

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

CA (AT) (Ins) No. 1612 of 2026

IN THE MATTER OF:

Navneet Gupta Insolvency Professional

...Appellant(s)

Versus

Insolvency and Bankruptcy Board of India
Present:

...Respondent(s)

For Appellant(s) : Mr. Abhishek Anand, Mr. Karan Kohli, Ms Palak Kalra, Ms. Ridhima Mehrotra, Ms. Shruti Srivastava & Ms. Diksha, Advocates.
Mr. Deepak Khosla, Advocate in I.A. No. 6230 of 2026

For Respondent(s) : Mr. Nakul Mohta, Mr. Kumar Anurag Singh, Mr. Manoranjan Nayak, Mr. Zain A Khan, Mr. Hitesh Nagar, Ms. Saijal Arora, Advocates for Caveator Mr. Mohd Abran Khan, Advocate.
Mr. Sumesh Dhawan, Mr. Ajay Kumar, Mr. Pankaj Sethi, Mr. Sagar Thakkar & Ms. Kavya Tekriwal, Advocates for SRA
Mr. Ashish Verma, Mr. Nikhil Thakur & Ms. Kriti, Advocates.
Mr. Amit Meheria, Mr. Abinash Aggarwal, Mr. Vaibhav Sharma & Ms. Shivangi Sengar, Advocates

With
CA (AT) (Ins) No. 1629 of 2026

IN THE MATTER OF:

Sanjeev Mahajan

...Appellant(s)

Versus

Insolvency and Bankruptcy Board of India & Ors.
Present:

...Respondent(s)

For Appellant(s) : Mr. Amar Dave Sr. Adv. with Mr. Nakul Mohta, Mr. Kumar Anurag Singh, Mr. Manoranjan Nayak, Mr. Zain A Khan, Mr. Hitesh Nagar, Mr. Sanat Garg, Mr. Mohd. Abran Khan & Ms. Saijal Arora, Advocates

For Respondent(s) : Mr. Arun Kathpalia Sr. Adv. with Mr. Abhishek Anand, Mr. Karan Kohli, Ms Palak Kalra, Ms. Ridhima Mehrotra, Ms. Shruti Srivastava & Ms. Diksha, Advocates for RP

Mr. Amit Meheria, Mr. Abinash Aggarwal, Mr. Vaibhav Sharma, Mr. Apoorv Khaton, Ms. Pooja Kumar & Ms. Shivangi Sengar, Advocates.

O R D E R
(Hybrid Mode)

10.09.2026: We have already heard Shri Abhishek Anand, for Appellant in CA (AT) (Ins) No. 1612 of 2026, Shri Nakul Mohta for caveator in CA (AT) (Ins) No. 1612 of 2026 and Shri Deepak Khosla for intervenor in CA (AT) (Ins) No. 1612 of 2026 and have also perused the record.

2. Having regard to the similarity of issue in the submissions made by the Caveator and IA No. 6230 of 2026 moved by the Applicant Shri Haravtar Singh Arora, the plea of Caveator as well as IA No.6230 of 2026 are being disposed of by passing this common order.

3. Mr. Nakul Mohta appearing for Shri Sanjeev Mahajan, submits that he had filed a caveat, which was registered by the Registry of this Appellate Tribunal as Caveat No. 700 of 2026, however, the same could not be linked with the CA (AT) No. 1612 of 2026. He further submits that he has made a complaint about the misconduct of the Appellant-Resolution Professional, and it is on his complaint the disciplinary inquiry was initiated by the IBBI. Therefore, he has a genuine interest in the instant appeal filed by the Appellant-Resolution Professional against the order of the IBBI whereby he has been found guilty and has been punished accordingly.

4. He further submits that the Caveator is the Suspended Director and Promoter of Nimitya Hotel and Resorts Limited (CD), in the CIRP of which the Appellant has committed misconduct and with regard to his misconduct, complaints were made by the Caveator.

5. He further submits that the Appellant in the Appeal filed by him, i.e. CA (AT) (Ins) No. 1612 of 2026 has not arrayed him as a party, therefore, the

appellant be directed to implead him as a Respondent in the appeal, and an opportunity of being heard be provided to him.

6. He further submits that the Caveat filed by him clearly mentions his name (Sanjeev Mahajan), as well as the name of the Appellant – Navneet Gupta, therefore, the Registry should have informed him about the filing of the Appeal, and the copy of the memo of appeal, along with its enclosures, should have been provided to him by the appellant, so that he can appropriately present his case before this Appellate Tribunal. The Caveator has also drawn our attention towards the language used in Section 148(A) of the Code of Civil Procedure and also the language used in Office Order No. 2 of 2019, dated April 9, 2019 (wherein it is provided that any person may lodge a caveat by paying the stipulated fee so that the appeal or application could be served on him, before the appeal or interim application is taken up).

7. He further submits that he has also filed aforesaid Appeal No. 1629 of 2026 for enhancement of the punishment inflicted on the Appellant, which has been connected with the instant appeal, therefore, he has every right to be heard in this Appeal also, as Grant of any interim stay to the Appellant would directly and adversely affect his rights.

8. While referring to sections 217 and 220 (7) of the Insolvency and Bankruptcy Code, 2016, it is submitted that 'any person' aggrieved by the order of the disciplinary committee may file an appeal. Since the caveator is the complainant who has made the complaint about the misconduct of the appellant, he is aggrieved by the inadequate punishment inflicted by the IBBI. He may very well can maintain and file an appeal and also defend the order passed by the IBBI. The Caveator submits that Hon'ble Delhi High Court in

Writ Petition (C) No. 18191 of 2025, Mr. Yogesh Gupta versus IBBI and another) in order dated December 1, 2025, passed an order on the writ petition preferred by the complainant of that case.

9. The caveator/complainant has also relied on the following case laws:

(i) *Adi Pherozshah Gandhi versus H.M. Seeravi Advocate General of Maharashtra, Bombay, (1970) 2 Supreme Court cases 484.*

(ii) *Sanjeev Mahajan v. Insolvency and Bankruptcy Board of India and Ors., W.P.(C) 1826/2026, (09.02.2026)*

(iii) *Sanjeev Mahajan v. Ravi Mital & ors. CONT. CAS, (C) NO. 1417 OF 2026, (10.08.2026)*

(iv) *Mahatma Gandhi Housing Colony Development Society, Chirala v. District Collector, 1995 SCC OnLine AP 90 (Decided on March 16, 1995)*

(v) *Nirmal Chandra Dutta v. Girindra Narayan Roy, 1978 SCC OnLine Cal 174 (Decided on June 20, 1978)*

(vi) *Reserve Bank of India v. Reserve Bank of India, 1981 SCC OnLine AP 31 (Decided on March 12, 1981)*

(vii) *Udit Narain Singh Malpaharia v. Board of Revenue, 1962 SCC OnLine SC 130 (Decided on October 19, 1962)*

