

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/332/2026

14 July 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11011/114/2025-IBBI-1846/1769 dated 25.11.2025, issued to Mr. Arunava Sikdar, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P00022/2016-17/10047 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI.

1. Background

- 1.1. The Corporate Insolvency Resolution Process (CIRP) of Dream Procon Private Limited (Corporate Debtor/CD) commenced *vide* order of the National Company Law Tribunal, New Delhi Bench (AA) dated 06.09.2019 on an application filed by Ms. Priyanshi Arora under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) and Mr. Manish Gupta was appointed as Interim Resolution Professional (IRP). Later, Mr. Arunava Sikdar was appointed as the Resolution Professional (RP) of the CD *vide* AA order dated 22.01.2025.
- 1.2. The Board received a complaint against Mr. Arunava Sikdar with regard to his failure to place the agenda for his replacement as RP despite request from financial creditors holding stipulated voting share in the committee of creditors (CoC). The Board examined the allegations in the above complaint *vis-à-vis* reply of Mr. Arunava Sikdar and based on such examination; formed a *prima facie* opinion that Mr. Arunava Sikdar has contravened provisions of the Code and Regulations made thereunder and issued SCN to Mr. Arunava Sikdar on 25.11.2025. Mr. Arunava Sikdar submitted his reply to the SCN on 23.12.2025.
- 1.3. The SCN and its response by Mr. Arunava Sikdar were referred to the Disciplinary Committee (DC) for disposal. Mr. Arunava Sikdar availed the opportunity of personal hearing before the DC through virtual mode on 06.03.2026. Mr. Arunava Sikdar also submitted his additional written submissions on 12.03.2026 and 13.03.2026. The DC has considered the SCN, the reply to SCN, oral and written submissions of Mr. Arunava Sikdar, and proceeds to dispose of the SCN.

2. Alleged Contravention, submissions of Mr. Arunava Sikdar and analysis and findings of the DC.

Failure to place the agenda for replacement of RP despite request from members of committee of creditors.

- 2.1 Section 27(1) of the Code provides that where, at any time during the CIRP, the CoC is of the opinion that an RP appointed under section 22 is required to be replaced, it may replace him with another RP in the manner provided therein. For this, the CoC must pass a resolution with at least sixty-six percent of the voting shares in a meeting and obtain the written consent of the proposed new RP in the prescribed form. The CoC is required to forward the name of the proposed RP to the AA, which, in turn, is required to forward the same to the Board for confirmation.
- 2.2 Regulation 18(3) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) provides that an RP may place a proposal received from members of the committee in a meeting, if he considers it necessary and shall place the proposal if the same is made by members of the committee representing at least thirty-three per cent of the voting rights.
- 2.3 It is noted that Mr. Arunava Sikdar did not place an agenda for his replacement before the CoC despite request to put such an agenda from financial creditors holding more than 40% voting rights in the CoC i.e., 211 creditors including 210 financial creditors in a class (home buyers/allottees) and one non-individual financial creditor.
- 2.4 Mr. Arunava Sikdar, in his reply during the complaint examination, submitted that the combined voting share of the two classes of homebuyers represented through their respective authorised representatives (ARs) constitutes nearly 90% of the total voting share in the CoC. Further, while placing reliance on the provisions of sections 5(28), 21 (6A), 25A (1), 25A (3A) of the Code read with Regulation 18(3) of the CIRP Regulations, Mr. Arunava Sikdar submitted that an agenda is required to be mandatorily placed only when the proposal is received from members of the CoC representing at least 33% voting rights and this threshold was not met in the present case.
- 2.5 Mr. Arunava Sikdar further submitted that in terms of sections 21(6A) and 25A(1), the financial creditors in a class are to be represented in the CoC by an AR who exercises their rights, including voting. Mr. Arunava Sikdar also relied on section 25A(3A) to submit that the voting by creditors in a class can be exercised by the AR only if more than 50% of the voting share within that class supports a particular decision. Accordingly, Mr. Arunava Sikdar stated that since the two homebuyer classes did not reach such intra-class majority (being only 34% in one class and 4% in the other), their ARs could not support the proposal for his replacement. On this basis, Mr. Arunava Sikdar submitted that individual consent from homebuyers cannot be equated to CoC voting share or treated as a valid requisition for placing an agenda.
- 2.6 Mr. Arunava Sikdar additionally submitted that he nonetheless considered the individual voting share of consenting creditors, but this too did not reach the 33% threshold, as recorded

in the 20th CoC meeting. According to Mr. Arunava Sikdar, the only valid support for the proposal was from M/s. Star Max Properties, holding 1.44% voting share, which fell significantly short of the requirement under Regulation 18(3) of the CIRP Regulations.

