NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1139 of 2026 & I.A. No.4426 of 2026

(Arising out of the Order dated 16.06.2026 passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India, Bearing No. IBBI/DC/326/2026)

IN THE MATTER OF:

Anshul Gupta
(Authorised Signatory of Truvisory Insolvency Professionals Pvt. Ltd.)
410, 4th Floor Blue Rose Industrial Estate Borivali East, Mumbai City Maharashtra – 400 066
Email: contactanshulgupta@gmail.com **...Appellant**

Versus

Insolvency and Bankruptcy Board of India (Disciplinary Committee)
7th Floor, Mayur Bhawan Connaught Place
New Delhi- 110001
Email: ipmonitoring@ibbi.gov.in **...Respondent**

Present

For Appellant	**:**	Mr. Krishnendu Datta, Sr. Advocate and Mr. Gaurav Mitra, Sr. Advocate with Mr. Milan Singh Negi, Mr. Nikhil Kumar Jha, Ms. Katyayani, Mr. Utkarsh, Advocates.
For Respondent	**:**	Mr. Naveen Pahwa, Sr. Advocate with Mr. Ashish Verma, Mr. Nikhil Thakur, Ms. Kriti, Advocates.

J U D G E M E N T

(07.09.2026)

NARESH SALECHA, MEMBER (TECHNICAL)

1. The present appeal has been filed by the Appellant i.e., Anshul Gupta, who is the Insolvency Professional registered with the Insolvency & Bankruptcy Board of India ('IBBI') with registration no. IBBI/IPA-002/IP-N00310/2017-2018/10899. The instant appeal has been filed by the Appellant under Section 220 (7) of the Insolvency and Bankruptcy Code, 2016 ('**Code**') against the Order dated 16.06.2026 **("Impugned Order")** passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India Bearing No. IBBI/DC/326/2026.

Insolvency and Bankruptcy Board of India (**IBBI**) is the Respondent herein.

2. The Appellant submitted that he is a registered insolvency professional and was appointed to act in the CIRP of the Corporate Debtor in accordance with the statutory framework. The insolvency professional entity, Truvisory Insolvency Professionals Pvt. Ltd. ("**Truvisory**"), was appointed as the Resolution Professional of the Corporate Debtor by the Adjudicating Authority vide order dated 03.09.2024, communicated on 20.09.2024. Pursuant thereto, the Appellant was appointed as the authorised signatory of Truvisory for the present CIRP by virtue of the Board Resolution dated 20.09.2024. The Appellant therefore acted in the CIRP in the capacity so authorised and in furtherance of the statutory duties entrusted to the Resolution Professional.

3. The Appellant submitted that the Corporate Debtor was a real estate company and that 21 companies had been amalgamated into it, resulting in substantial liabilities being consolidated without a corresponding commensurate increase in tangible assets. The amalgamation was pursuant to orders of the Regional Director, MCA, dated 23.07.2019.

4. The Appellant contended that the CIRP commenced pursuant to a Section 7 application filed by Piramal Capital & Housing Finance Limited, which was admitted on 29.04.2024. The Corporate Debtor had no effective representation during the proceedings and was proceeded against ex parte. Mr. Purshottam Behera was initially appointed as IRP and was thereafter replaced by Incorp Restructuring Services LLP. The Appellant submitted that by the time Truvisory was appointed as Resolution Professional, the Corporate Debtor had already been without effective management for a considerable period. The last three directors had resigned on 08.08.2019, 23.10.2019 and 27.05.2021, respectively, and none was a director when the CIRP commenced on 29.04.2024.

5. The Appellant contended that repeated efforts were made to obtain records and information from the erstwhile directors, but they neither furnished the requisite material nor could be traced. Further, the promoters, Mr. Kapil Wadhwan and Mr. Dheeraj Wadhwan, had remained in custody since 26.04.2020 and continued to be incarcerated during the CIRP. In such circumstances, pursuing proceedings under Section 19(2) of the Code was considered unlikely to serve any meaningful purpose.

6. The Appellant submitted that the CoC comprised Piramal Capital & Housing Finance Limited and Authum Investment and Infrastructure Limited, having aggregate admitted claims of Rs. 9,686.13 Crore and 100% voting share, with voting shares of 98.35% and 1.65%, respectively. The issue of non-cooperation was specifically placed before the CoC in its 3rd meeting held on 25.09.2024.

7. The Appellant submitted that substantial liabilities of the Corporate Debtor arose from the amalgamation of the 21 entities, amounting to approximately Rs. 6,005 Crore, while a further debt of approximately Rs. 3,524.12 Crore arose from corporate guarantees furnished on behalf of 11 entities. These circumstances reflected the complex financial legacy inherited by the Corporate Debtor.

8. The Appellant contended that despite the absence of cooperation, he actively undertook steps to identify and realise the assets and receivables of the Corporate Debtor. With the assistance of the auditor, financial records were examined, receivables, advances and investments were identified, and communications were issued to concerned parties seeking balance confirmations, acknowledgments and payment. Despite such efforts, no response was received.

9. The Appellant submitted that the CIRP was duly pursued by inviting EOIs through Form-G published on 27.09.2024, pursuant to which five EOIs were received. Two IBBI-registered valuers were appointed in accordance with Regulation 27(1) of the CIRP Regulations to determine the fair value and liquidation value of the Corporate Debtor.

10. The Appellant contended that the valuation was materially affected by the absence of records and information concerning the financial assets inherited through amalgamation. The relevant assets had a book value of Rs. 5,456.48 Crore; however, one valuer assessed the relevant asset classes as “Non-ascertainable”, while the other assigned “Nil” value to loans and advances and trade receivables, owing to lack of information and uncertainty regarding recoverability.