(viii) *Suresh Chand v. Gulam Chisti, (1990) 1 SCC 593 (Decided on January 31, 1990)*

(ix) *Bhogilal Chunilal Pandya v. State of Bombay, 1958 SCC OnLine SC 29 (Decided on November 4, 1958)*

(x) *Vijay Kumar Jain v. Standard Chartered Bank, (2019) 20 SCC 455 (Decided on January 31, 2019)*

(xi) *SBI v. Amit Iron (P) Ltd., 2026 SCC OnLine SC 538 (Decided on April 7, 2026)*

(xii) *Carborundum Universal Ltd. v. Central Board of Direct Taxes, 1989 Supp (2) SCC 462 (Decided on October 5, 1989)*

(xiii) *GLAS Trust Company LLC v. BYJU Raveendran & Ors., 2024 SCC Online SC 3032 (Decided on October 23, 2024)*

(xiv) *Independent Sugar Corporation Ltd. v. Girish Sriram Juneja & Ors., (2025) 5 SCC 209 (Decided on January 29, 2025)*

(xv) *Samir Agrawal v. Competition Commission of India & Ors., (2021) 3 SCC 136 (Decided on December 15, 2020)*

(xvi) *The U.P. Glass Manufacturers Syndicate v. Competition Commission of India & Ors., Competition Appeal (AT) No. 07 of 2023 (with Nos. 08, 09 & 10 of 2023) (order dated 28.07.2023)*

(xvii)Hikmat Ali Khan v. Ishwar Prasad Arya and Others., (1997) 3 SCC 131 (Decided on January 28, 1997)

(xviii)Shambhu Ram Yadav v. Hanuman Das Khatry, (2001) 6 SCC 1 (Decided on July 26, 2001)

10. Shri Abhishek Anand, at the outset, submits that the Appellant is legally not bound to supply any copy of the Memo of Appeal to the Caveator, as he has no say, so far as the disciplinary proceedings initiated against the appellant are concerned.

11. It is submitted that once the complaint has been filed by the complainant with the IBBI, his role has ended there and he neither can be involved in the process of disciplinary proceedings by the IBBI nor has any right to be heard in the appeal presented by the Appellant against the impugned order.

12. Shri Abhishek Anand in this regard has placed reliance on Regulation 7 of Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017 and submits that, as per the provisions contained in this regulation, a complainant only has a right to file a review when no action has been taken on his complaint and beyond that, he is not having any right.

13. It is further submitted that reliance of the alleged caveator on Section 220(7) of the Code is a fallacy, as Section 220(7) of the Code provides that a person who is aggrieved by the action of the IBBI taken in the preceding sub-sections (Sub-sections (2) to (5) of Section 220) may file an appeal, and it is not open for any person to prefer an appeal against the order passed by the

IBBI and the Caveator may not be aggrieved by the penalisation of the Appellant, thus he has no locus in these proceedings.

14. It is further submitted that the case of the Hon'ble Delhi High Court relied on by the alleged caveator has no connection with the facts of the instant case as the same is pertaining to the review filed by the appellant/complainant under Regulation 7 of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017 (hereinafter called Regulations of 2017), and therefore, against the dismissal of his review, the writ petition was filed by the complainant and this is the only remedy available to the complainant of this case also and he has no locus of being heard in this appeal.

15. While referring to Section 148A of the Code of Civil Procedure and Office Order No. 02/2019 of date April 9, 2019, it is further submitted that filing and registration of a caveat is a ministerial act. However, after the registration of the caveat, a decision has to be taken by the Court as to whether any hearing opportunity may be provided to the Caveator and this opportunity could only be provided when the caveator has any right to participate in the proceedings. In this case, the caveator does not have any right at all, either to be impleaded or to be heard, as the disciplinary proceedings are the proceedings strictly between the employer and employee, and any other person does not have any interest therein.

16. Learned Counsel for the Appellant has relied on the law laid down by the Hon'ble Punjab and Haryana High Court in **Writ Petition No. 19562 of 2022, Sarish Mittal and Another versus National Company Law Tribunal and Another, decided on August 22, 2024**, Judgment passed by the Hon'ble

Gujarat High Court on July 4, 2023, in Special Civil Application No. 4445 of 2020 in **the Karnavati Cooperative Bank Limited versus the Disciplinary Committee and on Judgment dated February 10, 2021, passed in Letters Patent Appeal No. 50 of 2021 in Special Civil Application No. 10522 of 2020, titled Mr. Baldevbhai Maganbhai Patel versus Mukeshbhai Atmaram Patel and on Mumbai International Airport Private Limited versus Regency Convention Centre and Hotels Private Limited and others, (2010) 7 Supreme Court Cases 417 as well as on Kattil Vayalil Parkkum koiloth Moideen versus Mannil Paadikayali Kadeesa Umma and others, 1991 SCC Online Kerala 9.**

IA No.6230 of 2026

17. We have heard Shri Deepak Khosla, Ld. Counsel for the Applicant, and Shri Abhishek Anand for the Appellant, and perused the record.

18. Application IA No.6230 of 2026 has been moved by Mr. Haravtar Singh Arora with the prayer to implead the applicant as Respondent in the present appeal.

19. Ld. Counsel for the Applicant submits that Applicant Haravtar Singh Arora is a director/promoter of M/s James Hotel Limited, Chandigarh, and the company had gone into the insolvency process and is now in liquidation, and the Appellant is the liquidator of the CD and therefore, the applicant is interested in these proceedings, as the applicant would be affected by the outcome of the appeal as well by interim order as the copy of the impugned order has been sent by the IBBI to all the CoCs wherein the appellant is acting

either as IRP or RP, therefore, the applicant would be adversely affected if any interim direction is issued or if the appeal is allowed.

20. It is further submitted that the misconduct of very high magnitude has also been committed by the appellant in the insolvency process of James Hotel Limited, and a complaint was made by the applicant with regard to the same to the IBBI. Thus, the applicant has a right to be heard in these proceedings also as it is not only the complainant or informant who must be heard in the disciplinary proceedings, but any person (like the applicant whose estate is administered by the very insolvency professional whose registration stands suspended by the impugned order) would also come within the definition of “person aggrieved” and are entitled to be heard in these proceedings.

21. He further submits that there is no provision for providing an opportunity of being heard to the complainant in the Insolvency and Bankruptcy Code and relevant Regulations, but there is no prohibition either. Therefore, all the stakeholders who are interested in the outcome of the appeal should be given a fair opportunity of being heard on the principle of natural justice.

22. It is further submitted that the applicant is otherwise also entitled to be impleaded as a party under Order 1, Rule 8A and under Order 1, Rule 10 of the CPC, as the applicant is a proper party to these proceedings.

