NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1703 of 2026

(Arising out of the Order dated 20.08.2026 passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India, Bearing No. IBBI/DC/340/2026)

IN THE MATTER OF:

Gaurav Katiyar
Insolvency Professionals
Having Office At D-32, East of Kailash,
New Delhi-110065 **…Appellant**

Versus

Insolvency and Bankruptcy Board of India (Disciplinary Committee)
7th Floor, Mayur Bhawan Connaught Place
New Delhi- 110001
Also At: -
2nd Floor, Jeevan Vihar Building,
Parliament Street, New Delhi-110001 **…Respondent**

Present

For Appellant:	**P. Nagesh, Sr. Adv. along with Mr. Rishabh Jain, Mr. Shaurya & Mr. Gaurav Katiyar**
For Respondent:	**Mr. Nishant Awana, Ms. Rini Badoni, Ms. Nitya Sharma, Ms. Ekta Kondu, Mr. Mayank Chaudhary, for IBBI/ R-1.**

J U D G E M E N T

(20.11.2026)

NARESH SALECHA, MEMBER (TECHNICAL)

1. The present appeal has been filed by the Appellant i.e., Gaurav Katiyar, who is the Insolvency Professional registered with the Insolvency & Bankruptcy

Board of India ('IBBI') with registration no. IBBIIIPA-001/IPP00209/2017-18/10409. 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 20.08.2026 **("Impugned Order")** passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India Bearing No. IBBI/DC/340/2026.

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

2. The Appellant submitted that the Corporate Insolvency Resolution Process **("CIRP")** of M/s. Revital Reality Private Limited **("Corporate Debtor")** commenced pursuant to the order dated 04.06.2024 passed by the National Company Law Tribunal **("Adjudicating Authority")**, New Delhi Bench, whereupon he was appointed as the Interim Resolution Professional (IRP) and subsequently confirmed as the Resolution Professional (RP).

3. The Appellant submitted that, upon receiving a complaint concerning his conduct during the CIRP, the Respondent sought his explanation by email dated 02.04.2026, which he furnished through emails dated 04.04.2026, 15.04.2026 and 20.04.2026. Thereafter, the Respondent issued a show-cause notice dated 18.05.2026 under Section 219 of the Code, to which the Appellant submitted a detailed reply on 01.06.2026. However, the Disciplinary Committee of the IBBI, by the impugned order dated 20.08.2026, suspended his registration as an Insolvency Professional for two years with effect from 21.08.2026, restrained him

from continuing in his existing assignments and directed the respective Committees of Creditors (CoCs) to replace him with another IRP/RP.

4. The Appellant submitted that all three Prospective Resolution Applicants (PRAs) had furnished their responses to the queries raised during the CoC meeting held on 23.03.2026. Upon examining the responses, he found those submitted by two PRAs to be complete, whereas the response of the third PRA was vague and incomplete for the purposes of vetting and proofreading the proposed amendments to its resolution plan. Accordingly, by email dated 28.03.2026, the Appellant requested the third PRA to rectify the deficiencies, make the necessary revisions and submit the requisite documents by 30.03.2026. He contended that the communication was intended to facilitate proper examination of the proposed amendments, minimise clerical errors and enable the CoC to consider the resolution plans in a time-bound manner, without permitting changes to their commercial aspects.

5. The Appellant submitted that the email dated 28.03.2026 specifically identified the deficiencies requiring rectification, including the absence of an indicative timeline for handing over units to homebuyers, a profit and loss statement and quarter-wise cash-flow projections. He further pointed out that several queries had been answered merely with the word "Ok", while certain queries remained unanswered. The third PRA was also reminded of the applicable legal requirements concerning the declaration under Section 32A of the code and informed that, according to the Information Memorandum, the assets and

liabilities were required to be stated as on the insolvency commencement date and not as on 31.03.2023. The Appellant contended that these deficiencies necessitated clarification and that the email expressly prohibited amendments to the commercial aspects of the resolution plan.

6. The Appellant contended that the email dated 28.03.2026 was marked to all CoC members and that the matter was placed before the CoC at its meeting held on 01.04.2026, without any member raising an objection. He submitted that the communication was transparent and undertaken in the discharge of his professional responsibilities, without concealment, undisclosed negotiations or any mala fide intention to favour the third PRA. He further contended that the three-day period afforded for rectification was procedural in nature and did not confer any undue commercial advantage upon the concerned PRA.

7. The Appellant submitted that the subsequent conduct of the CoC supported his contention that the extension was neither objectionable nor prejudicial to the CIRP. In its 23rd meeting held on 01.04.2026, the CoC granted further time to all three PRAs to furnish their responses to the queries and submit amended resolution plans by 07.04.2026. Although the minutes recorded the requirement to submit the responses and amended plans, the date of 07.04.2026 was inadvertently omitted. The Appellant stated that he had preserved the electronic recording of the meeting in accordance with Regulation 23(3)(d) of the IBBI (CIRP) Regulations, 2016. He further relied upon paragraphs 2.1.18 and 2.1.19 of the impugned order, wherein the Respondent itself acknowledged that the CoC

had subsequently granted time to all three PRAs to submit their amended resolution plans.

8. The Appellant further submitted that, at its 26th meeting held on 27.05.2026, the CoC granted the third PRA an additional three days to rectify the discrepancies identified by him. He contended that the CoC did not reject the plans on the ground of delayed submission but instead examined and discussed them before proceeding to vote on a resolution plan with the requisite majority. According to the Appellant, the CoC's decision to consider the plans rather than reject them as belated demonstrated its acceptance of the extended timeline and its assessment that the plans warranted consideration on their merits.

9. The Appellant contended that, even assuming that the initial extension required prior approval of the CoC, its subsequent conduct amounted to ratification of the extension. He submitted that the CoC had the opportunity to reject plans received beyond the stipulated timeline but instead accepted, examined and voted upon the plans submitted during the extended period. He argued that the Disciplinary Committee failed to appreciate the legal effect of this subsequent approval. In support, the Appellant relied upon the judgment of the Hon'ble Supreme Court in ***Delhi Technological University v. B.S. Rawat,*** 2026 INSC 797, wherein ratification was explained as the confirmation or adoption, by a person or body possessing the requisite authority, of an act previously undertaken without authority or irregularly, thereby treating it as valid from its inception.

10. The Appellant submitted that the Disciplinary Committee had erroneously applied Regulation 36B (6) of the IBBI (CIRP) Regulations, 2016, without distinguishing it from Regulation 36B (2). He pointed out that Regulation 36B (6) contemplates extension of the timeline for submission of resolution plans with the approval of the CoC, whereas Regulation 36B (2) requires the Request for Resolution Plans (RFRP) to specify the steps in the process, the manner and purpose of interaction between the RP and the PRAs, and the corresponding timelines. The Appellant relied upon Clause 2.1.5 of the approved RFRP, which expressly permitted the CoC to negotiate with PRAs having compliant resolution plans, require revised proposals based on such discussions and determine or communicate the timelines for submission of revised proposals at a later stage, if necessary.

11. The Appellant contended that the relevant stage of the CIRP was governed by Regulation 36B (2), read with the approved RFRP, and not Regulation 36B (6). He submitted that the CoC had extended the timeline for receipt of resolution plans until 06.02.2026, that all three plans were received on that date and that the plans were placed before the CoC on 13.02.2026. Thereafter, at its 22nd meeting held on 06.03.2026, the CoC directed all PRAs to respond to each query and submit proposed changes to their resolution plans. Accordingly, when the email dated 28.03.2026 was issued, the process had moved beyond the initial submission of resolution plans and had entered the stage of post-submission clarification, vetting, revision and negotiations. The Appellant therefore

contended that the three-day period related to the rectification and resubmission of revised proposals contemplated by the approved RFRP and could not be treated as an impermissible extension of the original timeline for submission of resolution plans.

12. The Appellant further submitted that Regulation 39(1B) of the CIRP Regulations prohibits the CoC from considering a resolution plan received after the timeline specified by it under Regulation 36B. He contended that the said provision could not, in the circumstances of the present case, be construed as an independent violation by the RP merely because he facilitated the submission or consideration of revised proposals pursuant to the CoC's decisions. He accordingly maintained that the finding of contravention was vitiated by the failure to appreciate the distinction between the initial submission of resolution plans and subsequent revisions undertaken during the negotiation stage.

13. The Appellant also contended that the allegation of selectively extending time to the third PRA, as raised in paragraph 41(iv) of the show cause notice, had not culminated in any adverse finding by the Disciplinary Committee. He submitted that the email dated 28.03.2026 was circulated to all CoC members, the matter was placed before the CoC, and the CoC subsequently extended the timeline for all three PRAs at its meeting dated 01.04.2026. He therefore contended that no violation of Regulation 7(2)(a) or Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, read with Clause 3 of the Code of Conduct, had been established.

14. The Appellant submitted that the disciplinary jurisdiction under Sections 218 and 220 of the code could be exercised only in accordance with the statutory framework and upon establishing a sustainable contravention of the Code, the rules or regulations made thereunder, or directions issued by the Board. He contended that, in the absence of a properly established violation of the applicable provisions, the finding concerning the extension of time and the consequential suspension could not be sustained.

15. The Appellant submitted that the eligibility criteria for PRAs were initially approved by the CoC in its 3rd meeting held on 20.08.2024. Under the original criteria, a PRA was required, inter alia, to possess a net worth of at least Rs. 50 crores as on 31.03.2024, based on the applicable financial statements, with a provision permitting submission of unaudited financial statements for FY 2023–24 where the audit had not been completed, subject to the prescribed undertaking and deadline.

16. The Appellant submitted that an appeal filed by an ex-Director/Promoter had resulted in a stay on publication of Form G, which was ultimately vacated when the appeal was dismissed by this Appellate Tribunal in August 2025. He contended that, by then, the verification of expressions of interest was expected to take place during August, September or October 2025, rendering the earlier reference to financial statements as on 31.03.2024 outdated for the contemplated verification process. He further submitted that the revised criteria were proposed to ensure clarity and reduce the possibility of competing interpretations and

subsequent litigation, and that these reasons were recorded in the relevant CoC minutes.