11. The Appellant submitted that he had attempted to obtain the requisite information and confirmations from the erstwhile directors and concerned debtors, but there were no traceable employees or officers who could provide the records and the concerned debtors did not respond. The valuation was therefore based on the information and circumstances actually available to the independent valuers.

12. The Appellant submitted that pursuant to the first invitation for EOI, three resolution plans were received and considered by the CoC. After the prospective resolution applicants failed to provide requisite clarifications regarding legal compliance, the CoC rejected all three plans in its 6th meeting dated 13.01.2025 and resolved to issue a fresh invitation. A fresh Form-G was consequently issued on 16.01.2025, pursuant to which seven EOIs were received.

13. The Appellant contended that the valuation exercise was transparently considered by the CoC, including through explanations furnished by the valuers regarding their methodology and sources of information. No valuer raised any issue regarding non-availability of documents or information during the relevant CoC meeting, and the resolution process thereafter continued with the approval of necessary CIRP extensions.

14. The Appellant contended that the final resolution plans submitted by Aspect Global Ventures Private Limited and Aakash Value Realty Private Limited were considered by the CoC. The latter's plan was not considered owing to its non-attendance and lack of commercial viability and compliance, whereas the revised plan of the SRA i.e. Aspect Global Ventures Private Limited, was approved with 100% voting share on 25.04.2025.

15. The Appellant submitted that the CoC consciously protected the interests of the secured financial creditors in respect of the financial assets valued at nil. Clause 5.8 of the resolution plan submitted by Aspect Global Ventures Private Limited ("**SRA**") expressly provided for assignment of the loans, advances, trade receivables and non-current investments in favour of the secured financial creditors.

16. The Appellant submitted that a Letter of Intent was issued to the SRA i.e. Aspect Global Ventures Private Limited on 28.04.2025 and the SRA deposited Rs. 5 Crore towards performance security on 30.04.2025. Thereafter, I.A. No. 53 of 2025 was filed on 02.05.2025 before the Adjudicating Authority under Section 30(6) of the Code, seeking Adjudicating Authority's approval of the CoC-approved resolution plan under Section 31 of the Code. The Appellant contended that the resolution plan was approved by the Adjudicating Authority vide order dated 13.08.2025. The Appellant had filed the approval application along with Form-H and proof of the Rs. 5 Crore performance security, and therefore complied with the requirements of Regulation 39(4). He further submitted that the application was filed seven days before expiry of the CIRP period.

17. The Appellant submitted that there was no concealment in Form-H. Clause 5.8 of the approved resolution plan expressly dealt with the financial assets having a book value of Rs. 5,456.48 Crore. Since these assets were not to be realised by the SRA under the plan, the Appellant contended that the amount was not required to be reflected as the "Total Realisable Amount under the Plan".

18. The Appellant contended that the valuation could not be treated as professional misconduct merely because a different assessment was subsequently preferred. The assets were independently valued by two IBBI-registered valuers on the basis of the information available, and the Appellant had undertaken efforts to obtain confirmations. Any challenge to the valuation, according to the Appellant, could not automatically be converted into disciplinary misconduct against the Resolution Professional.

19. The Appellant submitted that the non-filing of a Section 19(2) application did not prevent him from discharging his statutory duties under Section 18(a). He took control and custody of the Corporate Debtor's assets and records, identified receivables, advances and investments, and undertook recovery and confirmation efforts. The decision not to pursue Section 19(2) application with Adjudicating

Authority was considered in the factual circumstances and was done in good faith by him.

20. The Appellant further submitted that the resolution plan was fully implemented and that, vide order dated 13.02.2026, the Adjudicating Authority took on record its full implementation, with the secured financial creditors having no objection. The IBBI appeal against the order approving the resolution plan was dismissed on 27.02.2026 on the ground of 103 days' delay.

21. The Appellant contended that the disciplinary proceedings were vitiated for failure to follow the statutory procedure under Sections 218, 219 and 220 of the Code. According to the Appellant, no inspection or investigation under Section 218 of the Code was conducted and no report under Section 218(6) of the Code was submitted before issuance of the show-cause notice dated 06.10.2025. The Appellant submitted that the procedural safeguard under Section 218 of the Code was particularly important given the professional consequences of disciplinary proceedings against an insolvency professional. He therefore contended that the IBBI could not bypass the inspection/investigation stage and directly proceed under Section 219 of the Code.

22. The Appellant contended that the CIRP was conducted with the participation and approval of the CoC, culminated in a resolution plan approved with 100% voting share, received approval under Section 31 and was subsequently implemented. He had undertaken recovery efforts, assisted the valuation process through registered valuers, placed material issues before the

CoC and complied with the requirements relating to Form-H and performance security. He therefore submitted that there was no deliberate dereliction or misconduct.

23. The Appellant stated that the impugned order dated 16.06.2026, suspending his registration for two years, failed to appreciate the peculiar circumstances of the CIRP, the absence of cooperation from the erstwhile management, the independent valuation, the CoC's decisions, the express treatment of the disputed assets under Clause 5.8, the approval and implementation of the resolution plan, and the absence of any prior adverse finding against him. He accordingly contended that the findings under Regulation 39(4) and Sections 18(a) and 19(2) of the Code were legally and factually unsustainable and that the impugned order was liable to be set aside.

24. The Appellant contended that there was neither any complaint by a stakeholder against him nor any adverse finding by the Adjudicating Authority or this Appellate Tribunal concerning his conduct during the CIRP. Despite the absence of any such complaint or adverse finding, the IBBI proceeded directly against the Appellant without undertaking the statutory inspection/investigation contemplated under Section 218 of the Code.

25. The Appellant further submitted that the Respondent IBBI itself had challenged the order dated 13.08.2025 approving the resolution plan in Company Appeal (AT) (Ins.) No. 110 of 2026, raising substantially the same issues which subsequently formed the basis of the show-cause notice. The said appeal was dismissed by this Appellate Tribunal on 27.02.2026 on the ground of 103 days' delay. It was only thereafter that the hearing on the show-cause notice was conducted on 25.03.2026 and the impugned order dated 16.06.2026 was passed.