- 2.7 It was noted from the list of creditors and email correspondences with financial creditors that request for placing agenda for his replacement was received from creditors holding approx. 40% voting rights in the CoC. In view of this, Mr. Arunava Sikdar's submission that no formal proposal could be placed through the ARs owing to the absence of a 50% intra-class voting share in each homebuyer class was found to be misplaced. Similarly, Mr. Arunava Sikdar's submission that individual emails or preferences of homebuyers cannot override the statutory requirements is prima facie was not found satisfactory in view of the provision contained in Regulation 18(3).
- 2.8 It was noted in the SCN that Regulation 18(3) of CIRP Regulations expressly provides that an IP shall place a proposal received from the members of the committee and not the AR. Therefore, the submission of Mr. Arunava Sikdar that he did not place the agenda because formal request was not sent by the AR appears to be unfounded and afterthought as the said submission has not been offered to the CoC in its 20th CoC meeting which has also been relied upon by Mr. Arunava Sikdar. In the 20th CoC meeting, Mr. Arunava Sikdar had informed that *"he and his team conducted necessary exercise and found that the proposal for putting the agenda for change of RP, as received from homebuyers accounted for 32.35% which was lower than the 33% requirement under Regulation 18(3). Therefore, the request could not be placed before the CoC for consideration."* It is also further noted in the SCN that although request from creditors holding 33% voting share makes it mandatory upon an IP to place the requested agenda, but, as a prudent practice and for transparency, Mr. Arunava Sikdar could have placed the requested agenda even if according to him the mandatory threshold was not met as the request was received from creditors holding 32.35% voting share which is very proximate to the requirement as per Regulation 18(3) of CIRP Regulations.
- 2.9 As noted above, Mr. Arunava Sikdar did not place the agenda in the 20th CoC held on 29.03.2025, however he has not made any submission regarding not placing the agenda in the subsequent meetings. It was observed that email correspondence with financial creditors took place between March 18 and April 17, 2025, whereafter financial creditors/ home buyers association also wrote an email and letter dated 18.04.2025 to the ARs and to Mr. Arunava Sikdar to convene the CoC meeting with the requisitioned agenda, enclosing the list of 211 members of CoC who sent requests for placing said agenda along with their emails.
- 2.10 Thereafter, it was noted that 21st CoC meeting was convened on 26.05.2025 wherein without placing an agenda despite receiving request emails from the homebuyers till that time, Mr. Arunava Sikdar simply recorded/ informed the creditors that an application titled *Rajiv Kumar vs. Arunava Sikdar and Ors* was filed by a homebuyer seeking, *inter alia*, the replacement of the existing RP with the proposed RP and/or directions to convene a meeting of the CoC for voting on the confirmation of the appointment of the proposed RP.

- 2.11 As stated above, the filing of application before Hon'ble NCLT seeking *inter alia* replacement of RP reflects that Mr. Arunava Sikdar's failure to place the agenda requisitioned by the members of the CoC resulted in unnecessary litigation and delays in the process. It was noted that said application was disposed of and allowed by Hon'ble NCLT vide an order dated 03.11.2025 while observing as under:

"viii. Upon perusal of the relevant provisions of the Code, it is evident that a Resolution Professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty-three per cent of the voting rights.

*ix. We are of the considered view that in the present case, the Applicants comprise of 212 Homebuyers having total of 40.14% voting rights which is more than the required 33% of voting right as mandated by Regulation 18 which obligates the Resolution Professional to place the proposal for consideration before the CoC. The argument of the Respondent/Resolution Professional that the voting mechanism for Home buyers in a class is distinct, and their participation in CoC is through the Authorised Representative, subject to intra class approval cannot be accepted in the present case **because if every class of financial creditor is required to vote in one voice, then Regulation 18 of the CIRP Regulations would become redundant as any proposal to be put to vote would require that a majority should first agree that such proposal should be put before the CoC and only then can it be considered for voting by the members of the CoC.***

x. In the wake of above-mentioned arguments advanced by the Ld. Counsels of both the parties, it is evident that the Resolution Professional despite the repeated emails and requests sent by the Home buyers failed to call a meeting of the CoC to put to vote the agenda for his replacement

xi. Therefore, in the interest of justice and considering that the Applicant represents more than 40.14% of the CoC members, we direct the Resolution Professional to conduct a CoC meeting with the agenda seeking replacement of the current Resolution Professional/Mr. Arunava Sikdar with the proposed Resolution Professional/Mr. Sunil Kumar Agrawal. "

- 2.12 In view of the above, the Board held the prima-facie view that Mr. Arunava Sikdar had contravened Sections 27(1), 208(2)(a) & (e) of the Code, Regulation 18(3) of CIRP Regulations, Regulations 7(2)(a), 7(2)(h) of IP Regulations, read with Clauses 1, 2, 14 of the Code of Conduct as specified in First Schedule to IP Regulations.

Submissions by Mr. Arunava Sikdar.