17. The Appellant contended that, in view of the changed circumstances, he placed Agenda Item No. 9 before the CoC at its 13th meeting, held on 04.09.2025, proposing a fresh set of eligibility criteria. He relied upon the notice and agenda for the meeting, the minutes thereof and the comparative statement of the earlier and revised criteria to submit that the proposal was not confined to deleting the five-year delivery requirement but constituted a comprehensive revision of the eligibility framework, which was considered and approved by the CoC.

18. The Appellant submitted that the original criteria required a PRA to have delivered at least five lakh square feet of super area in group-housing real estate projects during FY 2019–20 to FY 2023–24, with delivery evidenced by an Occupancy Certificate or Completion Certificate issued by the competent authority. The earlier criteria also prescribed an average annual turnover of at least Rs. 50 crores from group-housing real estate project business during the preceding five financial years, based on the latest audited financial statements, subject to the provision concerning unaudited financial statements for FY 2023–24.

19. The Appellant further submitted that the revised criteria altered the basis for assessing project experience by requiring a PRA, as a promoter, to have successfully completed real estate projects aggregating at least five lakh square feet and obtained the requisite Occupancy Certificate or Completion Certificate.

The revised criteria excluded areas claimed on the basis of deemed completion and adopted the meanings of "real estate project" and "promoter" under Section 2 of the Real Estate (Regulation and Development) Act, 2016. The Appellant contended that the change replaced the earlier requirement of delivery within a specified five-year period with a requirement based on successful completion of qualifying projects, subject to the prescribed certification conditions.

20. The Appellant submitted that the revised criteria deleted the earlier requirement of an average annual turnover of Rs. 50 crores from group-housing real estate project business. The minimum net-worth requirement of Rs. 50 crores were retained but was linked to the latest audited financial statements for FY 2023–24 or FY 2024–25, instead of the earlier criteria referring to net worth as on 31.03.2023 and 31.03.2024. The revised criteria also retained the eligibility route for homebuyer cooperatives, societies or associations satisfying the stipulated requirement of at least 300 members and admitted claims aggregating to not less than 33% of the claims collated for homebuyers at the time of issuance of Form G. Such entities were exempted from the ordinary net-worth and experience qualifications. The requirement of a security deposit of Rs. 10 lakhs, payable by demand draft in the name of the Corporate Debtor or by transfer into its bank account, was also retained.

21. The Appellant contended that the Disciplinary Committee erred in treating the revision as the deletion of an isolated eligibility condition without contemporaneous justification. He submitted that the comparative criteria and the

records of the 13th CoC meeting demonstrated that an entirely revised eligibility framework had been proposed and approved. According to the Appellant, the proposal had to be assessed as a whole, having regard to the recorded reasons for revising the criteria, rather than by examining the deletion of the five-year delivery condition in isolation.

22. The Appellant further submitted that, under Section 25(2)(h) of the code, the eligibility criteria for PRAs require the approval of the CoC. He contended that placing a proposal before the CoC is a procedural and administrative function of the Resolution Professional, enabling the competent decision-making body to consider and determine the matter, and does not by itself constitute a substantive decision within the meaning of Clause 16 of the Code of Conduct for Insolvency Professionals. The Appellant maintained that he had merely placed the proposed criteria before the CoC for its consideration and approval and that the ultimate decision rested with the CoC.

23. The Appellant submitted that the Disciplinary Committee had acknowledged, in paragraph 2.2.16 of the impugned order, the rationale underlying the proposed substitution of the eligibility criteria. He contended that the proposal was supported by recorded reasons and that no mala fide intention had been established. He further submitted that the impugned order failed to identify any prejudice caused to the Corporate Debtor or its stakeholders by the revision of the eligibility criteria and that the act of placing Agenda Item No. 9 before the CoC could not, in itself, justify disciplinary action.

24. The Appellant challenged paragraph 3.4 of the impugned order, whereby the Disciplinary Committee directed him not to continue in his existing assignments and required the respective CoCs to replace him with another Insolvency Professional. He submitted that Regulation 13(7) of the IBBI (Inspection and Investigation) Regulations, 2017 provides for communication of the relevant order to the CoCs of the insolvency resolution processes in which the concerned professional is acting as IRP/RP. According to the Appellant, the power to communicate the disciplinary order must be distinguished from the power to direct the CoCs to replace the professional in their respective proceedings.

25. The Appellant contended that the Disciplinary Committee, constituted under Section 220(1) of the code, exercises only such powers as are conferred upon it by the statutory framework, including Section 220(2). He submitted that the CoCs of other corporate debtors are not service providers within the meaning of Section 3(31A) of the code and that the Disciplinary Committee had no jurisdiction to issue binding directions to them requiring replacement of the Appellant in their respective assignments. He further contended that the mandatory replacement direction impermissibly pre-empted the independent consideration of the respective CoCs.

26. In support of his submission, the Appellant relied upon the interim order passed by this Appellate Tribunal in ***Sachin Navin Sinha v. IBBI***, Company *Appeal (AT) (Ins.) No. 1165 of 2026.* In that matter, the Tribunal suspended the

operation of the suspension order insofar as it affected the appellant's other assignments, while permitting the IBBI to communicate the impugned order to the CoCs of those assignments and leaving it to the respective CoCs to decide whether they wished to continue with the appellant as RP. The Appellant contended that the same approach ought to be adopted in the present case and that the direction in paragraph 3.4 requiring his replacement in all existing assignments exceeded the jurisdiction of the Disciplinary Committee.

27. The Appellant submitted that the two-year suspension imposed under paragraph 3.3 of the impugned order, effective from 21.08.2026, was excessively harsh and disproportionate to the nature of the alleged contraventions. He contended that the acts in question were undertaken in the course of the CIRP, were neither motivated by mala fide intent nor shown to have caused any loss or prejudice to the stakeholders of the Corporate Debtor, and were within the knowledge of the CoC. He further submitted that the subsequent conduct of the CoC, including its consideration of the amended plans and approval of the revised eligibility criteria, was relevant to assessing the gravity of the allegations and the appropriate disciplinary consequence.

28. The Appellant submitted that he enrolled as an Insolvency Professional on 27.06.2017 and had undertaken 22 assignments in various capacities, including as IRP, RP and Liquidator. These assignments included proceedings settled under Section 12A of the code, matters in which resolution plans had been approved or implemented, CIRPs that had been terminated, assignments from which he had

resigned, and liquidation or dissolution proceedings. In the CIRP of Revital Reality Private Limited, the resolution plan had been approved by the CoC, although the Adjudicating Authority had directed him not to declare the results. The Appellant relied upon this professional history to contend that his overall record warranted consideration while determining the appropriate penalty.

29. The Appellant further submitted that the Respondent had conducted one inspection and one investigation concerning his work and that a complaint had been lodged with IIP-ICAI in July 2023. According to the Appellant, neither the Respondent-Board nor IIP-ICAI had identified any discrepancy, violation or actionable material in the assignments referred to by him. He contended that, since his enrolment in 2017, he had not been subjected to any previous disciplinary action or warning and that the impugned order failed to give due weight to his professional record.

30. The Appellant also submitted that, under Clause 23A of the Model Bye-Laws of an Insolvency Professional Agency, contained in the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, his Authorisation for Assignment (AFA) had been suspended from the date of issuance of the show cause notice dated 18.05.2026. He contended that he had consequently already been prevented from accepting new assignments for more than three months. According to the Appellant, this existing restriction was a relevant mitigating circumstance which ought to have

been considered by the Disciplinary Committee while determining the proportionality of the two-year suspension.

31. The Appellant further relied upon previous disciplinary orders passed by the Respondent-Board to contend that the duration of suspension in other matters had varied according to the nature and gravity of the alleged misconduct. He referred to the order dated 05.08.2024 concerning Mr. Krishna Mohan Gollamudi, in which no period of debarment was recorded in the particulars relied upon by him, and the order dated 29.10.2020 concerning Mr. Anil Goel, which imposed a 90-day debarment and a financial penalty of Rs. 1 lakh in relation to the use of the Corporate Debtor's resources for a family marriage without appropriate charging or payment and non-compliance with directions concerning the use of the Corporate Debtor's funds.

32. The Appellant also relied upon the order dated 11.10.2022 concerning Mr. Chandra Prakash, in which a one-year suspension was imposed in relation to findings that included appointment of a related person without disclosure, breach of confidentiality, failure to obtain CoC ratification of valuers' fees and failure to take appropriate steps concerning alleged diversion of funds. He referred to the order dated 24.07.2025 concerning Mr. Amit Agrawal, which imposed a three-month suspension in relation to, inter alia, an arbitral award of Rs. 3 crores in favour of the Corporate Debtor that was not considered in the Information Memorandum and disclosure of information concerning four units in Hotel Radisson Blu to PRAs without informing the CoC. He also relied upon the order

dated 01.05.2018 concerning Ms. Bhavna Sanjay Ruia, which imposed a one-year suspension in connection with professional-fee-related findings, including charges of Rs. 5 crores as IRP and Rs. 8.75 crore as RP, aggregating to Rs. 13.75 crore.

33. The Appellant further referred to the order dated 06.11.2020 concerning Mr. Manmohan Jhawar, which imposed a six-month suspension in relation to alleged professional negligence, including failure to make material efforts to identify and take control of the Corporate Debtor's assets and failure to take appropriate steps concerning non-cooperation by former directors. He also relied upon other disciplinary orders, dated 05.03.2021, 08.07.2021, 27.08.2021, 30.01.2023, 30.12.2024, 18.02.2025, 07.04.2025, 30.03.2026 and 10.06.2026, in which suspensions ranging from three months to two years had been imposed for various alleged contraventions, including failure to act independently, improper modification of creditor classifications, entering into arrangements without CoC approval, negligence resulting in alleged siphoning of assets, implementation of resolution plans without approval of the Adjudicating Authority, failure to submit a Performance Bank Guarantee, failure to preserve assets, non-determination of avoidance transactions, deficiencies in claim adjudication, overcharging of fees, failure to disclose material information, delay in statutory filings, conflicts of interest, non-disclosure of relationships with PRAs and actions undertaken without CoC approval.