26. The Appellant placed reliance on the judgment of the Hon'ble High Court at ***Calcutta in Sashi Agarwal v. Union of India & Ors.,*** W.P.A. No. 10330 of 2022, wherein the order passed by the IBBI was set aside on the ground that the show-cause notice had been issued without following the prescribed procedure of investigation and inquiry under Section 218 of the Code. The Appellant contended that the said judgment supports his case that the statutory procedure preceding disciplinary action cannot be bypassed.

27. With respect to the allegation of non-disclosure of material facts in Form-H, the Appellant submitted that the assets in question, having a book value of Rs. 5,456.48 Crores, were acquired pursuant to the amalgamation of 21 companies and had been valued at nil/non-ascertainable value owing to their time-barred nature, investments in defunct companies and absence of confirmations and supporting records. The CoC, in exercise of its commercial wisdom, consciously decided to assign these assets to the secured financial creditors, and Clause 5.8 of the approved resolution plan expressly incorporated such assignment.

28. The Appellant contended that Form-H is a prescribed compliance certificate having a fixed format, and Clause 7A requires disclosure of the "Total Realisable amount under the plan". Since the disputed assets were merely assigned to the secured creditors and no amount was realised or received pursuant to such assignment, their book value could not be treated as the realisable amount under the plan. The expression “under the plan” necessarily refers to the amount actually realisable pursuant to the resolution plan and not the book value of assets separately assigned to creditors.

29. The Appellant further submitted that the Adjudicating Authority, while approving the resolution plan on 13.08.2025, specifically recorded that Form-H had been perused and found to be in order. The resolution plan itself, including Clause 5.8 concerning assignment of the disputed assets, was before the Adjudicating Authority and was approved. The Adjudicating Authority also subsequently recorded full implementation of the resolution plan on 13.02.2026 without recording any adverse finding against the Appellant. Accordingly, there was no concealment of any material fact.

30. The Appellant contended that assignment of the disputed assets could not be equated with realisation of those assets. The assets were assigned to the secured creditors because they were time-barred, had nil value and/or were held in defunct companies, with the object that any possible future recovery, if at all, would accrue to the secured creditors. No amount was realised or received by the Corporate Debtor pursuant to the assignment.

31. The Appellant submitted that the CoC’s decision to assign the disputed assets caused no loss to any stakeholder. The assets were not sold or transferred to any third party for consideration; rather, they were assigned to the secured creditors in accordance with the CoC's commercial decision. Had such assignment not been made, the assets would have remained with the SRA without altering the resolution plan value. Thus, the assignment neither reduced the plan consideration nor prejudiced the stakeholders.

32. With respect to the allegation of failure to ensure proper valuation, the Appellant submitted that two IBBI-registered valuers, namely Mr. Jayesh Kumar Shah and Mr. Harsh Dedhia, were appointed to undertake the valuation. Mr. Shah treated several asset categories as "Non-ascertainable" owing to lack of information, while Mr. Dedhia assigned "Nil" value to loans and advances and trade receivables on account of the absence of recoverable value, investments in defunct companies and non-confirmation of outstanding balances. The Appellant contended that he had, in fact, undertaken extensive efforts to facilitate the valuation by obtaining financial records from the auditors, compiling details of outstanding balances and issuing notices to concerned debtors seeking recovery and balance confirmations. Despite these efforts, no response was received. Further, in the 7th CoC meeting held on 24.02.2025, the valuers were specifically invited to explain the valuation methodology, and none raised any issue regarding non-availability of documents, records or information.

33. The Appellant submitted that the relevant advances, receivables and investments substantially pertained to the period 2016–2019 and were affected by limitation, thereby materially impacting their recoverability and valuation. The valuers were independent IBBI-registered professionals possessing the requisite expertise, whereas the Resolution Professional was not a valuation expert and was entitled to act upon the valuation reports furnished by the duly appointed valuers.

34. In relation to Section 19(2) of the Code, the Appellant reiterated that all the directors of the Corporate Debtor had resigned in 2019 and 2021, whereas the CIRP commenced only on 29.04.2024. The erstwhile management was untraceable and had failed to cooperate despite communications issued by the Resolution Professional. The question of filing an application under Section 19(2) of the Code was considered and it was concluded that such proceedings would be futile in the prevailing circumstances. The Appellant further submitted that the decision not to invoke Section 19(2) of the Code was not unilateral, but was taken after deliberation with the CoC. The Appellant therefore contended that the decision must be assessed in the factual circumstances existing at the relevant time.

35. The Appellant contended that, under the unamended Section 19 of the Code applicable during the CIRP, proceedings seeking cooperation were contemplated against the persons then constituting the management. The erstwhile directors had already resigned years before commencement of the CIRP. The subsequent amendment to Section 19, notified on 26.05.2026, enabling proceedings against erstwhile directors, could not retrospectively be applied to fasten liability upon the Appellant for conduct during the earlier CIRP period.

36. The Appellant accordingly submitted that none of the three principal allegations—non-disclosure in Form-H, failure to ensure proper valuation, or non-filing of an application under Section 19(2)—establishes professional misconduct. The disputed assets were expressly dealt with in Clause 5.8 of the approved plan; their nil/non-ascertainable valuation was undertaken by independent registered valuers after the Appellant's efforts to obtain information; and the decision regarding Section 19(2) was taken in exceptional circumstances after consideration by the CoC. These matters, therefore, could not justify the two-year suspension imposed upon the Appellant.

