

# INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## (Disciplinary Committee)

No. IBBI/DC/319/2026

07 May 2026

### ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/85/2025-IBBI-1830/1685 dated 27.10.2025, issued to Shri Shankar B. Iyer, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-002/IP-N00615/2018-19/11850 and a Professional Member of the ICSI Institute of Insolvency Professionals.

#### 1. Background

- 1.1 The corporate insolvency resolution process (CIRP) of M/s Indiranagar Chit Funds and Trading Company Private Limited (CD) commenced *vide* order of the National Company Law Tribunal, Bengaluru Bench (AA) dated 28.01.2020 on an application filed by Rajendra. P. under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC/Code). The Committee of Creditors (CoC) in its 4<sup>th</sup> meeting assessed the assets vis-a-vis liabilities of the CD and resolved to liquidate the CD and the AA ordered the liquidation under Section 33 and Shri Shankar B Iyer was appointed as the Liquidator *vide* its order dated 23.11.2020.
- 1.2 The Board took note of the observation made by the AA against Shri Shankar B Iyer in its order dated 21.01.2025, The Board sought response from Shri Shankar B Iyer *vide* email dated 12.08.2025 to which he submitted reply *vide* emails dated 26.08.2025, 01.09.2025 and 04.09.2025. The Board examined the observations of the AA vis-à-vis reply of Shri Shankar B Iyer. Based on such examination, the Board formed a *prima facie* opinion that Shri Shankar B Iyer had contravened provisions of the Code and Regulations made thereunder and issued a SCN to Shri Shankar B Iyer on 27.10.2025. Shri Shankar B Iyer submitted his response to the SCN on 25.11.2025.
- 1.3 The SCN and its response by Shri Shankar B Iyer were referred to the Disciplinary Committee (DC) for disposal. Shri Shankar B Iyer availed the opportunity of personal hearing before the DC through virtual mode on 27.03.2026.

#### **Alleged Contravention, submissions of Shri Shankar B Iyer and findings of the DC.**

The DC has considered the SCN, the reply to the SCN, oral submissions of Shri Shankar B. Iyer and proceeds to dispose of the SCN.

## **2. Contraventions.**

### **2.1 Inordinate delay in filing applications for exclusion and extension of liquidation period.**

- 2.1.1 Regulation 44 of the IBBI (Liquidation Process) Regulations, 2016 (Liquidation Regulations) mandates that the liquidator shall liquidate the CD within a period of one year from the liquidation commencement date (LCD), notwithstanding pendency of any application for avoidance of transactions. If the liquidator fails to liquidate the CD within one year, he shall make an application to the Adjudicating Authority (AA) to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.
- 2.1.2 In the present matter, liquidation of the CD commenced on 23.11.2020. Accordingly, as per Regulation 44 of Liquidation Regulations, the liquidation period was due to expire on 22.11.2021. The Hon'ble Supreme Court, *vide* its order dated 10.01.2022 directed that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings. The Regulation 47A of Liquidation Regulations provides that the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of computation of the time-line for any task that could not be completed due to such lockdown, in relation to any liquidation process. Accordingly, considering the Covid-19 period exclusion, the liquidation period expired on 28.02.2023.
- 2.1.3 It was observed that Shri Shankar B Iyer filed an IA No. 855/2023 seeking exclusion of the Covid-19 period on 14.07.2023, i.e., nearly after 500 days from the date of the Hon'ble Supreme Court's order. Subsequently, he filed an IA No. 734/2024 on 11.06.2024 seeking extension of liquidation period by 673 days, i.e., from revised expiry of liquidation period on 28.02.2023 till 31.12.2024. The said application was filed after more than 450 days from the expiry of liquidation period on 28.02.2023.
- 2.1.4 In his response to Board, Shri Shankar B Iyer submitted that he was advised by NCLT Court Office to first file and obtain disposal of the IA for Covid period exclusion before filing any application for extension of liquidation period. Consequently, after the AA allowed the exclusion application on 16.04.2024, he filed the extension application on 11.06.2024. However, it is noted that the exclusion application itself was filed approximately 500 days after the Hon'ble Supreme Court's order. Even after accounting for Covid period exclusion, the liquidation period expired in February 2023. Therefore, the extension application ought to have been filed prior to such expiry, without awaiting for disposal of exclusion application. Moreover, even after the exclusion was granted, there was an additional delay of nearly two months in filing the extension application. Shri Shankar B Iyer had failed to provide any valid justification for this delay apart from citing the pendency of the exclusion application.

2.1.5 Shri Shankar B Iyer's explanation indicates reliance on informal guidance and personal interpretation of the applicable legal provisions. However, both the exclusion and extension applications could have been filed simultaneously, as these are independent proceedings. Given the emphasis on strict adherence to timelines under the Code and the Regulations framed thereunder, the inordinate delay of over 500 days in filing the exclusion application and 450 days in filing the extension application reflects a serious lapse and lack of diligence on his part.