- 2.13 Mr. Arunava Sikdar submitted that during the period of March-April 2025, certain individual homebuyers, who constitute financial creditors in a class, communicated through emails their preference that an agenda for replacement of the Resolution Professional be placed before the Committee of Creditors. These emails were received on different dates and were not made as a single, consolidated requisition. Upon receipt of such communications, he caused a detailed exercise to be undertaken to ascertain the voting share represented by the homebuyers who had sent such emails. Upon verification, it was found that the aggregate voting share of such individual homebuyers amounted to 32.35%, which was below the mandatory threshold of 33% prescribed under Regulation 18(3) of the CIRP Regulations.
- 2.14 Mr. Arunava Sikdar further submitted that he had placed this factual position before the members of the CoC in the 20th CoC meeting held on 29.03.2025 and recorded in the minutes that *"he and his team conducted necessary exercise and found that the proposal for putting the agenda for change of RP, as received from home buyers, accounted for 32.35% which was lower than the 33% requirement under Regulation 18(3). Therefore, the request could not be placed before the CoC for consideration."*
- 2.15 Mr. Arunava Sikdar further submitted that in addition to the numerical shortfall under Regulation 18(3), there existed a genuine and bona fide legal issue regarding the manner in which the 33% voting threshold was to be reckoned in the case of financial creditors in a class, namely, whether such threshold could be determined on the basis of individual emails of homebuyers or only through the Authorised Representatives in accordance with Section 25A(3A) of the Code. In view of this, he sought an independent legal opinion on the issue from a reputed law firm. which clarified that an Authorised Representative could exercise voting rights of the class only if more than fifty percent of the voting share within that class supported the proposal, and in the absence thereof, the AR could not lawfully act on behalf of the class. Mr. Arunava Sikdar immediately forwarded the said legal opinion to both Authorised Representatives on 30.04.2025.
- 2.16 Mr. Arunava Sikdar further submitted that in the interregnum, an application bearing IA No. 2019/2025 seeking his replacement as Resolution Professional had already been filed before the AA. Mr. Arunava Sikdar, in the 21st CoC meeting held on 26.05.2025, informed the members of the CoC about the pendency of the said application and stated that, as the issue had become sub-judice, he would await the decision of the AA. Mr. Arunava Sikdar also submitted that he had categorically assured the CoC that he would comply fully and without delay with whatever directions were issued by the AA, whether for placing the agenda before the CoC or for replacement of the Resolution Professional. Also, Mr. Arunava Sikdar reiterated the same position in the 23rd CoC meeting, clearly stating that upon pronouncement of the order in IA No. 2019/2025, he would implement the same forthwith.

- 2.17 Mr. Arunava Sikdar submitted that the AA, by its order dated 03.11.2025, directed to convene a meeting of the CoC with the agenda of replacement of the existing RP with the proposed RP. Mr. Arunava Sikdar further submitted that he had complied with the said direction in letter and spirit and convened the 25th CoC meeting on 17.11.2025, wherein the agenda for replacement was duly placed before the CoC. After detailed deliberations, the matter was put to e-voting and the proposal for replacement was approved by more than 66% of the voting share of the CoC. Pursuant thereto, an application being IA No. 5969/2025 under Section 27 of the Code was filed by the Authorised Representative of the homebuyers (First Sale Class) before the AA, which application was heard and allowed by order dated 10.12.2025, thereby confirming the replacement of Mr. Arunava Sikdar. He submitted that the AA order dated 03.11.2025 did not record any adverse remark, criticism or finding of wrongdoing.
- 2.18 Mr. Arunava Sikdar further submitted that Sections 21(6A) and 25A of the Code read together establish that when financial creditors belong to a class, the rights of such creditors, including voting, are to be exercised by the Authorised Representative of the class. Section 25A(3A) further provides that the Authorised Representative may exercise the voting rights of the class only upon satisfaction of the intra-class support threshold, namely that more than fifty percent of the voting share of the members of that class support the decision sought to be made. This statutory mechanism is explicit in its design to ensure that the class speaks through a representative who has a mandated intra-class mandate before exercising the collective voting right of the class. Regulation 18(3) of the CIRP Regulations obliges a Resolution Professional to place before the CoC any proposal received from members of the committee if such proposal is made by members representing at least thirty-three percent of the voting rights, and it makes placing the proposal mandatory in such event. The proper interpretative exercise requires that Regulation 18(3) be read harmoniously with Sections 21 and 25A in a scenario where a class is represented through an Authorised Representative and the statutory intra-class threshold for the AR's exercise of voting rights is not met, the AR cannot validly express the class-vote and therefore the mechanism contemplated in Regulation 18(3) is not triggered by disparate individual emails outside the AR mechanism.
- 2.19 Mr. Arunava Sikdar further submitted that in the absence of an intra-class majority enabling the ARs to lawfully express the votes of their respective classes, the statutory preconditions for triggering Regulation 18(3) were not satisfied. Mr. Arunava Sikdar submitted that such an interpretation was supported by the language of Sections 21 and 25A and by the prevalent in the profession regarding the operation of class representation since enactment of the statutory provisions. A difference in legal interpretation on a matter that involves interaction of multiple provisions cannot be equated with mala fide conduct or negligence. It is noteworthy that the concept of voting through AR in case of creditors in class was introduced in the Code to ensure that in cases having huge number of creditors in class, the process is not interdicted by individuals having vested interest and to bring finality to decision making process.

- 2.20 Mr. Arunava Sikdar submitted that it is a settled position of law that disciplinary enquiry proceedings relating to professional misconduct are quasi-criminal in nature, as such proceedings may adversely affect a professional's right to practice their profession. In other words, being quasi-criminal, cases are required to be proved beyond reasonable doubt, and the burden of proof lies on the complainant. The evidence must be of such a character as to leave no reasonable doubt regarding the guilt of the respondent. In this regard, reliance is placed on the judgment of the three-judge bench of the Hon'ble Supreme Court in *H. V. Panchaksharappa vs. K. G. Eshwar* (AIR 2000 SC 3344).

Analysis and Findings of the DC.