34. On the basis of the aforesaid instances, the Appellant contended that the two-year suspension imposed in the present case was disproportionate to the alleged procedural irregularities, particularly in the absence of any established mala fide intention, financial loss or prejudice to stakeholders. He submitted that the Disciplinary Committee ought to have considered the nature of the alleged contraventions, the subsequent conduct of the CoC, his professional record, the period for which his AFA had already remained suspended and the penalties imposed in other disciplinary matters before determining the appropriate consequence.

35. In view of the aforesaid submissions, the Appellant contended that the impugned order dated 20.08.2026 suffered from an erroneous application of Regulations 36B (2), 36B (6) and 39(1B) of the IBBI (CIRP) Regulations, 2016; an incorrect appreciation of the revision of eligibility criteria approved by the CoC; and an exercise of jurisdiction beyond the statutory limits under Section 220 of the IBC insofar as it directed replacement in other assignments. He accordingly challenged the findings on both alleged contraventions, the two-year suspension and the direction requiring his replacement in existing assignments, contending that the impugned order warranted interference by this Appellate Tribunal.

36. Concluding arguments, the Appellant requested this Appellate Tribunal to set aside the Impugned Order and allow this appeal.

37. Per contra, the Respondent denied all averments made by the Appellant as misleading and baseless.

38. The Respondent submitted that the impugned order dated 20.08.2026 was passed after due consideration of the Show Cause Notice dated 18.05.2026, the detailed reply and supporting material furnished by the Appellant, the records available with the Respondent, and the submissions advanced by the Appellant during the personal hearing held on 05.08.2026. It is contended that the Disciplinary Committee examined the explanation furnished by the Appellant in respect of each alleged contravention and recorded detailed reasons for its findings in exercise of the powers conferred under Section 220 of the Code read with the applicable Regulations. The Respondent denied the allegations and averments in the Appeal to the extent that they were contrary to its submissions and stated that the Appellant had failed to establish any ground warranting interference with the impugned order.

39. The Respondent contended that the Appellant had failed to demonstrate any illegality, jurisdictional error, perversity, procedural irregularity or violation of the principles of natural justice in the impugned order. It is submitted that the findings of the Disciplinary Committee were founded upon contemporaneous records, including the Appellant's communications, the minutes of the meetings of the CoC, the material furnished in response to the Show Cause Notice and the submissions advanced during the personal hearing. According to the Respondent,

the Appeal substantially sought a re-appreciation of the same material which had already been examined by the Disciplinary Committee.

40. The Respondent submitted that the disciplinary proceedings arose from the Appellant's conduct as the Resolution Professional in the Corporate Insolvency Resolution Process of M/s Revital Reality Private Limited. Upon examination of the material on record, the Disciplinary Committee found two contraventions, namely, (i) extension of the timeline for submission and revision of a resolution plan beyond the timeline approved by the CoC without obtaining its prior approval; and (ii) modification of the eligibility criteria applicable to PRAs by deleting the requirement relating to delivery or completion of a real estate project during the preceding five financial years, without maintaining an adequate record of the basis and rationale for such material modification.

41. The Respondent contended that the findings of the Disciplinary Committee were based on the relevant material and the applicable statutory and regulatory framework. It is submitted that the Disciplinary Committee, being the specialised statutory body entrusted with the regulation and supervision of Insolvency Professionals, had independently considered the Appellant's defence and recorded reasons for rejecting the same. The mere possibility of another view being taken on the evidence, or the Appellant's disagreement with the conclusions reached, could not constitute sufficient grounds for setting aside a reasoned disciplinary determination.

42. In support of the aforesaid submission, the Respondent relied upon the judgment of the Hon'ble Supreme Court in ***Union of India v. Parma Nanda***, *[(1989) 2 SCC 177]*, wherein it was held that, where an inquiry has been conducted in accordance with the applicable rules and the principles of natural justice, the determination of the appropriate punishment ordinarily falls within the jurisdiction of the competent authority. The Respondent submitted that the adjudicatory forum could not substitute its own discretion for that of the competent disciplinary authority where the penalty had been lawfully imposed for proved misconduct, except where legally recognised grounds for interference were established.

43. The Respondent further relied upon ***B.C. Chaturvedi v. Union of India,*** *[(1995) 6 SCC 749]*, wherein the Hon'ble Supreme Court held that judicial review is directed towards examining the decision-making process and ensuring fair treatment, rather than functioning as an appeal on the merits of the decision. It was submitted that a reviewing court or tribunal does not ordinarily reappreciate the evidence or substitute its own findings for those of the disciplinary authority. Interference may be warranted where the proceedings violate the principles of natural justice or statutory requirements, the findings are based on no evidence, or other recognised grounds of judicial review are established. The Respondent contended that none of these circumstances had been demonstrated in the present case.

44. Reliance was also placed upon ***Lucknow Kshetriya Gramin Bank v. Rajendra Singh,*** *[(2013) 12 SCC 372]*, wherein the Hon'ble Supreme Court reiterated that the disciplinary authority is ordinarily responsible for determining the appropriate punishment in view of the seriousness of the misconduct. It is submitted that judicial interference with the quantum of punishment is available within a limited scope, particularly where the penalty is found to be shockingly disproportionate to the misconduct. The Respondent further relied upon the principle that a comparison with the punishment imposed upon other employees in unrelated disciplinary proceedings does not, by itself, justify interference, the relevant comparison being subject to the requirements recognised in law.

45. The Respondent also relied upon ***State of Karnataka v. N. Gangaraj,*** *[(2020) 3 SCC 423]*, wherein the Hon'ble Supreme Court reaffirmed that the power of judicial review is confined to scrutiny of the decision-making process and does not confer upon the reviewing court or tribunal the jurisdiction of an appellate authority to reassess the findings of the disciplinary authority. Reliance was further placed upon ***State of Karnataka v. Umesh***, *[(2022) 6 SCC 563]*, wherein the Hon'ble Supreme Court identified the relevant considerations for judicial review of disciplinary proceedings, including compliance with the principles of natural justice, the existence of evidence supporting the finding of misconduct, observance of the governing statutory rules, absence of perversity and proportionality of the penalty. The Respondent submitted that disciplinary misconduct is assessed on the standard of preponderance of probabilities and not

on the standard of proof beyond reasonable doubt applicable to criminal prosecutions.

46. Applying the aforesaid principles, the Respondent contended that the Appellant had not established any procedural illegality, violation of natural justice, absence of evidence or perversity in the findings recorded by the Disciplinary Committee. It is submitted that the impugned order considered the Appellant's explanations, examined the contemporaneous material and provided reasons for arriving at its conclusions on both contraventions. Accordingly, no case had been made out for substituting the view of the Disciplinary Committee with a different appreciation of the same evidence.

47. The Respondent further submitted that adherence to the Code of Conduct prescribed under the First Schedule to the IBBI (Insolvency Professionals) Regulations, 2016 ("**IP Regulations**"), is an essential condition governing the registration and professional conduct of an Insolvency Professional. In this regard, reliance was placed upon Regulation 7(2)(h) of the IP Regulations, which requires an Insolvency Professional to abide at all times by the prescribed Code of Conduct. It is contended that compliance with the professional standards prescribed under the Code and the Regulations is mandatory and that an Insolvency Professional is required to discharge the responsibilities attached to the office in accordance with those standards.

48. The Respondent submitted that the CIRP of M/s Revital Reality Private Limited commenced pursuant to the order dated 04.06.2024 passed by the

National Company Law Tribunal, New Delhi Bench. The Appellant was appointed as the Interim Resolution Professional and was subsequently confirmed as the Resolution Professional of the Corporate Debtor.

49. The Respondent stated that it received a complaint concerning the Appellant's conduct in the CIRP and, in connection therewith, sought his response by email dated 02.04.2026. The Appellant furnished responses through emails dated 04.04.2026, 15.04.2026 and 20.04.2026. Upon examination of the complaint, the Appellant's responses and the other available material, the Respondent formed a prima facie view that certain provisions of the Code and the Regulations framed thereunder had been contravened. Consequently, a Show Cause Notice dated 18.05.2026 was issued to the Appellant, who submitted his detailed reply dated 01.06.2026.

50. The Respondent further submitted that the Show Cause Notice, the Appellant's reply and the material available on record were placed before the Disciplinary Committee for consideration. The Appellant was afforded an opportunity of personal hearing and appeared before the Disciplinary Committee through virtual mode on 05.08.2026 along with his advocate. He also furnished additional written submissions thereafter. It is contended that the Appellant was afforded an adequate opportunity to explain his conduct and place his defence on record before the impugned order was passed.

51. The Respondent submitted that the first contravention concerned the Appellant's decision to permit a PRA to make further revisions to its resolution

plan and furnish pending documents after expiry of the timeline approved by the CoC, without obtaining prior approval for such extension. The records examined by the Disciplinary Committee revealed that the original deadline for submission of resolution plans was 02.01.2026, which was subsequently extended by the CoC to 17.01.2026 and thereafter to 06.02.2026. Three resolution plans were received on 06.02.2026. The PRAs were thereafter required to respond to queries and submit proposed changes to their respective plans, and the timeline for that exercise was ultimately extended up to 23.03.2026.

52. The Respondent contended that, although a revised resolution plan was received on 23.03.2026 from the consortium comprising Mr. Parmjit Gandhi and M/s Prasandi Infotech Park Private Limited, the Appellant, through an email dated 28.03.2026, communicated observations to the said consortium and directed it to make necessary revisions to the resolution plan and submit pending documents by 30.03.2026. The members of the CoC were marked in copy on the said email; however, the matter was placed before the CoC only subsequently, at its meeting held on 01.04.2026. The Respondent submitted that the email dated 28.03.2026 thus permitted further action beyond the deadline of 23.03.2026 without prior approval of the CoC.

53. The Respondent submitted that, during the disciplinary proceedings, the Appellant sought to justify the communication dated 28.03.2026 by contending that it was confined to clerical clarifications and corrections arising from the vetting and proofreading of the resolution plan. The Appellant also relied upon

the subsequent consideration of the matter by the CoC on 01.04.2026 and the grant of a further three days to the concerned PRA at the 26th CoC meeting held on 27.05.2026. However, the Disciplinary Committee found these explanations insufficient to establish compliance with the requirement of prior approval.