23. While drawing our attention towards Section 220(2) of the code, it is submitted that it mandates a hearing to the service provider, but it does not say that the opportunity shall only be provided to the service provider and other stakeholders could not be heard. Ld. Counsel has placed reliance on Bar Council of **Maharashtra v. M.V. Dabolkar (1975) 2 SCC 702** and **N.G.**

Dastane v. Shrikant S. Shinde (2001) 6 SCC 135 in order to show that the expression “person aggrieved” must be given a liberal and broad construction.

24. It is further submitted that the regulations framed by the IBBI are silent on the issue as to whether an opportunity of being heard may be provided to the informant/complainant, but the same have also not excluded such an opportunity. If the Appellate Tribunal considers it in the interest of justice, the said opportunity may be provided to all the stakeholders and it could not be said that the complainant ceases to have any role in the process of inquiry or in an appeal filed thereafter.

25. While referring to the Advocates Act, 1961, and rules framed thereunder, as well as the relevant provisions of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, Company Secretaries Act, 1980, and Company Secretaries (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 it is submitted that it is only in the Insolvency and Bankruptcy Code that there is no specific provision for providing a notice of hearing to the complainant, whereas in all other above-mentioned enactments and regulations, such an opportunity is available.

26. Learned Counsel has placed reliance on the law laid down by the Hon’ble High Court of Delhi in **Vachaspati and others versus IBBI and others (Civil Appeal No. 5711 of 2020)** , **Bar Council of Maharashtra v. MV Dabholkar (supra)** , **Pramod Bagga and others v. State, 2008 Criminal Law Journal 792**, **JK International v. State, AIR 2001 SC 1142**, **Bhagwant Singh v. Commissioner of Police (1985) 2 SCC 537** and it is submitted that

if the appellant is not a necessary party, but at the lowest is a proper party, he should be impleaded as a Respondent.

27. Learned Counsel for the Applicant, while drawing our attention towards the order XIX of the code of Civil Procedure submits that the Affidavit which has been filed by the Appellant with the reply filed by him is not proper, and therefore the same could not be read and in absence of any reply, due to the faulty affidavit, the contents of the application of the applicant remained unrebutted, and therefore his application must be allowed. Ld. Counsel for the applicant has also relied **on Udit Narayan Singh Mal Paharia v. Additional Member, Board of Revenue, Bihar and another, AIR 1963 SC 786, Razia Begum versus Sahibzadi Anwar Begum and others, 1959 SCR 1111**, and the law laid down by this appellate tribunal **in SREI Multiple Asset Investment Trust versus Arcelor Mittal India Private Limited and others, (2025) ibclaw.in 543 NCLAT**.and also on **R.P. Khosla and another vs Company Law Board and others, 2014 SCC OnLine Del 191**.

28. In the written submissions filed by Haravtar Singh Arora the copy of the power of attorney executed by Shri Haravtar Singh Arora in favour of his nephew, namely Tamandip Singh, of date 22nd November 2022, has been placed.

29. It is also emphasized that the rule of audi alteram partem is required to be followed by all the professional bodies that regulate the activities of professionals like advocates, chartered accountants, company secretaries, etc. Therefore, the silence of the IBC on not providing specifically for the participation of the complainant in the disciplinary proceedings, especially in appeal, should not be construed as meaning that the participation of the complainant or informant is prohibited.

30. The distinction between a necessary party and a proper party has again been reiterated while highlighting Order 1 Rule 5, Order 1 Rule 7, Order 1 Rule 9, as well as Order 1 Rule 10 of the Code of Civil Procedure.

31. The defect in the swearing of the affidavit by the appellant is also highlighted, and it is submitted that it cannot be read in evidence. In the absence of any such affidavit, the contention of the intervener Haravtar Singh Arora remains unrefuted, and therefore the application must be allowed.

32. Reliance has been placed on M/s DCM **Limited v. Municipal Corporation of Delhi, AIR 1998 Delhi 348. SREI Multiple Asset Investment Trust versus Arslan Mittal India Private Limited (2025) ibclaw.in 543 NCLAT.**

33. Shri Abhishek Anand, Learned Counsel for the Appellant, at the outset has drawn our attention towards the fact that in the application filed by the applicant, an undertaking has also been given in terms that he will file the power of attorney, allegedly written by the applicant, till 2nd September 2026, and the same has still not been filed. It is submitted that the application has been signed by Haravtar Singh Arora, however, the Affidavit has been sworn by one Mr. Taman Deep Singh, who is stated to be the attorney of Haravtar Singh Arora, however, no power of attorney has been placed on record, and therefore the application is liable to be dismissed only on this score alone.

34. It is further submitted that a complaint was made by the applicant against the appellant vide letter dated 19th January 2025 and with regard to the same a communication was sent by Indian Institute of Insolvency Professionals of ICAI through the Grievance Redressal Officer that, with regard to similar allegations, IA No. 612 of 2025 has been moved by the complainant before the NCLT, and the same is pending and that the matter is sub judice, and the committee deems it appropriate not to intervene in the

proceedings at this stage. Thus, no action was taken on the complaint made by the applicant and therefore he is a stranger so far as these proceedings are concerned.

35. It is further submitted that the disciplinary proceedings are strictly connected with the employer and the employee, and no stranger who has no interest at all or any right to be impleaded as a party in the appeal.

36. It is also submitted that the applicant was not connected in any way with the allegations on the basis of which the disciplinary proceedings were initiated, therefore, the applicant has no interest of any kind in this appeal and is not entitled to be impleaded.

37. Having heard Ld. Counsel for the parties it appears appropriate to have a look on the relevant provisions of the Code as well as relevant Regulations.

38. Section 217 to 220 as amended up to date are reproduced as under:

“217. Complaints against service providers–

Any person aggrieved by the functioning of [a service provider] may file a complaint to the Board in such form, within such time and in such manner as may be specified.

218. Investigation of service providers–

(1) Where the Board, on receipt of a complaint under section 217 or has reasonable grounds to believe that any [service provided] has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the [service provided].

(2) The inspection or investigation carried out under sub-section (1) of this section shall be conducted within such time and in such manner as may be specified by regulations.

(3) The Investigating Authority may, in the course of such inspection or investigation, require any other person who is likely to have any relevant document, record or information to furnish the same, and such person shall be bound to furnish such document, record or information:

Provided that the Investigating Authority shall provide detailed reasons to such person before requiring him to furnish such document, record or information.

(4) The Investigating Authority may, in the course of its inspection or investigation, enter any building or place where they may have reasons to believe that any such document, record or information relating to the subject-matter of the inquiry may be found and may seize any such document, record or information or take extracts or copies therefrom, subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, insofar as they may be applicable.

(5) The Investigating Authority shall keep in its custody the books, registers, other documents and records seized under this section for such period not later than the conclusion of the investigation as it considers necessary and thereafter shall return the same to the concerned person from whose custody or power they were seized:

Provided that the Investigating Authority may, before returning such books, registers, other documents and record as aforesaid, place identification marks on them or any part thereof.