- 2.21 The DC notes that the CIRP of the CD commenced vide order dated 06.09.2019 of the AA and Mr. Manish Gupta was appointed as the IRP of the CD. Subsequently, Mr. Nilesh Sharma was appointed as the RP of the CD and thereafter Mr. Arunava Sikdar replaced him as RP of the CD. Mr. Rajeev Dhingra was the Authorized Representative of Financial Creditors in a class comprising homebuyers (first sale) holding 77.94% voting share, while Mr. Nitesh Kumar Sinha was the Authorized Representative of Financial Creditors in a class consisting of financial creditors having builder-buyer agreements for flats already agreed to be sold earlier holding 12.29% of voting share. One financial creditor outside these classes, namely M/s. Star Maxx Properties was holding 1.44% of the total voting rights of the CoC.
- 2.22 The DC notes that before the convening of the 20th CoC meeting scheduled to be held on 29.03.2025 at 4 p.m., certain homebuyers and financial creditors, being members of the CoC had mailed to Mr. Arunava Sikdar under Regulation 18 of the CIRP Regulations, 2016 requesting to put an agenda of his replacement under Section 27 of the Code, 2016, and proposing the appointment of Mr. Sunil Kumar Agrawal (IBBI Regn: IBBI/IPA-002/IP-N00081/2017-18/10222) as the new RP.
- 2.23 The DC notes that Victory Welfare Association (VWA) requested to place agenda seeking replacement of Mr. Arunava Sikdar as RP under Section 27 of the Code, as emails were sent to the process email id of the CD i.e., ip.dreamprocon@gmail.com by the homebuyers and financial creditors constituting more than 34.42% of the total voting rights of the CoC requesting his replacement. Victory Welfare association had sent email to Mr. Arunava Sikdar on 27.03.2025 requesting to place the agenda for replacement of the RP along with the cumulative list of creditors [List-A]. Further, a follow-up email dated 29.03.2025, was addressed to Mr. Arunava Sikdar before the commencement of the 20th CoC Meeting, requesting inclusion of the agenda for replacement of the RP in the said meeting.
- 2.24 The DC notes that Mr. Arunava Sikdar in the 20th COC meeting held on 29.03.2025 informed the CoC about the receipt of the request to place the agenda for replacement of RP from individual homebuyers and the non- financial creditors aggregated to 32.24%, which does not meet the threshold of 33% of voting rights of the CoC. The relevant extract of the discussion for replacement of RP in the minutes of the CoC meeting is given below:-

“The Chairman informed the members that that he and the both the ARs had been receiving emails on different dates, i.e., in a piecemeal manner and not in one go from homebuyers, in which they had proposed a change of the Resolution Professional. The Chairman informed that as per Regulation 18(3) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, a proposal received from the CoC may be placed in a meeting if it is made by members representing at least thirty-three percent of the voting rights. The Chairman informed the members that he and his team had conducted the necessary exercise and found that the proposal for putting the agenda for the change of RP, as received from the homebuyers, accounted for 32.35%, which was lower than the 33% requirement under Regulation 18(3). Therefore, the request could not be placed before the CoC for consideration. He reiterated that any such proposal must comply with the regulatory requirements to be formally taken up in the meeting. Mr. Rajeew Dhingra, the Authorized Representative of Financial Creditors in a class (Homebuyers - First Sale) requested to share the details of 32.35% and further requested the Chairman to apprise the next course of action as to whether the homebuyers would be required to issue fresh email for consideration of the agenda in the next meeting for change of RP. The Chairman further informed the members that, in case if the homebuyers wish to propose an agenda for the change of the Resolution Professional, they would be required to submit a fresh proposal with consolidated list containing voting share of 33% or more because, during the present meeting, the required voting threshold as stipulated under Regulation 18(3) has not been met. The Chairman clarified that upon receiving such a fresh proposal, the matter would be duly considered, and appropriate steps would be taken in accordance with the relevant provisions. He reassured the members that the process would be conducted in a fair and transparent manner, ensuring compliance with the applicable regulations.”

- 2.25 The DC further notes that Mr. Arunava Sikdar, vide email dated 01.04.2025 had provided the list of homebuyers/CoC members from whom emails had been received seeking placement of a resolution for change of the RP. The DC notes that such emails were received from 143 homebuyers falling under the class of Financial Creditors in Class (Home Buyers – First Sale), holding an aggregate voting share of 27.61%; 22 homebuyers falling under the class of Financial Creditors in Class (Builder Buyer Agreement), holding an aggregate voting share of 3.19%; and one CoC member, namely M/s Star Max Properties, holding 1.44% voting share. Accordingly, emails were received from a total of 166 homebuyers/CoC members collectively holding an aggregate voting share of 32.24% (27.61% + 3.19% + 1.44%) [**‘List B’**].
- 2.26 The DC observes a pertinent inconsistency in the submissions of Mr. Arunava Sikdar. It was recorded in the minutes of the 20th CoC meeting that, *Mr. Arunava Sikdar informed the CoC that the proposal received from the homebuyers seeking inclusion of an agenda for the replacement of the Resolution Professional represented 32.35% of the voting share, which was below the threshold of 33% prescribed under Regulation 18(3). However, the details subsequently furnished by Mr. Arunava Sikdar indicate that emails expressing support were*

received from a total of **166 homebuyers/CoC members** holding an aggregate voting share of only **32.24%**. This discrepancy in the voting share itself demonstrates inconsistencies in the database and records maintained by Mr. Arunava Sikdar, thereby casting doubt on the accuracy and reliability of the data relied upon by him.