37. Concluding arguments, the Appellant requested this Appellate Tribunal to set aside the Impugned Order and allow this appeal, and in the interim gives protection till appeal is finally decided by the Appellate Tribunal, which is also suspended by order of this coordinate bench on 17.07.2026 in ***Sachin Naveen Sinha v. IBBI,*** Comp. App. (AT) (Ins) No. 1165 of 2026.

38. On the other hand, the Respondent IBBI opposed the interim application and submitted that no interim protection ought to be granted. Order dated 17.07.2026 in the case of ***Sachin Naveen Sinha (supra)*** is misconceived: apart from the facts of that case being distinguishable, a recall application against the said order is stated to be pending before the Appellate Tribunal, and reliance ought not to be placed on an order under recall.

39. The IBBI drew our attention to Sections 206, 207 and 208 of the Code appearing in Chapter IV, highlighting that no person may render services as an insolvency professional without being enrolled with an insolvency professional agency and registered with the Board, and that once registration is suspended, the person is disentitled, during the currency of the suspension, from acting as Interim Resolution Professional or Resolution Professional in any insolvency process under the Code and not merely in the CIRP in which the misconduct is found.

40. It is further submitted that, keeping in view the nature of the duties and powers entrusted to the Resolution Professional, it has been provided under Section 7(5)(a) and 9(5) (e) of the Code that a resolution professional against whom even any disciplinary proceeding is pending could not be appointed as an IRP or RP. It is vehemently submitted that when a Resolution Professional against whom merely a disciplinary inquiry is pending may not be allowed to work, as such, how a Resolution Professional who, after due inquiry and by adopting a procedure, has been found guilty of misconduct, may be allowed to perform the duties of Resolution Professional in other CIRPs.

41. Our attention has also been drawn to the Code of Conduct provided for Insolvency Professionals in the First Schedule of the Insolvency and bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. It is submitted that this Code of Conduct provides various duties which are to be discharged by the Resolution Professional and it is provided therein that an insolvency professional must not misrepresent any facts or situations, refrain from being involved in any action that would bring disrepute to the profession, act with objectivity, disclose the details of any conflict of interest to the stakeholders maintain complete independence in professional relationships, ensure that he or his relatives do not knowingly acquire any such assets, not take up an assignment under the Code if he or any of his relatives, etc., are involved and many other disclosures, including that he will not influence the decision or the work of the committee of creditors under section 21of the code. It is submitted that the findings recorded in the Impugned Order, concerning disclosure in Form-H and the valuation exercise, go directly to these obligations, since the integrity of the information placed before the CoC and the Adjudicating Authority is foundational to the resolution process, and any compromise thereof, once established after due inquiry, cannot be treated lightly merely because the particular resolution plan was ultimately approved and implemented.

42. The IBBI elaborated that Regulation 13(7) of the IBBI (Inspection and Investigation) Regulations, 2017 casts a statutory obligation on the Board to intimate an order of suspension to all Committees of Creditors before which the suspended professional is acting, and to the Adjudicating Authority, and that such intimation is not an exercise of the power of replacement under Section 27 of the Code, but merely the operationalisation of the legal consequence flowing from suspension of registration under Section 220(2) of the Code. It is submitted that Section 27 and the disciplinary power of the Board operate in distinct fields. At the one end, the Committee of Creditors, upon intimation, remains free to exercise its own commercial wisdom in identifying a replacement, but on the other hand, the professional whose registration stands suspended has, during the period of suspension has no vested right to continue.

43. It is submitted that the question whether the disciplinary process was required to be preceded by a formal inspection or investigation report under Section 218 is an arguable question touching the interpretation of the scheme of Sections 218 to 220 of the Code, properly to be examined at the final hearing of the appeal, and does not, without more, establish so strong and unassailable a prima facie case as would warrant stay of a reasoned order passed after full opportunity of hearing was granted to the Appellant and his response duly considered.

44. The IBBI also took pains to explain to us that reliance on Clause 5.8 of the resolution plan does not, by itself, answer the finding relatable to the adequacy and timing of disclosure in Form-H, which is a distinct statutory compliance addressed to the Adjudicating Authority at the stage of approval of the resolution plan, and that the correctness of the Board's assessment on this count is a matter for final adjudication, not for a prima facie finding in the Appellant's favour at the interim stage.

45. As to the submission that the valuers raised no objection at the 7th CoC meeting regarding availability of information, the IBBI submitted on behalf of the Board that the absence of any complaint by the valuers as to the sufficiency of material made available to them does not, by itself, discharge the Resolution Professional's own, independent obligation of disclosure under Form-H, which is a distinct statutory obligation addressed to the Adjudicating Authority and not merely a matter internal to the valuation exercise.

46. In response to the reliance placed on ***Kamal Aggarwal (supra),*** the IBBI clarified before us that on behalf of the IBBI that the said decision turned on a bona fide, isolated interpretive choice made by the Insolvency Professional concerned on a single question, whereas the findings in the present case, on the Board's case, span multiple and distinct aspects of the Appellant's conduct of the CIRP disclosure in Form-H, the valuation exercise, compliance with Regulation 39(4), and the approach to Section 19(2) of the Code and it is for the Appellant to establish, at the final hearing, that each of these stands on the same footing as a singular bona fide interpretive judgment.

47. It is submitted that the fact that the underlying CIRP has been completed and the resolution plan implemented does not detract from the disciplinary consequence flowing from a finding of misconduct in the conduct of that very CIRP. On the contrary, it is submitted that the settled and implemented status of the resolution plan removes any possible prejudice to the resolution process itself from the suspension, leaving only the question of the Appellant's continued eligibility to function as an insolvency professional in his other, unconnected assignments precisely the concern addressed by Regulation 13(7). It is submitted that the balance of convenience, accordingly, does not favour the Appellant.