(6) A detailed report of inspection or investigation shall be submitted to the Board by the Investigating Authority.

219. Show cause notice to service provider-

Where the Board, upon completion of an inspection or investigation under Section 218 or on the basis of material available on record, is of the prima facie opinion that sufficient cause exists to take action under section 220, it may issue a show cause notice to a service provider in such manner, providing such period for giving reply, as may be specified.]

220. Appointment of disciplinary committee. –

[(1) The Board shall constitute one or more disciplinary committees consisting of one or more persons from amongst its Chairperson, whole-time members or officers not below the rank of the Executive Director for the purpose of this section.]

[(1A) The show cause notice issued under section 219 shall be referred to a disciplinary committee constituted under sub-section (1).]

[(2) Where the disciplinary committee, after giving the service provider an opportunity of being heard, is satisfied that sufficient cause exists, it may, impose a penalty as provided in sub-section (3), or suspend or cancel the registration of the service provider, or direct disgorgement under sub-section (4).]

(3) Where any service provider has contravened any provisions of this Code or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be up to-

(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 [two crore rupees].

(4) Notwithstanding anything contained in sub-section (3), the [disciplinary committee] 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 [disciplinary committee] 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.

(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.

(7) Any person aggrieved by an order of the disciplinary committee under sub-sections (2) to (5), may prefer an appeal to the National Company Law Appellate Tribunal within a period of thirty days from the date of receipt of the order.

(8)The National Company Law Appellate Tribunal may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within thirty days, allow the appeal to be filed under sub-section (7) within a further period not exceeding fifteen days”.

39. Regulations 2 (1) (a), 6 and 7 of Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017(Regulations 2017) are also relevant are reproduced as under;

***INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
(GRIEVANCE AND COMPLAINT HANDLING PROCEDURE)
REGULATIONS, 2017***

2. Definitions.

- (1) Unless the context otherwise requires-*
(a) “aggrieved” means a stakeholder who has filed a grievance with the Board on failing to get his grievance redressed from the concerned service provider;

6. [Disposal of grievance by the Board].

(1) The Board may seek additional information and records from the aggrieved and information and records from the concerned service provider to decide if the grievance requires any redress by the service provider.

(2) The aggrieved and the service provider shall submit the information and records sought under sub- regulation (1) within [seven] days thereof.

[Provided that an additional time not exceeding seven days may be granted by the Board for submitting the information and records sought under sub-regulation (2) on the request of the service provider.]

(3) The Board shall close the grievance within 9[thirty] days of its receipt if it does not require any redress.

(4) The Board shall direct the service provider to redress the grievance within [thirty]

[6A. Disposal of grievance by Insolvency Professional Agency.

(1) Notwithstanding anything contained in regulation 6, the Board may forward a grievance against an insolvency professional for disposal by the insolvency professional agency of which he is a professional member.

(2) On receipt of the grievance under sub-regulation (1), the insolvency professional agency shall dispose of the grievance in

accordance with its bye-laws and intimate the Board within thirty days of receipt of grievance.]

7. Disposal of complaint.

(1) The Board may seek additional information and records from the complainant and information and records from the concerned service provider to form a prima facie view whether the contravention alleged in the complaint is correct.

(2) The complainant and the service provider shall submit the information and records sought under sub-regulation (1) within [seven] days thereof.

[Provided that an additional time, not exceeding seven days, may be granted by the Board on request of the service provider.]

(3) [The Board shall investigate the information and records and form an opinion whether there exists a prima facie case within thirty days of the receipt of the complaint.].

(4) The Board shall close the complaint where it is of the opinion under sub regulation (3) that there does not exist a prima facie case and communicate the same to the complainant.

(5) If the complainant is not satisfied with the decision of the Board under sub regulation (4), he may request a review of such decision [within thirty days].

(6) The Board shall dispose of the review under sub-regulation (5) within thirty days of the receipt of the request for review by an order with an opinion whether there exists a prima facie case.

(7) [Where the Board is of the opinion that there exists a prima facie case, it may issue a show cause notice under regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 or order an investigation under Chapter III of Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017].

(8) Where the Board is of the opinion that the complaint is not frivolous, it shall refund the fee of two thousand five hundred rupees received under sub-regulation (3) of regulation 3.

40. Perusal of the above provisions would reflect that two stage mechanism has been provided in the Code and relevant regulations with regard to complaint disposal procedure. The first stage is governed by the Regulations 2017, which enables a stakeholder which has been defined as a debtor, creditor, claimant, service provider, resolution applicant, or any other person having an interest in the insolvency resolution or liquidation, voluntary liquidation or bankruptcy transaction under the Code pertaining to filing of

the grievance or a complaint against a service provider. Regulation 7 of the Regulations 2017 has laid down the procedure for filing and disposal of a complaint. The Board is required to form an opinion whether a prima facie case exists, within thirty days of receipt of the complaint and where the Board is of the opinion that no prima facie case exists, it may close the complaint and communicate the same to the complainant.

41. Conspicuously it has been provided under Regulation 7(5) of Regulations, 2017 that "If the complainant is not satisfied with the decision of the Board under sub-regulation (4), he may request a review of such decision within thirty days". The Board is also required to dispose of such review within thirty days of the receipt of the Complaint. However, where the Board forms the opinion that a prima facie case exists, it may issue a show cause notice or order an investigation under the IBBI (Inspection and Investigation) Regulations, 2017.

42. The second stage is governed by Section 220 of the Code, which provides for the constitution of the Disciplinary Committee and further empowers such Committee to pass orders under sub-sections (2) to (5), including the imposition of penalties, suspension or cancellation of registration, ordering disgorgement of unlawful gains, restitution to affected persons, and costs of proceedings.

43. Prior to the amendment introduced by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, no statutory appeal was provided against orders passed by the Disciplinary Committee of the IBBI and the only remedy

available was to approach the High Court under Article 226 of the Constitution of India. By the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which came into effect on 22 May 2026, Parliament inserted sub-sections (7) and (8) in Section 220 of the Code.

44. Section 220(7) reads as under;

"(7) Any person aggrieved by an order of the disciplinary committee, under sub-sections (2) to (5), may prefer an appeal to the National Company Law Appellate Tribunal within a period of thirty days from the date of receipt of the order"

Section 220(8) on the other hand provides that the NCLAT may condone delay upon sufficient cause being shown for a further period not exceeding fifteen days".

45. The plain language of Section 220(7) confers a right of appeal upon "any person aggrieved" by an order of the Disciplinary Committee passed under sub-sections (2) to (5). The use of the expression "any person aggrieved" is significant and must be given its full import. The central question now is whether a complainant falls within the ambit of "any person aggrieved" under Section 220(7). This requires an examination of the legal meaning of the expression "aggrieved person" and its application to the disciplinary framework under the Code. The expression "any person aggrieved" has been the subject of extensive judicial interpretation by the Hon'ble Supreme Court of India. The consistent thread running through the authorities is that the expression must receive a liberal and broad construction, and that there are "no rigid locus requirements" where the statute uses such wide language.