2.27 The DC perused the email dated 27.03.2026 sent by the Victory Welfare Association to Mr. Arunava Sikdar, along with the list of homebuyers stated to constitute 34.42% of the CoC voting share, seeking the replacement of Mr. Arunava Sikdar as the Resolution Professional. The DC carefully compared the list of homebuyers (List-B) provided by Mr. Arunava Sikdar, constituting the Committee of Creditors who have requested for replacement of RP constituting 32.24% of voting rights with the list of homebuyers furnished by the Victory Welfare Association (List-A), which claimed to represent 34.42% of the CoC voting share. The DC noted that 11 homebuyers constituting 2.37% of the total voting rights were not included in the list as provided by Mr. Arunava Sikdar but were provided in the Victory Welfare Association list as shared on 27.03.2026.

2.28 The DC, accordingly, vide email dated 08.06.2026, sought clarification from Mr. Arunava Sikdar and Mr. Sunil Aggarwal, the present Resolution Professional, regarding the status of the aforesaid 11 homebuyers. Copy of this email was also sent to the Victory Welfare Association. Upon detailed scrutiny of the email trail furnished in respect of the said 11 homebuyers comprising the dates as recorded in the communication of Mr. Arunava Sikdar dated 10.06.2026, the subsequent clarifications furnished by the present Resolution Professional, Mr. Sunil Aggarwal, vide his emails dated 15.06.2026, 03.07.2026, 07.07.2026 and 10.07.2026, and the e-mails forwarded by the VWA dated 24.06.2026, the DC notes that only 4 of the said 11 e-mails, namely Sl. No. 4, 5, 9 and 10, could be said to have been received before the 20th CoC meeting on 29.03.2025, which cumulatively constitute 0.66% of the voting share. The remaining 7 email were found to be received after the CoC meeting on 29.03.2025 for the reasons recorded against each of them. The table showing the status is reproduced below:

S. No	Name of the Home buyer	Date of 1 st email as per email dt. 10.6.26 of Arunava Sikdar	Date of 1 st email as per mails dt.15.6.26, 03.07.26 & 07.07.26 of new RP	Date of first email as per VWA's email dated 24.06.26	Vote %	Eligible Vote	Remarks
1	Vishal Mehrotra and Meera Bhatia Mei	29-03-25	29-03-25 at 5:16 pm	29-03-25 at 5:16 pm	0.23%		Email received by RP on 29.03.2026 at 5:116 pm after the CoC Meeting at 4 p.m.
2	Sunil Harjai and Siddharth Harjai	01-04-25	01-04-25	01-04-25	0.21%		Email received by RP after the CoC meeting conducted on 29.03.2025
3	Asghar Zaheer Khan	07-04-25	07-04-25	18-03-25	0.21%		Copy of email dt. 18.03.25 of the home buyer provided by VWA shows only VWA as the recipient

	& Niles Mahesh						in Bcc: and therefore, does not show other recipients of the mail. On this email being forwarded to present RP, he confirmed that mail dt. 18.03.25 has not been received and only email dt 07.04.25 has been received.
4	Poonam Lamba/ Megha Lamba	07-04-25	24-02-25	24-02-25	0.18%	0.18%	Sent by Megha Lamba email id
5	Manoj Prakash & Nitu Chandra Kiran	NA	25-03-25	25-03-25	0.20%	0.20%	The email has been sent to the process email id and has been confirmed of having been received by the present RP
6	Sunil Harjai and Siddharth Haria,	NA	01-04-25	01-04-25	0.29%		Email received by RP after the CoC meeting conducted on 29.03.2025
7	Romesh Kohli and Varun Kohli	NA	NA	17-03-25	0.20%		Email of home buyer forwarded by VWA is not sent to process email id or IP's email id.
8	Manish Saxena	NA	NA	14-04-25	0.50%		Email received by RP after the CoC meeting conducted on 29.03.2025
9	Anil Mittal HUF	02-04-25	22-03-25	22-03-25	0.10%	0.10%	The email has been sent to the process email id and has been confirmed of having been received by the present RP
10	Devendra Gupta Gupta Buildcon	NA	22-03-25	22-03-25	0.18%	0.18%	The email has been sent to the process email id and has been confirmed of having been received by the present RP
11	Kalpana Gupta	NA	30-03-25	30-03-25	0.07%		Email received after the CoC meeting conducted on 29.03.2025
	Total				2.37%	0.66%	

2.29 In view of the foregoing, the DC finds that the 4 emails were received before the 20th CoC meeting, aggregating 0.66% of the voting share, making them eligible to be counted towards the threshold of 33%. When the same is added to the 32.35% voting share which was the voting share of members requesting replacement as admitted by Mr. Arunava Sikdar in the 20th CoC Meeting on 29.03.2025, it takes the cumulative voting share of homebuyers seeking his replacement to 33.01%, thereby exceeding the threshold of 33% voting rights stipulated under Regulation 18(3) of the CIRP Regulations. If, the voting share of members of CoC of the 4 emails is added to voting share of 32.24% as per the list provided to the AR by email dated 01.04.2025, the cumulative voting share amounts to 32.90%.

2.30 Regulation 18(2) of the CIRP Regulation stipulates as follows:

18. Meetings of the committee

“(1).....

(2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty three per cent of the voting rights.

Explanation: For the purposes of sub-regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority.

(3) A resolution professional may place a proposal received from members of the committee in a meeting, if he considers it necessary and shall place the proposal if the same is made by members of the committee representing at least thirty three per cent of the voting rights.

.....”