48. Highlighting some of the guidelines of the Code of Conduct, the IBBI submitted to us that the nature of the powers and duties which have been entrusted to the Resolution Professional by the Code is such that any lapse committed knowingly or unknowingly by him may bring disrepute to the whole institution of the insolvency professionals. The IBBI tried to impress us with logic that CIRP is a business of trust and once the trust is gone it would be very difficult for the stakeholders of an insolvency process to believe in the functioning of the resolution of the Corporate Debtor within the framework of the code. Hence, whatever decision we might take, with regard to the instant appeal, would convey a message to the whole of the body of insolvency professionals. Therefore, the IBBI very strongly urged us that it should not reflect that any misconduct committed by a Resolution Professional would be ignored by the guardians of law and therefore, having regard to the nature of misconduct committed by the appellant, he is not entitled to any interim relief.

49. Concluding their arguments, the IBBI strongly opposed any interim protection to the Appellant.

Findings

50. To understand the background, it is noted that the Corporate Debtor is a real estate company which underwent to the CIRP. It is on record that the implementation of the approved resolution plan was placed on record by the Adjudicating Authority vide order dated 13.02.2026 passed on I.A. No. 103 of 2026, which also noted that the secured financial creditors had no objection to allowing the application. It is also on record that the IBBI itself preferred

Company Appeal (AT) (Insol.) No. 110 of 2026 under Section 61 of the Code against the order dated 13.08.2025 approving the resolution plan, which appeal came to be dismissed by this Appellate Tribunal vide order dated 27.02.2026 on the ground of 103 days' delay in filing.

51. We note that after affording an opportunity of hearing to the Appellant and considering his written response, the Disciplinary Committee passed the Impugned Order dated 16.06.2026, in exercise of powers under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017, suspending the registration of the Appellant as an Insolvency Professional for a period of two years, the order to come into force on expiry of thirty days from the date of its issue. The Impugned Order records two heads of contravention. First, that the Appellant failed to disclose, in the Form-H compliance certificate filed before the Adjudicating Authority, the assignment to the secured financial creditors of assets, comprising outstanding loans and advances, trade receivables and non-current investments, of a book value of Rs. 5,456.48 Crore, constituting approximately 82% of the Corporate Debtor's total book value of Rs. 6,615 Crore, in contravention of Regulation 39(4) of the CIRP Regulations read with Clause 2 of the Code of Conduct. Second, that the Appellant failed to take adequate steps, including recourse to Section 19(2) of the Code, to secure the information necessary to enable the registered valuers to arrive at a determinate valuation of the aforesaid assets, in contravention of

Sections 18(a) and 19(2) of the Code read with Clauses 13 and 14 of the Code of Conduct.

52. The Appellant's case is that each of the aforesaid findings is unsustainable: that Clause 5.8 of the approved resolution plan itself disclosed the treatment of the relevant assets, obviating any concealment in Form-H; that the valuation was conducted independently by IBBI-registered valuers on the material available to them, after the Appellant's own efforts to secure confirmations from the concerned debtors had failed; that the application under Section 31 of the Code was filed seven days prior to expiry of the CIRP period, satisfying the requirement of "endeavour" under Regulation 39(4); and that the decision not to pursue proceedings under Section 19(2) was taken in the peculiar circumstances of untraceable erstwhile directors and incarcerated promoters, and was, in any event, deliberated upon and concurred with by the CoC. The Appellant has further contended that the disciplinary proceedings are vitiated for want of an inspection or investigation under Section 218 of the Code preceding issuance of the show cause notice, contrary to what the Appellant submits is the mandatory sequential scheme of Sections 218, 219 and 220 of the Code.

53. It is the Appellant's case that he has handled over thirty assignments under the Code, was, at the relevant time, undertaking five ongoing assignments, and that there exists no other adverse finding of professional misconduct recorded against him by any competent authority. Aggrieved by the Impugned Order, the

Appellant has preferred the present appeal, together with the instant application seeking interim stay of the operation of the Impugned Order pending its disposal.

54. The Appellant submits that a strong prima facie case exists in favour of the Appellant, in that the findings recorded in the Impugned Order do not withstand scrutiny of the record: the assignment of the relevant assets in favour of the secured financial creditors was expressly incorporated in Clause 5.8 of the resolution plan itself, which was approved with 100% voting share of the CoC and thereafter sanctioned by the Adjudicating Authority; hence, it is submitted, there could be no concealment in Form-H of a fact which was contemporaneously placed before the CoC and the Adjudicating Authority in the plan itself.

55. It is submitted that the valuation exercise cannot be recast as professional misconduct on the part of the Appellant merely because the IBBI takes a different view of the recoverability of the relevant assets, when the valuation was independently conducted by two IBBI-registered valuers on the material actually available to them, and the Appellant had himself taken steps, albeit unsuccessfully, to procure balance confirmations from the concerned debtors.

56. It is further submitted that the timeline for filing the application under Section 31 of the Code was substantially complied with, the application having been filed seven days prior to expiry of the CIRP period, and that Regulation 39(4) employs the language of "endeavour", which, according to the Appellant, does not admit of a rigid or inflexible construction.

57. As regards Section 19(2) of the Code, it is submitted that the erstwhile directors had ceased to hold office years before commencement of the CIRP and were untraceable, and the promoters were in custody throughout; the decision not to pursue an application under Section 19(2) was taken after deliberation with, and with the concurrence of, the CoC, as acknowledged by its members in the meeting of the Implementation and Monitoring Committee dated 30.03.2026.

58. It is submitted that the disciplinary process is itself vitiated, inasmuch as no inspection or investigation under Section 218 of the Code preceded the show cause notice dated 06.10.2025, contrary to the mandatory sequential scheme said to be contemplated under Sections 218, 219 and 220 of the Code, materially prejudicing the Appellant.