46. Hon'ble Supreme Court in **Independent Sugar corporation vs Girish Shri Ram Juneja and Ors., Civil Appeal No. 6071 OF 2023, decided on 29/01/2025** discussed the concept of "any person aggrieved" in depth, though with regard to section 61 and 62 of the code, in following words;

“23. At the outset, the preliminary objection regarding the locus standi of the Appellant(s) to prefer the present Appeal(s) must be dealt with.

24. Section 61 of the IBC provides the statutory framework for appeals against orders of the Adjudicating Authority i.e., the NCLT, stipulating that ‘any person aggrieved’ by such an order may prefer an appeal to the Appellate Authority i.e., the NCLAT in this case. Further, Section 62 extends this right of appeal to the Supreme Court.

25. Similarly, Section 53B of the Competition Act provides that ‘any enterprise or any person aggrieved’ within the statutory framework may file an appeal against any order of the CCI to the Appellate Tribunal i.e., the NCLAT. Section 53T further extends this right of appeal to the Supreme Court against any decision or order of the NCLAT.

26. Once the CIRP is initiated, the nature of proceedings are no longer in personam but rather become in rem. In light of the same, the expression ‘any person aggrieved’ in the context of the IBC has been held to be indicative of there being no rigid locus requirements to institute an appeal challenging an order of the NCLT before the NCLAT or an order of the NCLAT before this Court. Similarly, in the context of the Competition Act, even those persons that bring to CCI information of practices that are contrary to the provisions of the Competition Act, could be said to be ‘aggrieved’. Therefore, the term ‘any person aggrieved’ appearing in Section 62 of the IBC and Section 53T of the Competition Act must be understood widely and not in a restricted fashion.

39. Likewise, the Supreme Court in multiple cases had underscored the rule that when the language of a statute is plain and unambiguous and reasonably susceptible to only one meaning, there cannot be a question of construction of the statute, as the provision would speak for itself.

40. In an oft-quoted case on literal interpretation Kanailal Sur v. Paramnidhi Sadhu Khan, this Court stated as follows:

“If the words used are capable of one construction only then it would not be open to the courts to adopt any other hypothetical construction on the ground that such hypothetical construction is more consistent with the alleged object and policy of the act.”

41. *In fact, if the statute is plain and unambiguously-worded, the consequences of such construction no longer remain a matter for the court to decide on, even if they appear to be strange, surprising, unreasonable, unjust or oppressive. Further, even hardship, inconvenience or penalty being the consequence of compliance with such construction cannot be deemed sufficient to alter the meaning of the language employed by the legislature, if such meaning is clear on the face of the statute or the rules.*

42. *Where the language is clear, plain and unambiguous, the courts are duty-bound to give effect to the meaning that can be inferred from a statute, irrespective of the consequences. Mere inconvenience being caused to a party, by virtue of the plain and literal interpretation accorded to a statute, cannot be reason enough to forego such interpretation.”*

43. *Emphasising on construing the meaning from the plain language of Section 123(7) of the Representation of the People Act, 1951, as it then stood, Justice S. R. Das pertinently observed:*

“The spirit of the law may well be an elusive and unsafe guide and the supposed spirit can certainly not be given effect to in opposition to the plain language of the sections of the Act”.

44. *In other words, the so-called ‘spirit of the law’ is an indeterminate construct, whose nature renders it subjective and susceptible to varied interpretations depending on the personal predilections of those tasked with interpreting it. Therefore, it is almost unattainable as a definitive guide, especially in the face of or when put in opposition to the unambiguous, clear and plain language used in a particular provision, as is presently the case.*

45. *Therefore, it is almost necessary for the courts to interpret the provision in its natural sense, as it is through the words used in a provision that legislature expresses its intention. When the language is unambiguous, as in the present matter, the courts must respect its ordinary and natural meaning instead of wandering into the realm of speculation and unintended overreach invoking the so-called ‘spirit of the law’.”*

47. Thus, when the words used in provisions are clear, plain and unambiguous, the courts are duty-bound to give effect to the meaning emerging out of such plain words. The intention of the legislature must be gathered from the language. The words used should be understood in their natural and ordinary sense, and any interpretation requiring for addition, substitution or rejection of words as meaningless must be avoided. It may be recalled that where a right of appeal to courts against an administrative or judicial decision is created by statute, the right is invariably confined to a person aggrieved or a person who claims to be aggrieved. The test is whether the person has a genuine legal grievance one that affects their legal rights or interests and not merely a fanciful or imaginary grievance. The question that arises is whether an order, which is passed between two contesting parties relating to the misconduct emerged in service, between employer and its employee, can it be challenged by a third party in appeal or whether a third party may intervene therein.

48. In order to answer the aforesaid question, in the present context, permitting a challenge at the behest of the third party, would require us to examine whether the caveator as a third party has any locus to defend the impugned order or to challenge the said order by filing any appeal. It will also be required to be seen whether the appellant can be treated to be an aggrieved person especially noticing the nature of proceedings.

49. As per **Black's Law Dictionary, Eighth Edition**, the word '*locus standi*' and 'aggrieved person' have been defined as under: -

'Locus standi' :- "*The right to bring an action or to be heard in a given forum*", and'

aggrieved person:- *"Having legal rights that are adversely affected; having been harmed by an infringement of legal rights. "*

A dispute between the employer and the employee is *per-se* a private dispute between the two. The word 'private' has been used here in context with '*personam*' and in contradistinction to a litigation which may affect the rights of several persons or class of persons and in such cases any such person or from such class of person, can come forward to contest as a litigation. Any decision of an employer which violates the right of any particular employee or employees can be assailed by such aggrieved employee or employees alone and not by any other employee or a third party altogether, who is not affected by such a decision. Therefore, it will be only an aggrieved person who may file the appeal and a person who has any locus may be made a party in the appeals emerging from Disciplinary proceedings.

50. In **Jasbhai Motibhai Desai v. Roshan Kumar, (1976) 1 SCC 671**

Hon'ble Supreme Court held as under: -

"13. This takes us to the further question: Who is an "aggrieved person" and what are the qualifications requisite for such a status? The expression "aggrieved person" denotes an elastic, and to an extent, an elusive concept. It cannot be confined within the bounds of a rigid, exact and comprehensive definition. At best, its features can be described in a broad tentative manner. Its scope and meaning depends on diverse, variable factors such as the content and intent of the statute of which contravention is alleged, the specific circumstances of the case, the nature and extent of the petitioner's interest, and the nature and extent of the prejudice or injury suffered by him. English courts have sometimes put a restricted and sometimes a wide construction on the expression "aggrieved person". However, some general tests have been devised to ascertain whether an applicant is eligible for this category

so as to have the necessary locus standi or “standing” to invoke certiorari jurisdiction.