2.31 The DC notes that there is a statutory mandate on the resolution professional to place a proposal in a meeting of the CoC when such a proposal is received from members of the CoC representing at least thirty-three per cent of the voting rights. However, the regulation also states that the resolution professional may place a proposal in a meeting if he considers it necessary on it being received from members of the CoC. Therefore, there is a discretion on part of the resolution professional to place any proposal in a meeting of CoC even if same is not received from requisite number of the members of the CoC. This discretion available to a resolution professional is expected to be exercised by him in a transparent and non-partisan manner and with due consideration of his overall professional standards and the prescribed code of conduct. In cases where the proposals of the meeting, as submitted by the members of the CoC, might involve any situation of conflict of interest, in the interest of the transparency and integrity of the whole process, a resolution professional must display his bona-fide by acceding to the requests of the members and place the proposal in the meeting of the CoC. In any case, any decision of the meeting of the CoC on such a proposal would follow the higher threshold of 66%. The placing of proposal in the meeting is only to provide a discussion platform for the CoC members and per-se does not cause any harm to the Resolution Professional.

2.32 The DC notes in the instant case, Mr. Arunava Sikdar himself submitted that he had received emails from creditors in a class having voting share of 32.35% till 29.03.2025. Therefore, there was a discretion on part of Mr. Arunava Sikdar to place the proposal received from such members. The DC notes that, in view of the overall professional duties of a resolution professional, deciding not to place the proposal in the meeting of the CoC by Mr. Arunava Sikdar, which was with respect to his removal, on the ground that the request from requisite number of members falls nominally short (i.e. 0.65% as per his own submission), does not bode well with his overall professional duty and the professional standards to be followed by him. Such an act shows lack of *bona fide* in exercise of his discretion while carrying out the CIRP.

- 2.33 The DC makes it pertinent to mention that in the DC orders in the case of Mr. Srigopal Choudhary [No. IBBI/DC/238/2024 dated 06.08.2024] and Mr. Yogesh Kumar Gupta [No. IBBI/DC/249/2024 dated 18.10.2024] similar view had been taken that the discretion as vested with the RP under Regulation 18(3) of the CIRP Regulation is expected to be exercised with care and with adequate reasons and specifically in the cases where self-interest of the incumbent is involved and where homebuyers face a genuine difficulty in coordinating themselves. These precedents also negate the contention of Mr. Arunava Sikdar that this was the understanding prevalent in the profession.
- 2.34 The DC notes that consequent to the 20th CoC Meeting, requests from homebuyers and other financial creditors purportedly holding more than 40% of the total voting rights were received seeking to place the agenda for replacement of Mr. Arunava Sikdar as RP. Mr. Arunava Sikdar sought an independent legal opinion on 21.04.2025 regarding interpretation on counting of votes relating to class voting as per provisions of Sections 21(6A), 25A and Regulation 18(3) for consideration of the given proposal by homebuyers. The Legal Opinion was received on 30.04.2025, opining that an Authorized Representative could exercise voting rights of the class only if more than fifty percent of the voting share within that class supported the proposal, and AR can act only when more than 50% of the voting share within the class supports the proposal. Mr. Arunava Sikdar forwarded the said legal opinion to both Authorized Representatives on 30.04.2025.
- 2.35 One Application bearing IA. 2019/2025 was preferred by a group of homebuyers on 24.04.2025 seeking replacement of Mr. Arunava Sikdar. In the 21st CoC meeting held on 26.05.2025, Mr. Arunava Sikdar informed the CoC that since IA No.2019/2025 seeking replacement of RP is already sub judice before the AA he will have to await the outcome of the same. The AA vide its order dated 03.11.2025 directed to convene meeting for placing agenda on the replacement of the RP with the observation that since about 40% of homebuyers have filed the application (counting the votes individually and not in a class) the same being more than 33% as required. Consequently, 25th CoC meeting was convened on 17.11.2025, and agenda for replacement was placed for voting and the same was approved with more than 66% voting share.
- 2.36 Mr. Arunava Sikdar sought to defend his action of rejecting the request made by the homebuyers for placing the resolution for replacement of the RP, despite the aggregate voting share exceeding the threshold of 33% voting rights, on the ground that the votes of homebuyers belonging to the “First Sale” and “Builder Buyer Agreement” classes could not be counted individually for the purpose of satisfying the 33% voting share threshold prescribed under Regulation 18(3) of the CIRP Regulations. Mr. Arunava Sikdar interpreted section 25A(3A) of the Code in the manner that creditors in a class act collectively as a group and do not exercise individual rights, except for the purpose of voting on a proposal under section 12A of the Code, as per the settled position of law. Since, in the instant case, neither of the two classes had attained the requisite internal majority in support of the proposal, their voting shares, could not be reckoned towards the 33% threshold stipulated under Regulation 18(3) of the CIRP Regulations.

- 2.37 With respect to the interpretation of section 25A(3A) of the Code, regarding requirement of internal majority in each class of creditors, for putting forth the proposal for the CoC meeting, the DC deems it pertinent to refer to section 25A of the Code which provides as follows:

25A. Rights and duties of authorised representative of financial creditors. –

(1) The authorised representative under sub-section (6) or sub-section (6A) of section 21 or sub-section (5) of section 24 shall have the right to participate and vote in meetings of the committee of creditors on behalf of the financial creditor he represents in accordance with the prior voting instructions of such creditors obtained through physical or electronic means.