59. On the question of balance of convenience, it is the case of the Appellant that, unlike a case where the underlying CIRP itself remains under challenge, the resolution plan in the present case has attained finality, having been approved by the CoC with 100% voting share, sanctioned by the Adjudicating Authority, and thereafter fully implemented, as recorded in the order dated 13.02.2026, and the IBBI's own appeal against the approval order was dismissed on the ground of delay. It is submitted that, in these circumstances, the principal, indeed the only, prejudice of the Impugned Order, if not stayed, would fall upon the Appellant's five ongoing assignments, which have no connection whatsoever with the conduct alleged in the Impugned Order.

60. It is the case of the Appellant that if the Appellant is compelled to demit the ongoing assignments consequent upon intimation of the Impugned Order to the respective Committees of Creditors, and the Appellant thereafter succeeds in the appeal, restoration to those assignments would not be possible, resulting in an irreversible situation and prejudice extending beyond the assignment presently under scrutiny to the Appellant's professional standing generally.

61. Reliance is placed on ***Deoraj v. State of Maharashtra***, AIR 2004 SC 1975, and on ***Zenit Mataplast Pvt. Limited v. State of Maharashtra***, Civil Appeal arising out of SLP (C) No. 18934 of 2008, decided on 11.09.2009, for the proposition that interim relief may be granted even where it approximates to the final relief sought, where withholding it would result in palpable injury and perpetuate injustice.

62. Reliance is also placed on the order of a Co-ordinate Bench of this Appellate Tribunal dated 17.07.2026 in ***Sachin Naveen Sinha v. IBBI,*** Comp. App. (AT) (Ins) No. 1165 of 2026, wherein interim protection was granted against directions for cross-assignment replacement of a Resolution Professional, on the reasoning that Regulation 13(7) of the IBBI (Inspection and Investigation) Regulations, 2017 obliges the Board only to intimate the disciplinary order to the Committees of Creditors of the other assignments, leaving it to the commercial wisdom of each such Committee to take its own decision, and that the rule of audi alteram partem constrains automatic cross-assignment replacement absent a finding of misconduct qua that assignment.

63. Reliance is additionally placed on the decision of the Disciplinary Committee dated 09.10.2023 in Kamal Aggarwal (Insolvency Professional), for the proposition that a bona fide exercise of professional judgment by an Insolvency Professional does not amount to professional misconduct. It is submitted that the Appellant's reliance on independent, IBBI-registered valuers, and his consistent placement of all material facts before the CoC at every stage of the process, exemplifies precisely such bona fide professional judgment, and ought not to be equated with misconduct warranting suspension.

64. It is further submitted that the quantum of suspension of two years, is disproportionate when measured against the Appellant's record spanning more than thirty assignments, the absence of any finding of collusion, mala fide intent or personal gain, and the fact that the resolution process conducted by him culminated in a unanimous, 100% CoC-approved outcome that has withstood challenge, including by the Board itself. The appellant submitted that the balance of convenience and the equities lie in favour of the Appellant, and that the operation of the Impugned Order be stayed during the pendency of the appeal.

65. However, we are unable to accept the submission of the Appellant that the conclusion of the CIRP in question, and implementation of the resolution plan, materially alters the character of the disciplinary consequence flowing from suspension of registration under Section 220(2) of the Code. We are of the view registration under the Code is not assignment-specific; it is the gateway to rendering services as an insolvency professional in any insolvency process under the Code, as is evident from a conjoint reading of Sections 206 to 208 of the Code. The suspension of the registration, of the Insolvency Professional once ordered after due process, operates in praesenti upon the professional's eligibility to act and does not depend upon whether the CIRP in which the lapses are found to have occurred is itself still pending or has since concluded. Indeed, it is precisely because the CIRP in question has concluded that the principal, if not the sole, consequence of a stay would be to permit the Appellant to continue in assignments wholly unconnected with the findings under challenge, a circumstance which, in our view, dilutes rather than strengthens the case for interim protection, since no prejudice to any live insolvency process is shown to flow from declining the stay.

66. On the question of prima facie case, we are conscious that the Appellant has raised several contentions touching the merits of the Impugned Order i.e. concerning the adequacy of disclosure in Form-H when read against Clause 5.8 of the resolution plan, the propriety of relying upon the assessment of independent, IBBI-registered valuers, the construction of the word "endeavour" in Regulation 39(4), the circumstances said to justify non-pursuit of remedies under Section 19(2), and the procedural objection concerning the sequence of Sections 218 to 220 of the Code. These are matters meriting consideration; however, at this interim stage, we are required only to assess whether they disclose so strong and manifest a case in the Appellant's favour as to displace the presumption of regularity attaching to a reasoned order passed after issuance of show cause notice, consideration of the Appellant's detailed response, and grant of personal hearing. On a prima facie reading of the record placed before us, we find that each of the Appellant's contentions raises a triable issue requiring evaluation of the underlying record including the contemporaneity and adequacy of disclosure made to the CoC and the Adjudicating Authority, the sufficiency of the steps taken by the Appellant before the valuers returned findings of "Nil" or "Non-ascertainable" value, and the true scope and mandatory or directory character of Section 218 vis-à-vis Sections 219 and 220 none of which is, in our considered view, capable of being conclusively resolved in the Appellant's favour at the interim stage. We are, therefore, unable to hold that a prima facie case of the strength necessary to warrant stay of a disciplinary order has been made out.

67. On the reliance placed on ***Kamal Aggarwal (supra)*** and on the plea of proportionality of the quantum of suspension by the Appellant, we are of the view that both go to the ultimate correctness and quantum of the disciplinary order, and are more appropriately addressed at the final hearing of the appeal upon a complete evaluation of the record, rather than at the stage of an interim application. Whether the several findings recorded against the Appellant are properly to be viewed cumulatively, as urged by the IBBI, or as reflecting, in substance, a series of bona fide professional judgments taken in genuinely difficult circumstances, as urged by the Appellant, is a matter requiring closer scrutiny of the record than is permissible at this stage, and we refrain from expressing any concluded view on either contention.