54. The Respondent contended that Regulation 36B (6) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"), expressly provides that the Resolution Professional may extend the timeline for submission of resolution plans with the approval of the CoC. It further relied upon Regulation 39(1B) of the CIRP Regulations, which prohibits the CoC from considering a resolution plan received after the time specified by it under Regulation 36B. The Respondent Board submitted that a conjoint reading of these provisions establishes that the approval of the CoC is a substantive prerequisite for extension of the stipulated timeline and that the Resolution Professional cannot unilaterally enlarge the period approved by the CoC.

55. The Respondent further submitted that the nature or description of the changes sought from the concerned PRA did not alter the effect of the Appellant's communication. Irrespective of whether the proposed changes were characterised as clerical, explanatory or non-commercial, the email dated 28.03.2026 expressly required the consortium to make necessary revisions to its resolution plan and furnish pending documents by 30.03.2026. The communication therefore permitted further revisions and submissions after expiry of the CoC-approved

timeline. The Respondent Board contended that the Appellant could not avoid the requirement of prior approval merely by describing the proposed changes as corrections or clarifications.

56. The Respondent submitted that merely marking the members of the CoC in copy on the email dated 28.03.2026 did not amount to obtaining their approval. Similarly, placing the matter before the CoC on 01.04.2026, after the extension had already been granted, could not satisfy the express requirement of prior approval under Regulation 36B (6). The subsequent grant of three days' time at the meeting dated 27.05.2026 was also insufficient to retrospectively validate the extension already granted by the Appellant without the requisite approval.

57. The Respondent further contended that the Appellant's reliance upon the approved Request for Resolution Plan ("**RFRP**") and Regulation 36B (2) of the CIRP Regulations had been duly considered and rejected by the Disciplinary Committee. It is submitted that the fact that the original resolution plans had already been submitted and the process had entered the stage of clarification or revision did not render Regulation 36B (6) inapplicable. The requirement to obtain the CoC's approval could not be circumvented by treating the post-submission exercise as a separate stage of negotiation or revision, particularly when the Appellant's communication expressly required further revisions and submission of pending documents beyond the stipulated deadline.

58. In view of the aforesaid facts, the Respondent Board submitted that the Disciplinary Committee rightly concluded that the Appellant had extended the

timeline for further revisions and submission of documents without obtaining prior approval of the CoC. The Appellant was accordingly found to have contravened Regulation 36B (6) read with Regulation 39(1B) of the CIRP Regulations and Regulation 7(2)(a) and (h) of the IP Regulations, read with Clause 3 of the Code of Conduct for Insolvency Professionals.

59. The Respondent submitted that the second contravention concerned the modification of the eligibility criteria applicable to PRAs by deleting the earlier requirement relating to delivery or completion of a real estate project during the preceding five financial years, without maintaining a specific contemporaneous record explaining the basis for such deletion. The Respondent stated that, at the third meeting of the CoC held on 20.08.2024, the eligibility criteria approved for PRAs included, inter alia, a requirement that a PRA should have delivered at least 5 lakh square feet of super area in a group housing real estate project during the preceding five financial years. Subsequently, at the thirteenth meeting of the CoC held on 04.09.2025, an agenda item was placed for consideration, discussion and approval of the eligibility criteria under Section 25(2)(h) of the Code.

60. The Respondent contended that the reasons recorded for revisiting the eligibility criteria included the incorporation of provisions relating to the submission of unaudited financial statements and other similar changes, as well as the objective of making the criteria more straightforward to minimise the possibility of alternative interpretations and objections at a later stage. However,

in the course of the revision, the earlier requirement concerning delivery of a real estate project during the preceding five financial years was omitted altogether.

61. The Respondent submitted that the reasons recorded for reconsideration of the eligibility criteria did not specifically address or explain the deletion of the five-year temporal requirement. No specific contemporaneous rationale was recorded to demonstrate why the earlier requirement concerning the period of delivery or completion of the real estate project was considered necessary to be removed. The Disciplinary Committee, therefore, found that the general reasons recorded in the agenda and minutes of the thirteenth CoC meeting did not adequately explain this particular modification.

62. The Respondent further contended that the Appellant's reliance upon the agenda and minutes of the thirteenth CoC meeting did not absolve him of his independent professional obligation to maintain an adequate record of the basis for a material change proposed to the eligibility criteria. The subsequent approval of the revised criteria by the CoC could not, by itself, substitute for the absence of a specific contemporaneous rationale explaining the deletion of the earlier requirement. It was submitted that the contravention did not arise merely from the fact that the eligibility criteria were modified, but from the failure to maintain an adequate record explaining the basis for the particular modification in question.

63. Accordingly, the Respondent submitted that the Disciplinary Committee rightly concluded that the Appellant had failed to maintain adequate

contemporaneous records explaining the omission of the requirement relating to delivery or completion during the preceding five financial years. The explanation furnished by the Appellant was found insufficient to displace the finding that the material modification had not been specifically justified in the contemporaneous record.

64. The Respondent submitted that, upon considering the material available on record and the explanation furnished by the Appellant in respect of both contraventions, the Disciplinary Committee passed the impugned order dated 20.08.2026, suspending the Appellant's registration as an Insolvency Professional for a period of two years. The order also issued consequential directions concerning the Appellant's existing assignments. The Respondent contended that the penalty was imposed in exercise of the statutory powers conferred under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017. It is further submitted that the impugned order recorded the consequences arising under Section 206 of the Code in relation to the Appellant's existing assignments and directed the respective CoCs to replace him in accordance with Section 27 of the Code.

65. The Respondent submitted that the Appellant's plea that the penalty was excessive or disproportionate did not, by itself, justify setting aside the impugned order. The Disciplinary Committee had considered the nature of the contraventions and the professional obligations imposed upon an Insolvency Professional under the Code, the applicable Regulations and the Code of Conduct

before exercising its disciplinary jurisdiction. The Respondent contended that the Appellant had not demonstrated that the penalty was disproportionate to the established contraventions or that the Disciplinary Committee had exercised its statutory discretion unlawfully.

66. The Respondent reiterated that the impugned order was passed after affording the Appellant an opportunity to respond to the Show Cause Notice, submit supporting material and advance oral and written submissions. The Disciplinary Committee considered the Appellant's explanations and recorded separate findings in respect of both contraventions. The Respondent submitted that the Appellant had not established that these findings were unsupported by evidence, perverse, procedurally unfair or contrary to the applicable statutory provisions.

67. Concluding its arguments, the Respondent requested this Appellate Tribunal to dismiss the appeal.

Findings

68. This appeal is filed under Section 220(7) of the Code by Mr. Gaurav Katiyar, an insolvency professional who challenges the Impugned order dated 20.08.2026 passed by the Disciplinary Committee (DC) of the Insolvency and Bankruptcy Board of India (the Board/ IBBI), by which the DC disposed of the Show-cause Notice dated 18.05.2026.

69. The notice arose from the Appellant's work as Interim Resolution Professional and later Resolution Professional of Revital Reality Private Limited (the Corporate Debtor), a real estate company whose insolvency process began by order of the National Company Law Tribunal, New Delhi Bench, on 04.06.2024, on an application of homebuyers.

70. We note that the DC held two contraventions proved. The first is that the Appellant extended the time for submission of a revised resolution plan beyond 23.03.2026 without the prior approval of the Committee of Creditors (CoC). The DC held this to be a breach of Regulation 36B (6) read with Regulation 39(1B) of the CIRP Regulations, 2016, and of Regulation 7(2)(a) and (h) of the IP Regulations, 2016 read with Clause 3 of the Code of Conduct. The second is that the Appellant removed the condition of delivery within the previous five financial years from the eligibility criteria for prospective resolution applicants (PRAs) without recording any reason. The DC held this to be a breach of Regulation 7(2)(a) and (h) of the IP Regulations read with Clause 16 of the Code of Conduct.

71. For these two contraventions, the DC suspended the Appellant's registration for two years. It also held that he is not eligible to continue in his existing assignments and directed the CoC of each corporate debtor to replace him under Section 27 of the Code.

72. We heard Mr. P. Nagesh, learned Senior Advocate, with Mr. Rishabh Jain, Mr. Shaurya and the Appellant in person. We heard Mr. Nishant Awana, Ms. Rini Badoni, Ms. Nitya Sharma, Ms. Ekta Kondu and Mr. Mayank Chaudhary for the

Board. We have gone through the impugned order, the appeal, the Board's reply and the written submissions of both sides.

73. At this stage we would like to capture relevant facts that matter to decide the present appeal. We note that in its 3rd meeting held on 20.08.2024, the CoC approved the eligibility criteria for PRAs. It is significant to note that one condition was delivery of at least 5 lakh square feet of super area in group housing projects in the five financial years from FY 2019-20 to FY 2023-24, shown by an occupancy or completion certificate. It is also noted that in its 13th meeting held on 04.09.2025, on Agenda Item 9, the CoC approved revised criteria by e-voting, with 49.18% voting for and 0.76% against. The revised text asked for successful completion, as promoter, of real estate projects of at least 5 lakh square feet in aggregate, with such a certificate, and carried no time window. Form G was published on 09.09.2025 and amended on 15.10.2025.

74. Looking into further developments, we note that the last date for resolution plans was 02.01.2026. The CoC extended it to 17.01.2026 and then to 06.02.2026. Three plans came in on 06.02.2026 and were placed before the CoC on 13.02.2026. At the 22nd meeting on 06.03.2026, the CoC fixed 17.03.2026 as the date for the PRAs to answer queries and give proposed changes. On 17.03.2026 the date was extended by two days to 19.03.2026 after consulting CoC members. On 19.03.2026 the Appellant himself recommended a further extension to 23.03.2026 and the authorised representative (AR), who holds 91% of the voting

share, concurred. On 23.03.2026 the Consortium of Mr. Parmjit Gandhi and M/s Prasandi Infotech Park Private Limited submitted a revised plan.

75. We have been informed that nothing was placed before the CoC between 23.03.2026 and 28.03.2026. On 28.03.2026 the Appellant wrote to the Consortium, with a copy to the CoC members, asking it to add a chart of indicative handover timelines for homebuyers, a profit and loss statement and quarter-wise cash flow projections, to answer queries on which it had given only a one-word reply, to restate assets and liabilities as on the insolvency commencement date, and to submit pending documents by 30.03.2026. During the pleadings before us, we asked the Appellant about the correctness of these facts and the Appellant accepted all this. The CoC was told of the e-mail at its 23rd meeting on 01.04.2026. The Appellant submitted that at that meeting all PRAs were given time up to 07.04.2026, though the minutes do not record that date.