(2) It shall be the duty of the authorised representative to circulate the agenda and minutes of the meeting of the committee of creditors to the financial creditor he represents.

(3) The authorised representative shall not act against the interest of the financial creditor he represents and shall always act in accordance with their prior instructions:

Provided that if the authorised representative represents several financial creditors, then he shall cast his vote in respect of each financial creditor in accordance with instructions received from each financial creditor, to the extent of his voting share:

Provided further that if any financial creditor does not give prior instructions through physical or electronic means, the authorised representative shall abstain from voting on behalf of such creditor.

(3A) Notwithstanding anything to the contrary contained in sub-section (3), the authorised representative under sub-section (6A) of section 21 shall cast his vote on behalf of all the financial creditors he represents in accordance with the decision taken by a vote of more than fifty per cent. of the voting share of the financial creditors he represents, who have cast their vote:

Provided that for a vote to be cast in respect of an application under section 12A, the authorised representative shall cast his vote in accordance with the provisions of subsection (3).

- 2.38 The DC observes that section 25A provides right to an AR to participate and vote in the CoC meetings. The AR votes on behalf of all the financial creditors he represents in accordance with the decision taken by more than fifty per cent of voting share of such financial creditors he represents. Accordingly, the voting criteria as mentioned in sub-section (3A) is for the purpose of casting vote during the meetings of the CoC on any proposal on behalf of the entire creditors in class. This section does not come in way of the requirements of regulation 18(3) which deals with situation prior to the conduct of meeting of the CoC where the members of the committee can approach directly to Resolution Professional with respect to placing of any proposal in the meetings of the CoC. While section 25A(3A) deals with a situation where only there are

creditors in class while regulation 18(3) covers a CD in general and need not necessarily a CD involving creditors in class. Further, the agenda in regulation 18(3) is any agenda and not an agenda of replacement of incumbent. The role of section 25A(3A) does not restrict the right provided to the individual members of the CoC under Regulation 18(3). Therefore, if the individual members of the committee having more than thirty-three per cent of the voting rights request the Resolution Professional to place a proposal in the meeting of the CoC, the Resolution Professional is bound in terms of Regulation 18(3) to place such proposal. However, in the instant case, where Mr. Arunava Sikdar had received request from the individual financial creditors having more than 40% of voting share for placing proposal of replacement of RP, he instead of convening the meeting, chose to await a legal opinion on the issue and thereby delaying the process.

2.39 The DC is of the view that such an interpretation by Mr. Arunava Sikdar is not appropriate and cannot be accepted. Regulation 18(3) of the CIRP Regulations is clear in its intent that the Resolution Professional must mandatorily place the proposal in a meeting if the same is made *“by members of the committee representing at least thirty-three per cent of the voting rights.”* Therefore, in the instant case when subsequent to the 20th CoC meeting the request for proposal of replacement of RP was made by the financial creditors, including home-buyers, having more than 40% of voting share, it was incumbent on Mr. Arunava Sikdar to place such proposal in the next meeting of the CoC. In fact, if the interpretation of Mr. Arunava Sikdar is followed, it will make the percentage of 33% as specified in regulation 18(3) otiose as in a CD with creditors in class, the same will have to be at least 50% for consideration of their request for an agenda item as against 33% for CD not having creditors in class. Such an interpretation which makes the provision otiose in a situation of creditors in class is an absurd interpretation.

2.40 The DC further notes that Mr. Arunava Sikdar’s stand on the manner of counting the voting share of homebuyers for the purposes of Regulation 18(3) has not been consistent and has shifted materially over the course of these proceedings, resulting in avoidable consumption of time. In the 20th CoC meeting held on 29.03.2025, Mr. Arunava Sikdar himself arrived at the figure of 32.35% (homebuyers and financial creditors requesting for the agenda for replacement) by aggregating the homebuyers requesting replacement on an individual basis, without invoking any requirement of an intra-class majority under Section 25A(3A) of the Code, and informed the CoC as follows:

“...he and his team conducted necessary exercise and found that the proposal for putting the agenda for change of RP, as received from home buyers, accounted for 32.35% which was lower than the 33% requirement under Regulation 18(3). Therefore, the request could not be placed before the CoC for consideration...”

..The Chairman further informed the members that, in case if the homebuyers wish to propose an agenda for the change of the Resolution Professional, they would be required to submit a fresh proposal with consolidated list containing voting share of 33% or more because, during the present meeting, the required voting threshold as stipulated under Regulation 18(3) has not been met. The Chairman clarified that upon

receiving such a fresh proposal, the matter would be duly considered, and appropriate steps would be taken in accordance with the relevant provisions.”

It is significant that this exercise, undertaken and recorded by Mr. Arunava Sikdar in his own words in the minutes of the 20th CoC meeting, proceeded on a straightforward aggregation of individual homebuyers’ voting shares across both classes, without any suggestion, at that stage, that the votes of homebuyers belonging to the “First Sale” and “Builder Buyer Agreement” classes required to be reckoned only through an intra-class majority under Section 25A(3A) of the Code. It was only after the support of homebuyers subsequently crossed the 33% threshold, and in fact exceeded 40% of the voting rights of the CoC, that Mr. Arunava Sikdar took the position, for the first time, that individual counting was impermissible and that the votes of each class had to be reckoned only if an intra-class majority of more than fifty percent supported the proposal. The DC notes that this shift, from individual counting when the aggregate fell short of the threshold to insistence on intra-class majority once the aggregate exceeded the threshold, reflects a motivated change of stand to avoid placing an agenda which is against his interest.