* * *

37. It will be seen that in the context of locus standi to apply for a writ of certiorari, an applicant may ordinarily fall in any of these categories: (i) “person aggrieved”; (ii) “stranger”; (iii) busybody or meddlesome interloper. Persons in the last category are easily distinguishable from those coming under the first two categories. Such persons interfere in things which do not concern them. They masquerade as crusaders for justice. They pretend to act in the name of pro bono publico, though they have no interest of the public or even of their own to protect. They indulge in the pastime of meddling with the judicial process either by force of habit or from improper motives. Often, they are actuated by a desire to win notoriety or cheap popularity; while the ulterior intent of some applicants in this category, may be no more than spoking the wheels of administration. The High Court should do well to reject the applications of such busybodies at the threshold.

38. The distinction between the first and second categories of applicants, though real, is not always well-demarcated. The first category has, as it were, two concentric zones; a solid central zone of certainty, and a grey outer circle of lessening certainty in a sliding centrifugal scale, with an outermost nebulous fringe of uncertainty. Applicants falling within the central zone are those whose legal rights have been infringed. Such applicants undoubtedly stand in the category of “persons aggrieved”. In the grey outer circle the bounds which separate the first category from the second, intermix, interfuse and overlap increasingly in a centrifugal direction. All persons in this outer zone may not be “persons aggrieved”.

39. To distinguish such applicants from “strangers”, among them, some broad tests may be deduced from the conspectus made above. These tests are not absolute and ultimate. Their efficacy varies according to the circumstances of the case, including the statutory context in which the matter falls to be considered. These are: Whether the applicant is a person whose legal right has been infringed? Has he suffered a legal wrong or injury, in the sense, that his interest, recognised by law, has been prejudicially and directly affected by the act or omission of the authority, complained of? Is he a person who has suffered a legal grievance, a person against whom a

decision has been pronounced which has wrongfully deprived him of something or wrongfully refused him something, or wrongfully affected his title to something?

Has he a special and substantial grievance of his own beyond some grievance or inconvenience suffered by him in common with the rest of the public? Was he entitled to object and be heard by the authority before it took the impugned action? If so, was he prejudicially affected in the exercise of that right by the act of usurpation of jurisdiction on the part of the authority? Is the statute, in the context of which the scope of the words "person aggrieved" is being considered, a social welfare measure designed to lay down ethical or professional standards of conduct for the community? Or is it a statute dealing with private rights of particular individuals?"

51. Ld. Counsel for the Caveator has relied on **Adi Pherozshah Gandhi v. H.M. Seervai, Advocate General of Maharashtra, Bombay (1970) 2 Supreme Court Cases 484**, wherein paragraph no. 17 Hon'ble Supreme Court held as under: -

"17. *The observations of Lord Denning clearly meant that the Attorney-General could not pose as a "person aggrieved" to seek to bring a simple case of acquittal for reversal by the Judicial Committee under the 31st Section of the Order in Council for he could not be regarded as a "person aggrieved". The remark was made perhaps to repeal an argument that every case of acquittal would make the Attorney-General an "aggrieved person". Lord Denning said that this was not the true position. The Attorney-General could only move the Judge and there his duty ended. The law gave him no express right of appeal and he could not claim to be a "person aggrieved". He could only invoke the 31st Section if he could make out his grievance and it was found to be as a person representing the Crown and the guardian of public interest seeking to get reversed a decision, which struck at the root of the jurisdiction of the disciplinary judge, by denying that the Deputy Judge was exercising judicial power under Section 7 of the Supreme Court Ordinance. The Crown was aggrieved by this decision and the Attorney-General representing the Crown was an "aggrieved person".*

52. Thus, in the context of Advocates Act, 1961, it was held that the person aggrieved would be referable to the Advocate concerned, the Complainant, and the Attorney General or the Advocate General, as the case may be (as the Attorney General and the Advocate General will be persons aggrieved because they are interested in maintaining the professional rectitude).

53. Shri Abhishek Anand has relied on **Kattil Vayalil Parkkum koiloth Moideen(supra)** but in our considered opinion, this precedent is pertaining to the proceedings under Order XXI, Rule 99 CPC, the ratio of this case should be perceived in that background and therefore is not applicable to the facts of the present case.

54. The case of **Sarish Mittal (supra)** is also not applicable to the facts of the present case. As in para number 31 of the same, it has been held that there is no merit in the argument of the petitioner that they should have been afforded an opportunity of personal hearing by the disciplinary committee prior to its decision on the complaint. Therefore, it is with regard to a case where the petitioner was seeking a personal hearing prior to the decision was taken on its complaint.

55. In **Karnavati Cooperative Bank Limited (Supra)**, the Division Bench of the Hon'ble Gujarat High Court held that when the statute itself does not provide for appeal to the complainant who acts as an informant to the ICAI with respect to the alleged incident, thereafter it is for the Respondent Authority to consider the said complaint in accordance with the Act and rules and the statute does not provide a remedy of appeal to a complainant against the decision of the ICAI.

56. In **Baldevbhai Maganbhai Patel (supra)**, the Hon'ble High Court of Gujarat dismissed the appeal filed by the appellant, who was the complainant, against the judgment passed by the Hon'ble Single Judge on the ground that he has no locus.

57. In **Mumbai International Airport Private Limited (supra)**, the Hon'ble Supreme Court held as under in paragraph numbers 13, 14, and 15

"13. The general rule in regard to impleadment of parties is that the plaintiff in a suit, being dominus litis, may choose the persons against whom he wishes to litigate and cannot be compelled to sue a person against whom he does not seek any relief. Consequently, a person who is not a party has no right to be impleaded against the wishes of the plaintiff. But this general rule is subject to the provisions of Order 1 Rule 10(2) of the Code of Civil Procedure ("the Code", for short), which provides for impleadment of proper or necessary parties. The said sub-rule is extracted below:

"10.(2) Court may strike out or add parties.- The court may at any stage of the proceedings, either upon or without the application of either party, on such terms as may appear to the court to be just, order that the name of any party improperly joined, whether as plaintiff or defendant, be struck out, and that the name of any person who ought to have been joined, whether as plaintiff or defendant, or whose presence before the court may be necessary in order to enable the court effectually and completely to adjudicate upon and settle all the questions involved in the suit, be added."

14. The said provision makes it clear that a court may, at any stage of the proceedings (including suits for specific performance), either upon or even without any application, and on such terms as may appear to it to be just, direct that any of the following persons may be added as a party: (a) any person who ought to have been joined as plaintiff or defendant, but not added; or (b) any person whose presence before the court may be necessary in order to enable the court to effectively and completely adjudicate upon and settle the questions involved in the suit. In short, the court is given the discretion to add as a party, any person who is found to be a necessary party or proper party.