68. We may note, without expressing any final opinion on the correctness of the impugned findings, that the concerns underlying the show cause notice and the Impugned Order, namely, the accuracy of disclosures made to stakeholders and to the Adjudicating Authority, and the integrity of the valuation exercise concerning assets exceeding Rs. 5,456 Crore in book value bear directly upon the obligations of objectivity, non-misrepresentation and avoidance of disrepute to the profession cast upon every insolvency professional under the First Schedule to the IBBI (Insolvency Professionals) Regulations, 2016. Such obligations do not attach to a particular assignment alone but define the fitness of the professional to hold registration as such, and it is this general fitness and not merely the outcome of the concluded CIRP that Regulation 13(7) is designed to safeguard, by ensuring that every Committee of Creditors before which the professional is acting is placed in a position of informed knowledge.

69. We find merit in the submission of the IBBI that Regulation 13(7) of the IBBI (Inspection and Investigation) Regulations, 2017 casts a mandatory obligation on the IBBI to intimate the order of suspension to the Committees of Creditors of the Appellant's other ongoing assignments and to the Adjudicating Authority, and that such intimation, and any consequential exercise by those Committees of their powers under Section 27 of the Code, is a distinct exercise of statutory power from the disciplinary power exercised by the Board under Section 220 of the Code. We hold that two powers operate in different fields; the communication of the suspension order to other Committees of Creditors, and the consequential steps that may follow, operationalise the legal effect of suspension and do not, by themselves, amount to an exercise of the power of replacement under Section 27 of the Code.

70. As regards reliance on order dated 1707.2026 in case of ***Sachin Naveen Sinha (supra)***, we are of view that, a recall application against that order being pending, it would not be appropriate to treat it as a settled statement of the law binding on this Bench at the present stage. In any event, even on the reasoning of that order, the Committees of Creditors of the Appellant's other assignments would remain free to exercise their commercial wisdom upon intimation under Regulation 13(7); what the Appellant seeks by the present application is, in substance, to forestall that very process of intimation and consequent consideration by those Committees, which, for the reasons discussed above, we are not persuaded ought to be granted at this stage.

71. We find that the Co-ordinate Bench in the referred case considered the authority of the IBBI to suspend a Resolution Professional from acting as such in every assignment without the CoC of each of those assignments, joining the issue on a finding of professional misconduct of the Resolution Professional in one. Thereafter the Co-ordinate Bench has considered Regulation 13(7) of the IBBI (Inspection and Investigation) Regulation in order to infer that it empowers the IBBI to inform the CoCs of other assignments where the same Resolution Professional who has been indicted by the Board, to take appropriate decision. According to the Co-ordinate Bench this process will ensure the rule of proportionality, will balance the historic authority of CoC to replace a Resolution Professional with the authority of the IBBI to discipline a Resolution Professional and it will uphold the eternal doctrine in administrative law that no right be banished without hearing those who are likely to be affected thereby. It is also highlighted in that the order of the IBBI barring the appellant from acting as a resolution professional in every case in which he has been appointed, raises a question as to whether he was heard on his conduct in every assignment as the proceedings only record the charge of a particular CIRP, where the appellant is said to have committed the misconduct, while no allegation has been levelled with regard to the other CIRPs where the appellant is functioning as a Resolution Professional and therefore, the appellant could not be penalised without hearing in those CIRPs.

72. Basis on the above observation, the Appellant has submitted that that instant appellant may also not be penalized before granting an opportunity of being heard in other CIRPs and the decision must be left to the wisdom of the said CoCs to take a decision to change the Appellant or not.

73. We, at the outset, are not impressed by this argument and find the contention wholly without merit. Section 220(2) of the Code empowers the Disciplinary Committee, upon being satisfied that sufficient cause exists, to suspend or cancel the registration of an insolvency professional. The consequence of such suspension is that the person ceases to be a registered insolvency professional and, consequently, stands disentitled to act as Interim Resolution

Professional or Resolution Professional in any insolvency process under the Code. The authority to act as Resolution Professional is linked to the status of being a registered insolvency professional. Once that status is suspended and taken away, the person cannot lawfully continue to discharge the functions of a Resolution Professional. In this regard Section 206 of the code may be recalled wherein it is provided that the insolvency professional who is registered with the Board may only render his services as resolution Professional.

74. Regulation 13 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, which governs the disposal of show-cause notices, is of much significance. Sub-regulation (3) thereof expressly provides that the order of the Disciplinary Committee may provide for, inter alia, any of the actions under sub-sections (2), (3) and (4) of Section 220, or "any other action or direction as may be considered appropriate." More importantly, sub-regulation (7) mandates that in case where the service provider is an insolvency professional, the Board shall intimate the order to all the members of committee of creditors of the insolvency resolution processes in which he is acting as an interim resolution professional or resolution professional, as the case may be, and to the Adjudicating Authority.

75. This provision is crystal clear, mandatory and leaves no room for doubt that the Board is under a statutory obligation to intimate the order of suspension to every Committee of Creditors before which the suspended insolvency professional is acting, as also to the Adjudicating Authority. The purpose of such intimation is evidently to ensure that the consequences of the disciplinary order passed in connection with one CIRP may be given full effect and that all stakeholders are put on notice of the ineligibility of the suspended professional, and that the integrity of the ongoing processes is not compromised. The communication of the order and of any consequential direction that the suspended professional be replaced, is merely the operationalisation of the legal effect of the suspension and it cannot be said that the Disciplinary Committee has exercised the power of replacement under Section 27 of the Code.