76. We note that the Board sought the Appellant's explanation on 02.04.2026, and he replied on 04.04.2026, 15.04.2026 and 20.04.2026. The Show Cause Notice followed on 18.05.2026. The Appellant stated that on 27.05.2026, at the 26th meeting, the CoC gave the Consortium three more days to rectify discrepancies. The Appellant replied to the notice on 01.06.2026, was heard in virtual mode on 05.08.2026, and the impugned order was passed on 20.08.2026.

77. We have noted the contention of the Appellant that his Authorisation for Assignment (AFA) has stood suspended since 18.05.2026 under Clause 23A of

the Model Bye-Laws of an insolvency professional agency, and that the two-year suspension was made effective from 21.08.2026. This Appellate Tribunal did not grant any interim protection. The Appellant submitted that he has been unable to take any new assignment since 18.05.2026 and unable to continue the existing ones since the order took effect, so that the restraint has been fully operative for more than five months. We keep this in mind.

78. We first deal with the width of our review. We have noted the pleading of the Respondent/IBBI that the Appellant only seeks a second look at the same material and that our role is limited to finding any perversity, breach of natural justice or a wrong reading of the law. It relies on ***Union of India v. Parma Nanda,*** (1989) 2 SCC 177; ***B.C. Chaturvedi v. Union of India,*** (1995) 6 SCC 749; ***Lucknow Kshetriya Gramin Bank v. Rajendra Singh***, (2013) 12 SCC 372; ***State of Karnataka v. N. Gangaraj,*** (2020) 3 SCC 423; and ***State of Karnataka v. Umesh***, (2022) 6 SCC 563. We accept the main teaching of these cases.

While generally speaking, it seems appropriate that a reviewing forum should not re-weigh evidence only because another view is possible. The Appellate Court may seek to understand whether the process was fair, whether the finding rests on evidence, whether the rules were correctly applied, whether the finding is perverse, and whether the penalty is out of proportion to the proved misconduct. We have seen that ***Umesh (supra)*** lists these very heads, and proportionality of penalty is one of them. Misconduct of this kind is judged on a preponderance of probabilities and not on proof beyond reasonable doubt. We

further note that the case of **B.C. Chaturvedi (supra)** also recognises that where a punishment shocks the conscience, the authority may be asked to reconsider it and, in sporadic cases, depending upon facts and circumstances of each case, the court / Appellate Tribunal however may substitute a lesser penalty with reasons. Thus, we are of the considered view that the Board's authorities do not shut out review of the Appellate Tribunal including on the measures.

79. We take into account and are conscious of the fact that the DC is the expert body of the regulator, and its view of what professional duty requires in a live insolvency process deserves respect but it does not mean that the Appellate tribunal should accept what the Board has recorded in the Impugned order. We hold that the Appellate forum needs to intervene where an order treats an uncharged matter as a ground, or gives no reason for the sanction. Regulation 13(1) of the IBBI (Inspection and Investigation) Regulations, 2017 requires a reasoned order. That applies to the finding and also to the measure as applicable to the Board. We find that in the present case the reasons given for the measure are short, and a fuller statement would have served the Board better, as we say at the end of these findings. We are conscious that a short order need not to be considered as an unreasoned one, when the reasons for the measure can be read from the findings on which it rests. We therefore proceed to examine whether the findings and the record support the measure, and we do not intend to set the Impugned Order aside for brevity alone.

80. Before turning to the two charges against the Appellant, we state the standard against which the conduct of a resolution professional has to be measured. In ***Manish Motilal Jaju v. Insolvency and Bankruptcy Board of India,*** Comp. App. (AT) (Ins) No. 1363 of 2026, this Appellate Tribunal described resolution under the Code as the business of trust ***(para 21 of the order)***

> *"21. Highlighting some of the guidelines of the Code of Conduct, it is submitted 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. It 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 CD within the framework of the IBC. Hence, whatever decision would be taken with regard to the instant appeal would convey a message to the whole of the body of insolvency professionals. Therefore, 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."*
>
> *(Emphasis Supplied)*

81. We adopt that description. It needs to be spelled out, because the number of matters now coming before the Disciplinary Committee and before us shows that it is not always understood. We recognise that the resolution professional holds the corporate debtor and its estate in his custody from the first day. The Resolution Professional controls its accounts and records, collates and verifies

claims, frames the criteria for applicants, runs the invitation and evaluation of plans, convenes the CoC and keeps its minutes, reports to the Adjudicating Authority, and places the plan before the creditors. It may be stated that the RP is the one person who sees the whole picture. Everybody else sees only what he reports and records, the creditors decide on his information, the Adjudicating Authority approves his application, and the Board learns of a lapse only if it is on paper. The Honourable Supreme Court has repeatedly stipulated that commercial wisdom belongs to the CoC [***K. Sashidhar v. Indian Overseas Bank,*** (2019) 12 SCC 150; ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta,*** (2020) 8 SCC 531]. However, it needs to be appreciated that wisdom is only as good as the information and the process that reaches it.

82. The other side of the rule is that the resolution professional must not take for himself a decision that the Code or the regulations have given to the CoC, and must keep a record that lets the CoC and every later reader see why he acted as he did.

83. We would like to further state that the weight of this trust grows with the scale of the process. In real estate cases the persons who rely on the professional like the Appellant, are homebuyers, in thousands, who put their life long savings into a home and now sit as financial creditors. The homebuyers act through an authorised representative and cannot watch each step. The homebuyers depend on the resolution professional to run an even process and to record what he does. The processes now before this Appellate Tribunal involve thousands of crores of

rupees and thousands of such families. In view of these facts, we find that misconduct in such a process, whether a small departure that is not recorded or a large one that is concealed, is not a private matter between a professional and his regulator. It falls on those who can least bear it, and it weakens the faith of all users in the whole insolvency system.

84. We find that in this manner, the Code and the regulations leave little room for improvisation by the resolution professional. The creditors take the commercial decisions, the Adjudicating Authority takes the legal ones, and the professional runs the process and keeps the record. When the resolution professional thinks a departure would help, such as an extra day, a relaxed condition or a different course, the proper path for the resolution professional is just to follow the correct path as laid down in the code and the regulations. The Resolution professional must seek the permission of the CoC, or the Adjudicating Authority if the matter is beyond the CoC, for decisions not contemplated in his day-to-day and ordinary jurisdiction. We are of the opinion that a deviation made quietly, however well meant, takes the decision away from those who own it, makes the process uneven among applicants, and leaves everyone else to find and repair the problem later, when it is costly to undo. A good purpose is not an answer. The law asks for authority first and a record always.

85. This Appellate Tribunal has said the same in recent matters concerning professionals. In ***Manish Motilal Jaju*** **(Supra)**, order on the interim application dated 18.08.2026, arising from the order of the DC dated 08.07.2026, this

Appellate Tribunal declined to protect a professional who was found to have stepped outside the role the Code gives him. The facts there were more serious, but the principle is the same. In the main proceedings in that case, this Appellate Tribunal had observed that a resolution professional collates claims and does not sit as an adjudicator, and that if a professional could overrule what the CoC or the Adjudicating Authority has settled, the whole process could be undone.

86. We would like to recall the case of ***Anshul Gupta v. Insolvency and Bankruptcy Board of India***, Comp. App. (AT) (Ins) No. 1139 of 2026 & IA 4426 of 2026, order dated 07.09.2026, where this Appellate Tribunal refused interim relief against a two-year suspension, it was held that registration is not assignment-specific, that it is the gateway to acting as a professional in any process under the Code, and that a suspension of registration under Section 220(2) disentitles the professional from acting as interim resolution professional or resolution professional in any other process. The Hon'ble Supreme Court issued notice on 21.09.2026 (Diary No. 57176/2026), but did not stay the order, and asked this Appellate Tribunal to decide the appeal in the meantime without being prejudiced by its observations. Similarly, in ***Kannan Tiruvengadam v. Insolvency and Bankruptcy Board of India***, Comp. App. (AT) (Ins) No. 1814/2026, order dated 14.10.2026, this Appellate Tribunal refused to stay a two-year suspension and said that once a professional is found tainted there is no place for him in other processes, because the faith of stakeholders in the mechanism of the Code has to be kept.

87. We also take note of our own decision in the companion appeal arising from the same Revital Reality process, ***Deepak Kumar Goyal v. Insolvency and Bankruptcy Board of India,*** Comp. App. (AT) (Ins) No. 1736 of 2026. The authorised representative there was held to have concurred in extensions of the plan timeline without prior instructions from the homebuyers and to have failed to record minutes of his consultations. The contraventions were upheld. The penalty of cancellation was held disproportionate and was sent back to the Board. That decision shows that the process in this very CIRP was run with a series of timeline extensions and thin records, and that this Appellate Tribunal looks at the contravention and at the measure separately.

88. We acknowledge that neither charge in this appeal alleges directly that the Appellant was involved in any financial wrongdoing for his own personal gain. Both charges are to determine whether the Appellant stayed within the lines that the regulations draw around his role. A resolution professional is trusted precisely because he does so without being watched. A lapse of process by such a person is therefore not a small matter, and the answer that nobody objected or that no loss followed does not meet the charge.

Contravention No. 1

89. We turn to the first contravention. Regulation 36B (6) of the CIRP Regulations stipulates that the resolution professional may, with the approval of the CoC, extend the timeline for submission of resolution plans. Regulation 39(1B) stipulate that the CoC shall not consider a plan received after the time

specified under Regulation 36B. Regulation 7(2) of the IP Regulations makes registration subject to the conditions that the professional shall at all times abide by the Code, the rules, the regulations and the guidelines (clause (a)) and shall abide by the Code of Conduct (clause (h)). We understand that the timeline for plans belongs to the CoC and the resolution professional runs the process, but he can widen the time the CoC has set only with its approval. Regulation 39(1B) shows why a plan that comes after the CoC's date cannot even be considered, so a later date decides who can compete and on what terms.