15. A "necessary party" is a person who ought to have been joined as a party and in whose absence no effective decree could be passed at all by the court. If a "necessary party" is

not impleaded, the suit itself is liable to be dismissed. A "proper party" is a party who, though not a necessary party, is a person whose presence would enable the court to completely, effectively and adequately adjudicate upon all matters in dispute in the suit, though he need not be a person in favour of or against whom the decree is to be made. If a person is not found to be a proper or necessary party, the court has no jurisdiction to implead him, against the wishes of the plaintiff. The fact that a person is likely to secure a right/interest in a suit property, after the suit is decided against the plaintiff, will not make such person a necessary party or a proper party to the suit for specific performance".

58. In **Kasturi (supra)** is a case with regard to the specific performance of the contract. The issue was with regard to the non-implement of a necessary and proper party, which, in our considered opinion, is not having any relevance to the facts in hand.

59. Mr. Deepak Khosla has also relied on **RP Khosla and another (supra)**, which pertains to the course adopted where the notice has not been served to the caveator. The applicant of IA No. 6230 of 2026 is not a caveator and therefore may not get any benefit of this precedent.

60. **Pramod Bagga (supra)** is a case where the complainant was not made a party in the earlier proceedings, and the order was passed on some misinformation given by the petitioner. By passing this order, the Hon'ble Delhi High Court recalled the earlier order.

61. **Udit Narayan Singh Mal Paharia (supra)** is a case where the Hon'ble Supreme Court highlighted the law with regard to the necessary and proper parties to a proceeding. It held that a necessary party is one without whom no order can be passed effectively, and a proper party is one in whose absence an effective order can be made, but whose presence is necessary for a complete and final decision on the question involved in the proceedings.

Based on this law, a submission has been made by Mr. Deepak Khosla that the applicant of IA No. 6230 of 2026 may not be a necessary party, but at least he is a proper party. Admittedly, the applicant of IA No. 6230 of 2026 is not a complainant so far as the disciplinary proceedings initiated against the appellant are concerned. It is only stated that, in the CIRP of a hotel owned by the applicant, which is also in CIRP, the applicant is a Resolution Professional, and he has also committed misconduct in that CIRP. However, we find that a complaint was made by the applicant against the appellant with regard to that case, and that complaint was not entertained by the Board on the ground that, on similar allegations, an application has been filed by the applicant before the Ld. NCLT, and the matter is sub judice. Thus, when the applicant is not connected with the disciplinary proceedings pertaining to the appellant in the facts of the instant case, we fail to understand as to how he may be considered even as a proper party in the instant appeal.

62. In **SREI Multiple Asset Investment Trust (Supra)** a coordinate bench of this Appellate Tribunal discussed many precedents and framed an issue as under;

- (I) *What are the requirements, which need to be fulfilled by a third- party to a proceeding, who is claiming impleadment in the present Appeal(s) as party-respondent?*

This issue was answered as under: -

“25. *Learned Counsel for the applicant has relied on principles as enshrined in Order 1, Rule 10 (2) of the Code of Civil Procedure. It is submitted that under Order 1, Rule 10 of the Code of Civil Procedure, the Court can direct for joining a party as plaintiff or defendant who was present before the Court in order to enable the court effectually and*

completely to adjudicate upon and consider all questions involved in the suit.

26. *NCLT & NCLAT are constituted under the Companies Act 2013. Section 424 of the Companies Act, 2013 provides for procedure before Tribunal and Appellate Tribunal. Section 424(1) and 424(2) are as follows:*

“424. Procedure before Tribunal and Appellate Tribunal. – (1) *The Tribunal and the Appellate Tribunal shall not, while disposing of any proceeding before it or, as the case may be, an appeal before it, be bound by the procedure laid down in the Code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice, and, subject to the other provisions of this Act 1[or of the Insolvency and Bankruptcy Code, 2016 (31 of 2016)] and of any rules made hereunder, the Tribunal and the Appellate Tribunal shall have power to regulate their own procedure.*

(2) The Tribunal and the Appellate Tribunal shall have, for the purposes of discharging their functions under this Act 1[or under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)], the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit in respect of the following matters, namely: --

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872 (1 of 1872), requisitioning any public record or document or a copy of such record or document from any office;

(e) issuing commissions for the examination of witnesses or documents;

(f) dismissing a representation for default or deciding it ex parte;

(g) setting aside any order of dismissal of any representation for default or any order passed by it ex parte; and

(h) any other matter which may be prescribed.”

27. *Sub-section (1) of Section 424 provides that Tribunal and the Appellate Tribunal shall not be bound by the procedure laid down in the Code of Civil Procedure but shall*

be guided by the principle of natural justice and subject to provisions of Companies Act, 2013 or the IBC 2016 and the rules made thereunder shall have power to regulate their own procedure. Sub-section (2) of Section 424 vests certain powers vested in Civil Courts while trying suits. The powers enumerated in sub-Section (2) of Section 424 does not include the procedure of impleadment as laid down in the Code of Civil Procedure.

30. *The principles enshrined in Code of Civil Procedure with regard to power of the court to strike off or to add a party to the proceeding also need to be followed while considering any application filed before this Tribunal. This Tribunal thus can usefully follow the principle, which are enshrined in Order 1, Rule 10 while considering application filed by a third party for adding party to the proceedings. Order 1, Rule 10 sub-Rule (2) of the Code of Civil Procedure, which is relevant for the present case is as follows:*

“Order 1 Rule 10: *Suit in the name of the wrong plaintiff or non-joinder and misjoinder of parties.*

2. The court may at any stage of the proceedings, either upon or without the application of either party, and on such terms as may appear to the court to be just, order that:

- The name of any party improperly joined, whether as plaintiff or defendant, be struck out, and*
- The name of any person who ought to have been joined, whether as plaintiff or defendant, or whose presence before the court may be necessary in order to enable the court effectually and completely to adjudicate upon and settle all the questions involved in the suit, be added.”*

31. *The question which need to be considered is as to what are conditions for requirement which need to be fulfilled by a third-party for permitting it to be impleaded by Court in a proceeding pending before this Tribunal. The provisions of Order 1, Rule 10 sub-Rule (2) had come for consideration before Hon’ble Supreme Court in large number of cases. Hon’ble Supreme Court in various judgments has noticed the principles for exercise of discretion by the Court while considering an application for adding a party under Order 1, Rule 10 sub-Rule (2) of the Code of Civil Procedure.*

32. *The first judgment of the Hon’ble Supreme Court which we need to notice is the judgment of the Hon’ble Supreme Court reported in AIR [1958 SC 886] in the matter of ‘**Razia Begum**’, **Vs. ‘Sahebzadi Anwar Begum & Ors.’**. Hon’ble Supreme Court, while considering the provisions of the principles for adding a party in proceeding had laid down*

*that a person may be added as a party to a suit who has a **direct interest** in the subject matter of the litigation. In paragraph 9 of the judgment, it has been held:*

“9. ...There cannot be the least doubt that it is firmly established as a result of judicial decisions that in order that a person may be added as a party to a suit, he should have a direct interest in the subject-matter of the litigation whether it raises questions relating to moveable or immovable property...”

