1,265,110	3,360,826

(8) Kamachi-Kumar & Associates		140,000	140,000
(9) Sunil Kumar Dhill		-	-
(10) Digvijay Ranjan Mishra		141,000	141,000
(11) RDC Sanita		21,000	21,000
(*) Balance Payable /	2,896,896	76,752	2,115,648
(**) Excess paid			1.83

Kamachi Support Services Fees Statement (Gross)

Particulars	Amount (Rs)	Remark
Total Support Fees from Kamachi (Excluding TDS & GST)	9,644,546	
Less : Support Services fees paid	9,656,384	
(1) Piyush Jari	2,588,755	Invoice and Form 16A Attached
(2) Pooja Gupta	1,328,000	Invoice and Form 16A Attached
(3) Siddharth Gupta	1,678,886	Invoice and Form 16A Attached
(4) Backoffice Support Staff	1,389,565	Back Office Support Staff Salary

24. Significantly, there is no specific finding by the Disciplinary Committee that the petitioner retained any for personal gain or diverted the monies for any purpose other than that for which they were sanctioned by the CoC.

25. Consideration of these circumstances, lend credence to the petitioner's contention that the penalty imposed is unjustified/excessive/disproportionate.

26. Furthermore, the Regulation 13(2) of the IBBI (Inspection and Investigation) Regulations, 2017 mandates that the Disciplinary Committee shall endeavour to dispose of a show cause notice within sixty days from the



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date of receipt of the reply thereto. It is true that the usage of the term “shall endeavour to” makes the said regulation directory and not mandatory. While it is correct that there is no mandatory statutory prescription obligating the Disciplinary Committee to conclude proceedings within sixty days from the date of filing of reply to the show cause notice, the absence of an express upper time limit cannot be construed as conferring unfettered discretion upon the Disciplinary Committee to pass orders after an inordinate and unexplained delay. Administrative authorities are required to act within a reasonable period, and any prolonged delay must be justified by cogent reasons.

27. In the present case, the show cause notice was issued on 05.04.2024, on which date the petitioner’s Authorisation for Assignment stood automatically suspended as per regulation 23A of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016. The petitioner submitted his reply on 19.04.2024. However, the impugned order came to be passed only on 25.04.2025, nearly one year thereafter. As a consequence, the petitioner remained subjected to suspension of AFA for almost one year even before the final adjudication, and was thereafter visited with an additional penalty of one year suspension of registration by the impugned order.

28. Though it is true that suspension of AFA pending disciplinary proceedings and suspension of registration upon conclusion of proceedings operate under different provisions and are distinct in nature, the cumulative effect of the delay has resulted in the petitioner effectively suffering a bar from professional assignments for a period of almost two years.



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29. The Disciplinary Committee, while imposing the penalty of one year's suspension, failed to account for the prejudice already suffered by the petitioner on account of the prolonged pendency of proceedings and the mitigating circumstances noted hereinabove.

30. Considering the peculiar facts and circumstances, the penalty of one year suspension from taking any assignment as Resolution Professional is, therefore, reduced to the period already undergone; the suspension shall be deemed to have come to an end from the date of this order.

31. The petition stands disposed of, in the above terms.

SACHIN DATTA, J

FEBRUARY 2, 2026/sv