90. The Appellant's main legal answer is that by 28.03.2026 the plans were already with the CoC, so that what was going on was clarification, vetting and negotiation, governed by Regulation 36B (2) and clause 2.1.5 of the approved Request for Resolution Plans (RFRP), and not by Regulation 36B (6). We do not accept this, for the following reasons:

a) Regulation 36B (2) state what the RFRP must contain, namely each step of the process, the manner and purpose of interaction between the resolution professional and the PRA, and the timelines. It tells the professional what to put in the RFRP. It gives no power to extend a timeline once fixed. That power lies in Regulation 36B(6) alone and is given with a condition.

b) On the Appellant's own description, clause 2.1.5 lets the CoC negotiate with PRAs whose plans are compliant, ask for revised proposals, and determine or communicate the timelines for those proposals. The clause speaks of the CoC fixing the dates. Nothing in it lets the resolution

professional enlarge a date the CoC has already set. A clause that leaves dates to be fixed later does not take the CoC out of the picture. It keeps the CoC in.

c) The Appellant himself acted as if the CoC fixed these dates. At the 22nd meeting the CoC fixed 17.03.2026. The extension to 19.03.2026 came after consulting members. The extension to 23.03.2026 came on his own recommendation and with the concurrence of the AR holding 91%. We are of clear opinion that a professional like the Appellant, who asks for approval on 19.03.2026 cannot say on 28.03.2026 that approval was not needed.

d) The Consortium's submission on 23.03.2026 was a revised resolution plan. The e-mail of 28.03.2026 asked it to revise that plan again and to submit pending documents. That is a further submission of plan material after the date set by the CoC. Regulations 36B (6) and 39(1B) deal with exactly that, whatever name is given to the step.

e) The argument that Regulation 36B(6) speaks of submission of plans while the date at issue was for rectification is too fine. Once the CoC has fixed a last date for revised plans and a PRA is given more time to revise, the PRA is being given more time to submit. The plan on which the CoC will vote is not final until that later date, and the mischief the regulation addresses, namely uneven treatment of PRAs through shifting dates, applies fully.

f) Calling the changes clerical does not help. Handover timelines for homebuyers, a profit and loss statement and cash flow projections go to the content and credibility of a plan. Whether a change is small enough to be allowed after the date is for the CoC to judge when asked. The resolution professional cannot decide that for himself and then go ahead.

91. The Appellant also argued that Regulation 39(1B) binds the CoC and not the resolution professional. In its words that is right. We therefore do not treat Regulation 39(1B) as a separate duty that the Appellant broke and read it only as showing the purpose of Regulation 36B (6). The contravention is of Regulation 36B (6), and to that extent we examine the Impugned order.

92. It is an undisputed fact that the Approval was not taken. The Appellant's case is that the e-mail was copied to all CoC members, that the matter was placed before the CoC on 01.04.2026, and that no member objected. We consider that was not approved by the CoC. It needs to be appreciated that approval needs a proposal put to the CoC and a decision taken by it. Nothing was put to the CoC before the extension was given. The CoC was told of a step already taken. The AR with 91% of the voting share was not asked, though he had been asked on 19.03.2026. The silence of members who were only copied cannot be turned into consent. We hold that the DC was right on this point.

93. It also appears that there was no urgency that prevented the Appellant from asking. The CoC's date had passed five days earlier. On 17.03.2026 and 19.03.2026, the Appellant had obtained the members' view or the AR's

concurrence within a day or two. The same short consultation, or a circulation to the AR, was available on 28.03.2026 and was not used. Therefore, it is clear that the Appellant knew the rule and had followed it twice in the same fortnight. That makes the departure on 28.03.2026 more serious and not less. We accept that his purpose was to help the CoC examine the plans in a time-bound way and that copying the CoC counts in his favour on motive. It answers an allegation of concealment, which was never made. It does not answer the charge that approval was not taken. Purpose is a separate matter from authority.

94. We hold that prior approval is not a formality, and we say so for three reasons that go beyond the words of the regulation. First, equal treatment. In a competitive process the date by which each PRA must put its plan in final form is part of the terms on which all of them compete. When the date is moved for one PRA, the others are entitled to know and to ask for the same, and the way to secure that is to take the decision to the body that represents all creditors. Here the e-mail went to the Consortium alone, while in the Appellant's own case two of the three PRAs had already given complete replies. Second, the record. A decision of the CoC is minute and can be seen by all, while a decision taken by the professional and reported later appears on the record only as an after-event. Third, protection of the professional himself. One who seeks approval first is protected by it. One who acts first has only the argument that the CoC would have agreed, which can be made only after the event.

95. We also don't hesitate to record that none of this means that every exchange between the resolution professional and a PRA needs a prior resolution of the CoC. The Appellant may ask a PRA to clarify a point, to fix an obvious clerical error, or to supply a document already promised, without moving any date. The difference here is that the e-mail sets a fresh date, after the date fixed by the CoC, for further revision of a plan and for pending documents. It is the fixing of that date, and not the asking of questions, that needed the CoC.

96. We come to the finding on Clause 3 of the Code of Conduct. The show cause notice raised a prima facie view that the extension appeared to have been granted selectively to the Consortium. The DC did not record a finding of selectivity, bias, conflict of interest or influence in its own findings, and the record before us does not show that any other PRA asked for time and was refused. We therefore make no finding of bias or favour.

But Clause 3 asks for objectivity, and that is not confined to the absence of a bad motive. A resolution professional who gives one PRA extra time after the CoC's date, without telling the others and without the CoC's decision, falls short of the evenness that Clause 3 expects, whatever his reason. To that limited extent, and without any finding of bias, we hold that Regulation 7(2)(h) read with Clause 3 is also attracted. The contravention does not depend on Clause 3 in any case. A breach of Regulation 36B (6) is by itself a breach of the condition in Regulation 7(2)(a) that the professional shall abide by the regulations at all times.

97. We also note that the DC remarked that the Appellant should have checked the AR's instructions before the extension to 23.03.2026 and called this a serious lapse of due diligence. But the DC itself treated that extension as approved by the CoC and the charge was confined to the extension beyond 23.03.2026. The remark is therefore not a finding of contravention, and any weight given to it in the measure of punishment is set aside.

98. The Appellant's other main answer to this charge is ratification. His case is that the CoC gave all three PRAs further time on 01.04.2026, gave the Consortium three more days on 27.05.2026, did not reject any plan as late, and then voted on a plan by the required majority. The Appellant relies on Delhi Technological University v. B.S. Rawat, 2026 INSC 797, where the Honourable Supreme Court explained ratification as the confirmation or adoption, by a person or body having the authority, of an act earlier done without authority or irregularly. The DC said that later approval cannot retrospectively confer authority. We find the argument of the Board as a general statement that is too wide, since ratification is part of our law and Regulation 36B (6) does not forbid it. We proceed on the assumption that a CoC could in principle ratify an extension given without prior approval. But ratification needs knowledge of the material facts and adoption of the act as the body's own, and that is not shown here.

99. We can accept that the CoC knew of the e-mail, because it was copied to members and mentioned on 01.04.2026. Adoption is not shown. The DC found that the minutes of 01.04.2026 show only that the CoC was informed, and that no

approval was sought or obtained. The Appellant pleaded that an electronic recording was kept under Regulation 23(3)(d) of the CIRP Regulations and can be produced if directed, but he did not place it before the DC or with the appeal, and it would add nothing even if it shows 07.04.2026 was announced. What the CoC did on 01.04.2026 was to give time to all PRAs from that day, after the date of 30.03.2026 had already passed. A fresh decision about the future is not the approval of a past act done for one PRA, and the papers do not show that the CoC was asked to do the second. The grant of three days on 27.05.2026 came after the Board began its enquiry on 02.04.2026 and after the show cause notice. It is another fresh decision about a later period and shows nothing about what the CoC thought of the e-mail when it was sent. Voting on a plan shows that the CoC valued the plan. It does not show that it adopted the extension granted by the Appellant, and a CoC does not give up its power under Regulation 36B(6) by considering the plans placed before it.

100. We are of the view that even if ratification were accepted, it would not decide a disciplinary question. Regulation 36B(6) speaks of approval of the committee, and the natural reading is approval at the time of the extension, because the whole point is that the CoC controls the date. Ratification in the sense settles whether an act binds the body that adopts it. A disciplinary proceeding asks whether the professional did what the regulations required of him when he acted. A professional who goes ahead without authority and is later excused by his principal has still not obtained authority first. We need not decide whether

ratification could cure a breach of Regulation 36B(6) for other purposes, such as the validity of a plan. For a disciplinary purpose, the later conduct of the CoC goes to how serious the lapse was and not to whether it happened. We take it into account in that way below. Contravention 1 is proved.

Contravention no. 2

101. We turn to the second contravention. Under Section 25(2)(h) of the Code, the criteria for PRAs are laid down by the resolution professional with the approval of the CoC, as both sides accept and the DC recorded Clause 16 of the Code of Conduct requires an insolvency professional to maintain written contemporaneous records of any decision taken, the reasons for taking it, and the information and evidence in support. The charge was that no written contemporaneous record was kept of the reasons for omitting the requirement of delivery or completion in the preceding five financial years. The Board is right that the charge was never that the criteria were changed. The question is narrow: was there a written reason, made at the time, for dropping that one condition?

102. The Appellant argued that placing an agenda item before the CoC is a procedural and administrative function, that the real decision is the CoC's approval under Section 25(2)(h), and that Clause 16 is therefore not engaged. We do not agree. We are of the opinion that the resolution professional frames the criteria and the CoC approves or rejects what is placed before it. What goes into the proposal is his own choice. He chose to put up a text without the five-year window. That is a decision, and Clause 16 asks for a written record of the reasons

for it. The CoC's approval is a separate step and does not replace the professional's own record. We are of the view that an agenda item that proposes to drop a safeguard is a decision of the person who proposes it, even if it is the CoC that gives effect to it. The CoC can decide only on what it is shown, and this is why the law asks the professional to keep his reasons.