76. Section 27 deals with the power of the Committee of Creditors to replace a Resolution Professional who continues to be eligible to act as such. It has no application where the person has ceased to be eligible, by reason of suspension of his registration. Both these powers operate in distinct fields. The power of the Board and its Disciplinary Committee is regulatory and disciplinary in character and the power of the Committee of Creditors under Section 27 is in exercise of its commercial wisdom and there is no conflict between these two. Once the registration of a Resolution Professional is suspended, the Committee of Creditors is merely informed of a change in the legal capacity of the Resolution Professional to act as such, so that it may take appropriate steps to appoint another Resolution Professional in accordance with law.

77. The residual power under Regulation 13(3)(e) to issue any other action or direction as may be considered appropriate, further fortifies the authority of the Disciplinary Committee to ensure that the primary order of suspension is not rendered without substance. Allowing a professional to continue to act in multiple Corporate Insolvency Resolution Processes, whose registration has been suspended for proven misconduct, would not only defeat the very object of the disciplinary action but would also expose the stakeholders to continued risk. It may also be recalled that the RP is not having a vested Right to continue as such and his continuation as RP is subject to the procedure established by the Regulating Authority.

78. In view of the aforesaid , we hold that the intimation of the suspension order to the Committees of Creditors of the other insolvency processes in which the appellant was acting as Resolution Professional, and the consequential direction for his removal therefrom, is fully within the jurisdiction of the Disciplinary Committee and the Board as the same is expressly contemplated under Regulation 13(7) of the Inspection and Investigation Regulations and is a necessary and legitimate consequence of the order of suspension passed under Section 220(2) of the Code. We may also add that the scheme of the Code and the Regulations is designed to ensure that disciplinary action against an insolvency professional is effective and that the insolvency processes under the Code is not left in the hands of a person who has been found tainted and unfit to continue as a registered professional. Any other interpretation that would permit a suspended Resolution Professional to continue in other ongoing insolvency processes, as a matter of right, would render the power of suspension largely ineffective and would be contrary to the legislative intent of the Code.

79. If the argument which has been advanced in terms that a Resolution Professional could only be penalized in the CIRP wherein he has committed misconduct and would continue as the Resolution Professional in the other CIRPs is accepted the same would be against all cannons of jurisprudence. A government servant who has been held guilty of misconduct or a judicial officer who has been held guilty of misconduct and has been suspended or even terminated, would advance the same argument that at the most he or she could only be barred from handling that case or that file wherein he has committed misconduct and that he cannot be suspended or terminated or be debarred from exercising his powers with regard to the other files or cases as the case may be. It is to be understood that once the Resolution Professional has been found guilty of misconduct and he became tainted, and the misconduct is of such a nature which according to the DC renders him ineligible to work as professional in other CIRP also it is within the powers of the DC to pass such an order, However, there may be a case where the gravity of the misconduct committed by the resolution professional may be very mild and the evidence which has been placed before the disciplinary committee is of such a nature that there is every likelihood that the appellant may succeed in appeal, thus in those cases Appellate Tribunal may be justified to have exercised its discretion. However, there cannot be a thumb rule that in every case where the resolution professional has been suspended or terminated with regard to one CIRP, he as a matter of right may be permitted to act as such in other CIRPs and certainly the DC possess power under section 220 of the Code to ask the CoCs of other CIRPs to remove him from acting as Resolution Professional.

80. On the question of balance of convenience, we find that the prejudice asserted by the Appellant, namely, the possibility of replacement in other ongoing assignments, and the asserted impossibility of restoration even should the appeal succeed is, in substance, the ordinary and inevitable consequence attending any order of suspension of registration under Section 220(2) of the Code, and cannot, without more, be treated as constituting the irreparable injury necessary to justify interim stay of a disciplinary order passed after due process. We would observe that an insolvency professional does not possess a vested right to continue in an assignment; his continuation is at all times subject to the regulatory framework governing his registration. Should the Appellant succeed in the appeal, his registration would stand restored, and it would remain open to the concerned Committees of Creditors, in the exercise of their commercial wisdom, to consider his continuation or reappointment as they may deem appropriate.

81. We are, therefore, unable to hold that the balance of convenience lies in favour of the Appellant. Weighing the triable, but not manifestly established nature of the Appellant's challenge to the Impugned Order against the public interest in ensuring that disciplinary orders of the IBBI, passed after due process, are not rendered ineffective pending appeal, particularly where the findings bear upon the integrity of disclosures made to stakeholders and to the Adjudicating Authority, we find that the equities do not favour grant of interim stay.

82. We would also observe that dismissal of the IBBI's own appeal against approval of the resolution plan on the short ground of 103 days' delay, without consideration of its merits, does not, by itself, amount to a finding vindicating the Appellant's conduct during the CIRP. The IBBI challenge under Section 61 of the Code to the resolution plan, and the disciplinary proceedings under Section 220 against the Appellant personally, are distinct in scope and object, and the outcome of the one does not determine the other.

83. In view of the foregoing discussion, we do not find any prima facie case made out in favour of the Appellant for grant of interim stay or protection against the operation of the Impugned Order dated 16.06.2026. The balance of convenience is also not in his favour, and no case of irreparable injury, distinct from the ordinary consequence of suspension of registration, has been made out. Accordingly, IA No. 4426 of 2026, filed by the Appellant seeking interim stay of the Impugned Order dated 16.06.2026 (IBBI/DC/326/2026), is hereby dismissed.

84. We, however, deem it fit to classify that nothing stated in this order shall be construed as an expression of final opinion on the merits of the appeal, which shall be examined independently at the time of final hearing, uninfluenced by the observations made herein for the limited purpose of disposal of the present application.

85. The Respondent IBBI is already represented before us. It may file its reply in the main appeal within two weeks from today, with an advance copy to the Appellant, who, in turn, may file a rejoinder, if any, within one week thereafter.

86. List the main appeal on **30.09.2026** under the caption **'For Admission (After Notice)'.**

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Naresh Salecha]
Member (Technical)

Sim
Chinmayee (LRA)