33. *After reviewing large number of earlier judgments, Hon’ble Supreme Court laid down its conclusion in paragraph 14. Paragraphs 14(1) & 14(2) which are relevant are as follows:*

“14. As a result of these considerations, we have arrived at the following conclusions:

(1) That the question of addition of parties under Rule 10 of Order 1 of the Code of Civil Procedure, is generally not one of initial jurisdiction of the court, but of a judicial discretion which has to be exercised in view of all the facts and circumstances of a particular case; but in some cases, it may raise controversies as to the power of the court, in contradistinction to its inherent jurisdiction, or, in other words, of jurisdiction in the limited sense in which it is used in Section 115 of the Code;

(2) That in a suit relating to property, in order that a person may be added as a party, he should have a direct interest as distinguished from a commercial interest, in the subject-matter of the litigation;”

34. *Hon’ble Supreme Court in the above judgment categorically held that a person may be added as a party he should have direct interest as distinguished from commercial interest in the subject matter of the litigation”.*

63. Thereafter considering the ratio laid down in **‘Udit Narain Singh Malpaharia’(Supra), ‘Ramesh Hirachand Kundanmal’ Vs. ‘Municipal Corporation of Greater Bombay & Ors, ‘Anil Kumar Singh’ Vs. ‘Shivnath Mishra’ reported in [(1995) 3 SCC 147] ‘Kasturi’(Supra), ‘Mumbai International Airport Private Limited’ (Supra), concluded as under;**

“48. *From the judgments of the Hon’ble Supreme Court as noted above, following are few principles which are*

discernible, which can be applied for exercise of discretion by the Court, while considering an application for impleadment of a third-party in a proceeding;

*i. The party seeking impleadment must establish that it has a direct interest as distinguished from a commercial interest in the subject matter of the litigation. [Para 14(2) of ‘**Razia Begum**’ (Supra)]*

*ii. If the intervenor has a cause of action against the plaintiff related to the subject matter of the existing action, the Court has power to join the intervenor. [Para 8 of ‘**Ramesh Hirachand Kundanmal**’ (Supra)]*

*iii. The Court need not implead a party who has no direct interest in the subject matter of the litigation and addition of the respondent would result in causing serious prejudice to the Appellant and the substitution or the addition of new cause of action and would only widen the issue which is required to be adjudicated and settled. [Paragraph 18 of ‘**Ramesh Hirachand Kundanmal**’ (Supra)]*

*iv. The Court cannot allow adjudication of collateral matters. [Paragraph 16 of ‘**Kasturi**’ (Supra)]*

*v. If the Court finds that his addition will alter the nature of the suit or introduce a new cause of action, it may dismiss the application, even if he is found to be a proper party. [Paragraph 24.4 of the ‘**Mumbai International Airport Private Limited**’ (Supra)]”*

64. We have already held that when the words used in provisions of a statute are clear, plain and unambiguous, the courts are duty-bound to give effect to the meaning emerging out of such plain words. The intention of the legislature must be gathered from the plain language used. We are of the considered view that the phrase “Any person aggrieved by an order of the disciplinary committee” occurring in sub section 7 of section 220 of the code may not be given a narrow meaning and cannot be confined only to the Delinquent service provider and will also include complainant.

65. The interplay of Regulations, 2017 and Section 220(7) operate in a complementary manner, providing a complete remedial framework for complainants at different stages of the disciplinary process. At the preliminary

stage, the complainant's remedy is governed exclusively by the 2017 Regulations and if the Board closes the complaint on the ground that no prima facie case exists, the complainant may request a review of the same within thirty days. This review is the sole remedy available at that stage, and no appeal may be filed against such decision. However, at the final stage, once the Disciplinary Committee has passed an order under sub-sections (2) to (5) imposing punishment, the complainant as a person aggrieved, in our considered opinion, may prefer an appeal to the NCLAT under Section 220(7). This appeal must be filed within thirty days from the date of receipt of the order, with a possible extension up to 15 days, upon showing sufficient cause. This two-tier framework, in our understanding, ensures that the complainant has an adequate remedy at every stage of the disciplinary process, while also respecting the different nature of the decisions made at each stage.

66. It is also required to be highlighted that Section 220(7) permits an appeal only against "an order of the disciplinary committee passed under sub-sections (2) to (5), this limitation has a distinct impact on the nature of the right of the appeal provided to the complainant. Sub-sections (2) to (5) of Section 220 provides different type of final punitive orders which may be passed by the Disciplinary Committee, including the imposition of penalties, suspension or cancellation of registration, disgorgement, restitution, and costs. An appeal under Section 220(7) lies only against such final orders imposing punishment and not against any procedural or interlocutory order or decision. However, once the Disciplinary Committee has passed a final order imposing punishment under sub-sections (2) to (5), the delinquent service provider against the decision of holding him guilty and awarding

punishment and complainant against the inadequacy of the punishment may maintain an appeal under Section 220(7). The fact that the complainant's remedy at the preliminary stage is limited to a review does not operate to exclude the complainant from the appellate remedy provided against final orders. The two remedies operate at different stages of the disciplinary process and serve different purposes. Moreover, an Appeal is a creation of statute and when Section 220(7) uses words 'any person aggrieved by passing orders under sub sections 2 to 5' the same may not be confined to the service provider alone.

67. Keeping in view the above noted precedents and peculiar facts and circumstances of this case we are of the considered view that complainant (Caveator) on whose application the disciplinary proceedings were initiated certainly having an interest in the outcome of the appeal and therefore he is a proper party, if not necessary party, in this appeal and is a "person aggrieved" within the meaning of Section 220(7) of the Code and is thus, also entitled to maintain an appeal before the NCLAT against an order of the Disciplinary Committee passed under sub-sections (2) to (5) of section 220.

68. We clarify that a complainant is not (Both) a proper and necessary party in appeal and it is not mandatory for the appellant to necessarily implead him/her as a Respondent, however any complainant may approach this Appellate Tribunal for being impleaded and it is only on his/her request he may be impleaded in the appeal.

69. Applicant of IA No. 6230 of 2026 Mr. Haravtar Singh Arora, in our considered opinion, is not having even any remote interest in this appeal, what to say of direct interest and therefore is having no concern with the

outcome of the Appeal and being a stranger cannot be permitted to take part in the proceeding of the Appeal and resultantly cannot be impleaded.

70. In result the IA No. 6230 of 2026 moved by Shri Haravatar Singh Arora is **dismissed**.

71. Ld. Counsel for the Appellant is directed to provide a copy of the memo of appeal along with its enclosures to the Caveator, today, itself.

72. List both the Appeals for admission on **14.09.2026** under the caption fresh cases.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Naresh Salecha]
Member (Technical)

sr/mr