103. We have also considered the fact that the reasons recorded for Agenda Item 9 were two i.e. provisions on unaudited financial statements and similar changes had to be brought in, and that the criteria should be made more straightforward so as to avoid different readings and later objections. The DC accepted that the first reason explains the change to the net worth condition. We agree, and we also accept that the stay on publication of Form G, which ended only in August 2025, made the references to 31.03.2024 outdated. But neither reason explains why the recency requirement was dropped. We find that a time-bound condition is no harder to read than one without a time limit. The staleness of the dates is a reason to move the window forward, for example to the five years ending 2024-25. It is not a reason to remove the window. The Appellant argued that the criteria were revised afresh, but that describes what he did and not why. Before the DC and in this appeal, the Appellant has given no reason, recorded or otherwise, for dropping the five-year window. We find it quite significant in the present situation.

104. The Appellant relies on the notice and agenda of the 13th meeting and on a comparative statement of old and new criteria which he says was circulated. But

even if it was circulated, Clause 16 asks for reasons and not just for text. A before-and-after statement shows what changed. It does not show why. The minutes record the two general reasons and are silent on this limb. The CoC approved the revised criteria by e-voting, and the complainant also voted in favour. That does not answer a duty to keep records. We are of clear view that the duty is the professional's own, and it exists so that the Board, a later reader, the competing PRAs and the Adjudicating Authority can see why he did what he did. The approval of the CoC is relevant to how serious the lapse was, and we deal with it below.

105. On the face of it, we find that the change was not minor. A recency requirement is a safeguard for homebuyers. It shows that the PRA has delivered projects in recent years and can deliver now. Without it, an old completion qualifies. The comparative statement also shows other relaxations that were not part of the charge and on which the DC made no finding: the turnover condition was deleted, the experience condition was recast by reference to the Real Estate (Regulation and Development) Act, 2016, and net worth was moved to the latest audited statements. We make no finding on those. We only note that a package of relaxations of this kind is where written reasons matter most.

106. We find that the DC faulted the Appellant for not specifically highlighting the omission to the CoC and the AR and for not explaining it at the meeting. The charge was the failure to keep written records. We hold Contravention II proved

on the Clause 16 charge. Through Clause 16 the breach of Regulation 7(2)(a) and (h) of the IP Regulations follows.

107. The Appellant submitted that the impugned order does not identify any prejudice to the Corporate Debtor or its stakeholders from the revision. That is correct as to the order, but Clause 16 is a duty of conduct and is not made out only when loss follows. In our considered view, a professional who fails to record the reasons for a decision breaks the clause whether or not the decision later proves harmful. If it were otherwise the clause could be tested only after a loss, and by then the record that the clause is meant to create would not exist.

108. We will also test the argument of the Appellant that no prejudice was shown. That argument assumes that the removal of the five-year window was a harmless drafting change. If the applicant that finally came out successful is one that gained from the relaxation, then the removal had a real effect on who could compete and who won. The point is that nobody can now tell, from the Appellant's own record, why a relaxation with that effect was made. A CoC that voted on the revised text, a PRA that was kept out by the old window, or the Adjudicating Authority reading the file, cannot find a reason. When a relaxation turns out to benefit the winning applicant, the absence of a recorded reason is the very thing that leaves a doubt open that a record would have closed. We do not say the doubt is well founded. We say the Appellant's failure left it open, and that this is why Clause 16 exists.

109. The Appellant asks us to treat Contravention No. 2 as a mere record-keeping lapse without consequence. On the facts as we are told, that is not so. The gap in the record sits at the point where the process opened up to an applicant who later succeeded. In a process in which the AR holding 91% of the votes was, in the same period, being asked for concurrence in successive timeline extensions, a resolution professional had a particular reason to keep careful paper on every relaxation.

110. In view of the above discussion, we hold that the contravention No. 2 is proved.

Proportionality of Penalty

111. We now come to the issue of measure or proportionality of penalty, and we begin with the question whether a suspension of two years is in proportion. We note that under Section 220(2), the DC, if satisfied that sufficient cause exists, may impose a penalty, or suspend or cancel registration. We also note that Regulation 13(3) of the Inspection and Investigation Regulations lets it close the matter, issue a warning, suspend or cancel the authorisation for assignment, take action under Section 220(2) to (4), refer the matter to the Board, or give any other direction. So, the DC had a range of measures. In ***Ranjit Thakur v. Union of India,*** (1987) 4 SCC 611, the Hon'ble Supreme Court held that a punishment so disproportionate as to shock the conscience can be set aside. In Chairman-cum-Managing Director, ***Coal India Ltd. v. Mukul Kumar Choudhuri***, (2009) 15 SCC 620, the Hon'ble Supreme Court held that proportionality is part of judicial

review of punishment, one test being whether any reasonable employer would have imposed such a punishment. The Board's own authority, **Umesh (supra)** lists disproportion among the grounds on which an outcome may be examined. The test is a demanding one, and a measure within the range open to the expert regulator is not to be disturbed because another authority might have chosen a lighter one.

112. We note that the Hon'ble Delhi High Court in the case of ***Sandeep Kumar Bhatt v. Insolvency and Bankruptcy Board of India***, 2025: DHC:2252-DB (L.P.A. No. 1054 of 2024, decided on 03.04.2025), reduced a two-year suspension imposed on 01.11.2023 to the period already served, a little over one year and four months. We note that the Hon'ble Delhi High Court did so because the DC had overlooked material aspects of the case and the penalty was not proportionate on that footing. In view of this ratio as well in ratio of our own earlier case like **Manish Motila Jajoo (supra),** it can be concluded that this Appellate Tribunal can interfere in these aspects of penalty, if so warranted in the circumstances of the case.

113. We take into consideration that in the present case, the DC considered the Appellant's explanation, his replies and his written submissions, found both contraventions on the record, and has not overlooked any material aspect of the charges. The Board also relies on the view that the disciplinary authority should ordinarily fix the punishment and that a court should not substitute its own. That view supports the Board here. We do not decide this appeal by comparing it with

other orders. However, the Appellant has given a list of earlier DC orders to show the range of measures used, and we have not verified it against the orders themselves. We do not rest on it, but we say something about it later.

114. We begin with the order. Paras 3.1 and 3.2 of the Impugned Order repeat the findings, and para 3.3 of the Impugned Order then suspends registration for two years. The Impugned order does not say in so many words why two years, or why a lesser measure was not enough, and it does not refer to the Appellant's record. We find that the Regulation 13(1) requires a reasoned order, and a fuller statement on the measure would have been better. But the reasons for the measure can be read from the findings that precede it: two contraventions of different kinds, a known rule not followed, and a gap in the record that touched the very applicant that later succeeded. We therefore examine the measure on the record before us, and we take into account the matters the order does not mention, to see whether they would change the result.

115. We are of the opinion that the seriousness of what is proved weighs heavily. There are two contraventions, and they are of different kinds. One is an extension of time taken without the CoC that owns the date. The other contravention is a relaxation of a safeguard for homebuyers made without a written reason. In both, the Appellant did what only the CoC could do, or did what the CoC was entitled to see explained, and left no paper. A pattern is visible, namely that decisions that should have been the CoC's, or should have been recorded for the CoC, were taken informally in a process where the AR

representing homebuyers with 91% of the vote was in frequent contact and where several extensions were being given. We hold that the Appellant knew the rule on the extension, because he had followed it twice shortly before. On the second contravention, on the facts as we are told, the gap in the record has a real bearing on who benefited from the relaxation. The role of a resolution professional is, as we have said, one of high trust, and lapses of process are the way in which that trust is lost. A warning or a money penalty alone would not mark these lapses.

116. Against this stand the mitigating facts. We are aware that the DC found no dishonesty, concealment, personal gain or loss to the estate, and none is found here. We take into consideration the submissions of the Appellant that he was enrolled on 27.06.2017, and has worked on 22 assignments as IRP, RP or liquidator, and has had one inspection and one investigation of his work and a complaint to his agency in 2023, with no violation found and no disciplinary action in nine years. The Board does not deny this, and we take it as uncontroverted. We reiterate that the AFA of the Appellant has been suspended since 18.05.2026, so that he has taken no new assignment for more than five months. The CoC took no exception to the e-mail, did not reject any plan as late, and approved the revised criteria by a large majority. We state that the Impugned order does not mention any of them, but we have weighed them. However, we are of the view that these do not erase the contraventions, and the CoC's approval in particular cannot take the place of the professional's own duty. These facts also do not lead us to a lesser measure than the one chosen. The DC stopped short

of cancellation, which was open to it, and that itself shows that it saw no dishonesty or gain. A suspension of two years, in the case of two contraventions in insolvency case of this magnitude involving thousands of homebuyers with a real bearing on the outcome of a large homebuyer process, is a measured use of a range that runs up to cancellation.

117. Recent orders of this Appellate Tribunal, in which two-year or longer suspensions were not interfered with at the interim stage, involved professionals found to have failed to disclose assets of very large value in a liquidation report, to have sold a major asset privately without the consultation the regulations require, or to have refused to admit a claim that the Adjudicating Authority and this Appellate Tribunal had directed him to admit. In those cases, there was either a large sum at stake or a refusal to follow judicial orders. The present case does not carry either feature. It is a case of process lapses with no loss found and no disobedience of an order. That is a fact that was properly weighed in choosing suspension and not cancellation, and in stopping at two years. It is not a ground for treating the lapses lightly, because the same trust is at stake in each case. The period here is at the lower end of the periods this Appellate Tribunal has left undisturbed in those cases.

118. Taking all this together, we find that suspension of registration is the right kind of measure and that a warning or a money penalty alone would not mark these lapses. A suspension of two years is within the range open to the DC and is not so extreme as to shock the conscience. On one side are two contraventions of

different kinds, the first done knowingly, the second with a real bearing on the applicant that finally succeeded, in a process involving thousands of homebuyers and by a professional of long standing who should have known better. On the other side are the absence of dishonesty, gain, loss or disobedience of an order, a clean record of nine years, the conduct of the CoC, and the restraint already suffered. The first side calls for a long period. The second side explains why the DC chose suspension and not cancellation, and it does not call for a period shorter than two years. We therefore find the measure proportionate and decline to interfere with it. We make this finding on the record, and it does not depend on the brevity of the reasons in the Impugned order.