- 2.41 Furthermore, the DC notes that by withholding the agenda, Mr. Arunava Sikdar effectively pre-empted the CoC from exercising its statutory right under Section 27(1) of the Code, thereby frustrating the legislative intent underlying the said provision. The DC notes that, owing to this motivated interpretation on the part of Mr. Arunava Sikdar, the homebuyers were constrained to prefer IA No. 2019/2025, adjudication whereof consumed considerable time. Ultimately, vide order dated 03.11.2025, the AA while deciding IA No. 2019/2025, observed that nearly 40% of the homebuyers had supported the application and that the same exceeded the threshold of 33% contemplated under Regulation 18 of the CIRP Regulations. The AA also observed:-
“The argument of the Respondent/Resolution Professional that the voting mechanism for Home buyers in a class is distinct, and their participation in CoC is through the Authorised Representative, subject to intra class approval cannot be accepted in the present case because if every class of financial creditor is required to vote in one voice, then Regulation 18 of the CIRP Regulations would become redundant as any proposal to be put to vote would require that a majority should first agree that such proposal should be put before the CoC and only then can it be considered for voting by the members of the CoC.”

Accordingly, the AA directed Mr. Arunava Sikdar to convene a CoC meeting and place the agenda for replacement of the RP before the CoC. Hence, it can be seen that the AA also observed about the absurd interpretation being taken by Mr. Arunava Sikdar.

- 2.42 The DC notes that a prudent Resolution Professional, in view of the statutory mandate under Regulation 18(3) and of his role as a facilitator rather than an arbiter of the CoC's will, ought to have placed the agenda for consideration before the CoC in the very first instance itself, leaving the merits of the proposal to be decided by the CoC through voting. The professional has to pay heed to the voice of the stakeholders and needs to be seen not to be acting in his self-interest. Even if the request for agenda is short by a small percentage, the same should have been acceded as the placement of agenda is only for the consideration of the CoC. If the agenda

is not supported by others, the same will not be approved. But in the process, the stakeholders will feel their voice heard and professional will not be seen acting in his self-interest.

- 2.43 The DC notes that the submission of Mr. Arunava Sikdar that the present proceedings are quasi-criminal in nature and must therefore be tested on the standard of proof beyond reasonable doubt, is misconceived and therefore, cannot be accepted. The disciplinary proceedings are civil and quasi-judicial in character and are not akin to a criminal trial and therefore do not require proof beyond reasonable doubt. There is no strict requirement of *mens rea* while examining the conduct of the resolution professional and even a negligence on part of resolution professional in performance of his duties shall suffice the need for the Board, being regulatory authority, to take appropriate action as permissible under the Code and Regulations.
- 2.44 The standard of proof required in the disciplinary proceedings is the preponderance of probabilities arising from the documentary record, the disclosures (and non-disclosures) on file, and the Resolution Professional's own responses to the Show Cause Notice, and not on any heightened criminal standard. The DC notes that the proceedings initiated by the Board under sections 218 to 220 of the Code are inquisitorial in nature not adversarial. They are intended to examine whether an insolvency professional has complied with the provisions of the Code, the Regulations, and the Code of Conduct in conduct of his professional duties. The objective of these proceedings is to ensure professional accountability and maintaining the integrity of the insolvency regime rather than strict compliance of proofs. Hence, the DC is unable to accept the said contention.
- 2.45 In view of the foregoing analysis, the DC is of the considered view that Mr. Arunava Sikdar failed to discharge his statutory obligations under Regulation 18(3) of the CIRP Regulations by not placing the proposal for replacement of the RP before the CoC despite receipt of requests from members representing more than the requisite threshold of 33% voting share. The DC finds that, once the prescribed threshold stood satisfied, Mr. Arunava Sikdar was under a mandatory obligation to convene the meeting and place the proposal before the CoC, and he could not have withheld the same on the basis of his motivated change of stand regarding interpretation of the Regulation 18(3) which was not being taken by him till the 20th CoC meeting.
- 2.46 Accordingly, the DC holds that Mr. Arunava Sikdar had acted in contravention of Section 27(1), 208(2)(a) & (e) of the Code, Regulation 18(3) of CIRP Regulation, Regulations 7(2)(a), 7(2)(h) of IP Regulations, read with Clauses 1, 2, 14 of the Code of Conduct specified in First Schedule to IP Regulations.

3. Order.

- 3.1. The DC in exercise of the powers conferred under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends the registration of Mr. Arunava Sikdar (Registration No. IBBI/IPA-001/IP-P00022/2016-2017/10047) for a period of one year.

- 3.2. This Order shall come into force on expiry of 30 days from the date of its issue.
- 3.3. A copy of this order shall be sent to the CoC of all the corporate debtors in which Mr. Arunava Sikdar is providing his services. The CoC of the respective corporate debtors shall replace Mr. Arunava Sikdar with another Resolution Professional in terms of Section 27 of the Code.
- 3.4. A copy of this order shall be forwarded to Indian Institute of Insolvency Professionals of ICAI where Mr. Arunava Sikdar is enrolled as a member.
- 3.5. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.
- 3.6. Accordingly, the show cause notice is disposed of.

Dated: 14 July 2026
Place: New Delhi

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