119. We have also considered whether the matter should go back to the DC to record fuller reasons on the measure, and we do not think it should. The record is complete, and the findings on which the measure rests are now confirmed by this Appellate Tribunal with reasons. A remand would serve no purpose except delay. This Appellate Tribunal gave no interim protection, and the Appellant has been out of new work since 18.05.2026 and out of existing work since the order took effect. A remand of this kind also invites every professional against whom the Board has acted to ask for a second round on the measure. The Code runs on a time-bound process and cannot afford that. In **Deepak Kumar Goyal (supra)**, we remitted a cancellation, which is final and where lesser measures had to be considered afresh. We note that in contrast, in the present case, the DC has already

chosen a lesser measure than cancellation, the record is complete, and the choice is supported. The cases are therefore different.

120. We wish to make it clear that Lapses of process in a resolution are not small. When a professional takes a decision that belongs to the CoC, or leaves no record of why he changed a safeguard for homebuyers, he puts the whole process at risk, and a suspension of two years is a fair response even where no loss or dishonesty is found. Where lapses lead to harm, as in misappropriation of funds, conflict of interest, concealment, disobedience of the orders of this Appellate Tribunal or the Adjudicating Authority, or loss to large numbers of homebuyers or creditors, longer suspension and cancellation are called for, and neither length of service nor past record will stand in the way. A professional who has been found to have contravened, and who has been given a reasoned measure within the range, should not expect a second round on the measure.

121. We turn to paras 3.4 and 3.5 of the Impugned order. Para 3.4 of the Impugned order says that, in terms of Section 206, the Appellant shall not be eligible to continue in his existing assignments and directs the CoC of each corporate debtor in which he is serving to replace him under Section 27. Para 3.5 of the Impugned order deals with when the order takes effect. Section 206 says that no person shall render services as an insolvency professional under the Code without being enrolled with an insolvency professional agency and registered with the Board. As we read Regulation 13(6) of the Inspection and Investigation Regulations, the professional must discharge his pending obligations and may

continue only as long as is needed for the stakeholders to move to another professional, and under Regulation 13(7) the Board must send the order to the members of the CoC of every process in which he is acting and to the Adjudicating Authority.

122. It is the case of the Appellant that the power to communicate the order under Regulation 13(7) is different from a power to direct the CoCs to replace him, that the CoCs of other corporate debtors are not before the DC, and that the direction takes away the right of each CoC to decide whether to continue with him. We note that the Appellant relied on an interim order of the Coordinate Bench of this Appellate Tribunal, in case of ***Sachin Naveen Sinha v. Insolvency and Bankruptcy Board of India***, I.A. No. 4537 of 2026 in Company Appeal (AT) (Ins) No. 1165 of 2026, in which the suspension was stayed in so far as it concerned the professional's other assignments, leaving each CoC to decide whether to continue with him.

123. That order was made at the interim stage on a prima facie view. Since then this Appellate Tribunal, in **Anshul Gupta (supra)** and in **Kannan Tiruvengadam (supra)**, has taken the view, again at the interim stage, that a suspension of registration under Section 220(2) disentitles the professional from acting in any other process under the Code, that the Board must inform the CoCs of the other assignments and the Adjudicating Authority, and that such intimation and any resulting replacement are distinct from the CoC's power of replacement under Section 27. The Hon’ble Supreme Court vide order dated 21.09.2026

passed in Civil Appeal No. 12985/ 2026 has also directed this Appellate Tribunal to decide this appeal without being influenced by any observation made in that only. We follow the view of the later orders of this Appellate Tribunal. As recorded in our earlier judgments, we are of the firm view that the professional whose registration stands suspended is not in a position to act as resolution professional in other processes, and the stakeholders in those processes have to be told and given the chance to move to another professional in an orderly way. That is the purpose of Regulations 13(6) and 13(7).

124. We would also consider the case of ***Sanjay Gupta v. Insolvency and Bankruptcy Board of India***, Comp. App. (AT) (Ins) No. 1160 of 2026 & IA 4509 of 2026, order dated 08.09.2026. Few paragraphs of the said judgement, are mentioned below: -

> *"49. At this stage, we would like to express our considered view that the removal of a Resolution Professional from any assignments, including current or any other CIRP, would depend upon the facts and circumstances of each case, having regard to the magnitude of the misconduct committed by him and no strait jacket formula would be desirable and also could not be devised accordingly.*
>
> *50. We find that 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. We are of explicit opinion that the authority to act as Resolution Professional is linked to the status of being a registered insolvency*

professional and once such 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.

51. We also take into consideration Regulation 13 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, which governs the disposal of show-cause notices, and find it 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 subsections (2), (3) and (4) of Section 220 of the Code, 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 IBBI 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.

This provision is crystal clear, mandatory and leaves no room for doubt that the IBBI 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.

52. We note that 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 IBBI 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.

53. We observe that 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 an insolvency professional to continue to act in single or as that matter 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 emphasized that the Resolution Professional is not having a vested Right to continue as such and his continuation as Resolution Professional is subject to the procedure established by the Regulating Authority.

54. In view of the aforesaid , we hold that the intimation of the suspension order to the Committees of Creditors of UFHL in which the appellant was acting as Resolution Professional, and the consequential direction for fresh recommendation to appoint new Resolution Professional subsequent to Appellant's suspension therefrom, is fully within the jurisdiction of the Disciplinary Committee and the IBBI 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."*
>
> *(Emphasis Supplied)*

125. We find that the above ratio of our own earlier order is equally applicable in the present case.

126. We find that Para 3.4 of the Impugned order rests on para 3.3 and speaks of the Appellant being ineligible by reason of the suspension. Since we confirm the suspension of registration for two years, para 3.4 stands as a consequence of that suspension. It is to be worked out in the order on relief. The Board is to make sure that Regulation 13(7) has been complied with, if it has not been, so that every CoC and the Adjudicating Authority are told. Any handover under Regulation 13(6) is to be done in a short, fixed time, so that the stakeholders in the live processes are not left without a professional. Para 3.5, which deals with when the order takes effect, is not disturbed.

127. We deal remaining points. The Appellant submitted that the power of the DC under Sections 218 and 220 can be exercised only on a sustainable

contravention of the Code, the rules, the regulations or the Board's directions. That is so, and the contraventions found here are of the CIRP Regulations, the IP Regulations and the Code of Conduct, which are within the DC's reach. The Appellant has not argued the sequence of steps under Section 218 before us, and the Board had in any event sought his explanation on 02.04.2026 before the notice was issued, so we say nothing further on it. On natural justice, the Appellant does not argue that he was denied a hearing, and the record is to the opposite effect: he replied three times to the Board, gave a detailed reply to the notice, appeared before the DC with his advocate and filed further written submissions. We find no breach of natural justice. The only shortcoming, we notice, lies in the brevity of the reasons for the measure, which we have dealt with above. The DC recorded no finding of bad faith and none is made here.

128. We would like to reemphasise that where a CoC has fixed a date for plans or revised proposals, any change to that date must be put to the CoC, or to its authorised representative where the CoC has so authorised, before it is given. A copy of an e-mail to the members, or a report to the CoC after the event, is not a substitute. Second, when a resolution professional proposes or changes eligibility criteria for PRAs, the reasons for each material change, and above all for each relaxation, should be written down at the time, in the agenda note and the minutes. A relaxation is a decision that can change who competes and who wins. Third, a resolution professional is not to decide for himself that a departure is minor. If he thinks it is minor, he can say so to the CoC and have the CoC agree in a minute.

Fourth, silence of the CoC, or a vote on the plan, will not later turn an unauthorised step into an authorised one for the purposes of professional conduct. Professionals who run these processes are fully answerable for the way they run them, and the Board and this Appellate Tribunal will expect strict adherence in every process, large or small.

129. We also add some observations for the Board on the recording of its orders. They are made in the interest of the resolution professionals and of the Board's own orders, and they do not affect the outcome of this appeal. We suggest that an order imposing a penalty should:

a) set out, under separate heads, each contravention found and the factors that weigh against the professional as well as the factors in his favour, and the penalty suggested with reasons for the proposed period of penalty;

b) state clearly the size of the CD in the CIRP of which misconduct has been committed along with amount involved, the number of homebuyers or creditors affected, and whether there was loss, gain, concealment or disobedience of an order, so that the reader can see why a case is grave or is not;

c) record the insolvency professional's (RP’s/ IRPs) own history, including his earlier assignments and any earlier inspection or action which has been taken against him;

d) state whether the suspension of the authorisation for assignment of the IP under the bye-laws of the insolvency professional agency has been considered;

e) state reasons for the consequential directions being given to the committees of creditors of the other corporate debtors under the charge of the same resolution professional.

f) refer briefly to earlier orders of the DC in like cases, as far as pragmatic and state why the proposed penalty goes above, below or along with them.

130. We would like to elaborate the last point in more detail to make the position clear. The Appellant has put before us a list of earlier orders of the DC, as reported, in which the measure ranged from ninety days to one year in matters that, as he describes them, included use of the corporate debtor's resources for a private purpose, appointment of a related person without disclosure, a large undisclosed arbitral award, a professional negligence charge and large fees. We have not checked the list against the orders and we do not rely on it. Even on his description, the period in each case turns on its own facts, earlier orders do not bind the DC, and we do not intend to reduce a measure that is within the range on the strength of an unverified list. But, we agree to the proposition that a professional who reads such a list will need to understand as to why his own case has been treated differently, and the Board is best placed to answer that before it is asked. A short comparison in the order serves consistency and is the best protection of the Board's order on appeal. In the same way, a severe order in a

grave case should say plainly what made the case grave, so that it is clear to the Resolution Professional (RP/IRP) why that case stands apart from a lapse of process. Orders recorded in this way will also lessen the need for any second round of measure/ penalty, either before the Board or before this Appellate Tribunal.

131. We clarify that the aforesaid suggestions are indicative and not exhaustive. No adverse observation is intended against the DC or the Board. We recognise that insolvency regulations are evolving and require continued refinement to strengthen the insolvency ecosystem, while allowing the Board necessary flexibility in discharging its regulatory functions. We rest our observations here.

132. In view of the above detailed discussions, we do not find any merit in the appeal. The appeal fails and stands rejected. There shall be no order as to costs. I.A., if any, stands closed.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

Naresh Salecha]
Member (Technical)

Sim