2.1.6 It is further observed that the AA *vide* order dated 16.04.2024 imposed a cost of Rs.25,000 (Rupees twenty five thousand) on Shri Shankar B Iyer on the ground that he failed to provide a proper justification, as regards delay in filing application seeking exclusion of 463 days from the liquidation period. Further, *vide* order dated 21.01.2025, the AA observed that he filed application seeking extension of liquidation period with a delay of more than 500 days. It further observed,

*"...We find that the act of Liquidator is completely careless and he does not bothered to make extension Application for the liquidation period within the timeline provided under the Rules. The Liquidator has been asked to explain the reason for not making Application in time, but he could not offer reasonable cause for the delay..."*

2.1.7 In view of the above, it was observed that Shri Shankar B Iyer had *prima facie* contravened the provisions of Section 208(2)(a) and (e) of the Code, Regulation 44 of Liquidation Regulations, Regulation 7(2)(a) and (h) of IBBI (Insolvency Professional) Regulations, 2017 (IP Regulations), read with read with Clause 13 and 14 of the Code of Conduct specified in IP Regulations.

## **2.2 Delay in submission of progress reports and non-filing of Liquidation Forms**

2.2.1 Section 35(1)(n) of the Code mandates the liquidator to report the progress of the liquidation process in a manner as may be specified by the Board. Regulation 15 of Liquidation Regulations mandates the liquidator to submit progress reports to the Adjudicating Authority (AA) within fifteen days after the end of every quarter. The Board *vide* its Circulars No. IBBI/LIQ/73/2024 dated 28.06.2024, IBBI/LIQ/76/2024 dated 09.10.2024, IBBI/LIQ/79/2024 dated 02.12.2024 and IBBI/LIQ/80/2025 dated 09.01.2025, extended the last date for submission of liquidation and voluntary Liquidation Forms till 31.03.2025.

2.2.2 In the present matter, Shri Shankar B Iyer filed the first progress report dated 19.04.2021, second progress report dated 26.08.2021 and third progress report dated 05.11.2021. It is further noted that progress reports for subsequent quarters were belatedly filed in 2025, starting from 4<sup>th</sup> progress report dated 21.05.2025 up to the 19<sup>th</sup> progress report dated 19.07.2025. With respect to filing of Liquidation Forms, it is observed that Shri Shankar B Iyer has submitted Form LIQ-1 on 30.01.2025, while Form LIQ-2 has not been filed till date. Hence, there were significant delays in the submission of 4<sup>th</sup> to 19<sup>th</sup> quarterly progress

reports. Further, non-filing of Form LIQ-2 for any of the reporting periods constitutes violation of the aforesaid directions of the Board.

- 2.2.3 In his response to the Board, Shri Shankar B Iyer submitted that as per his understanding, progress reports beyond the third report could be filed only after obtaining an extension of the liquidation period. Accordingly, he did not file subsequent progress reports within the prescribed timelines. However, upon seeking clarification from fellow professionals, he proceeded to file the pending progress reports along with an application seeking condonation of delay.
- 2.2.4 His explanation that progress reports beyond the third report could be filed only after the extension of the liquidation period is misconceived and contrary to the provisions of law. The failure to file progress reports within the stipulated timelines, followed by their belated filing along with multiple condonation applications, reflects non-compliance with statutory obligations under the Code and the Liquidation Regulations. Such repeated delays and reliance on condonation applications indicate a clear lapse in fulfilling statutory responsibilities and demonstrate lack of due diligence, understanding of the legal framework, and adherence to the proscribed reporting requirements.
- 2.2.5 In view of the above, it was observed that Shri Shankar B Iyer had *prima facie* contravened the provisions of Sections 35(1)(n), 208(2)(a) and (c) of the Code, Regulation 15 of Liquidation Regulations, Regulation 7(2)(a) and (h) of IP Regulations, read with Clause 10, 13, 14 of the Code of Conduct specified in IP Regulations, and IBBI's Circulars No. IBBI/LIQ/73/2024 dated 28.06.2024, IBBI/LIQ/76/2024 dated 09.10.2024, IBBI/LIQ/79/2024 dated 02.12.2024 and IBBI/LIQ/80/2025 dated 09.01.2025.

### **2.3 Submissions by Shri Shankar B Iyer.**

- 2.3.1 With respect to the inordinate delay in filing applications for exclusion and for extension of the liquidation period, Shri Shankar B. Iyer admitted that the delays and errors occurred due to an incorrect interpretation, as he was awaiting the order in IA 855/2023 pertaining to exclusion of the Covid period before filing IA 734/2024 for extension of the liquidation period.
- 2.3.2 Regarding the delay in submission of reports and the non-filing of Liquidation Forms, Shri Shankar B. Iyer admitted delay in submission of reports and non-filing of Liquidation Forms. He stated that he has submitted the Liquidation Form II for March 24 and shall also submit the Liquidation Form II for Mar 25 in coming days. His progress reports at this point of time are updated and filed.
- 2.3.3 Shri Shankar B. Iyer further stated that while he does not dispute the lapses and apologize the same and also submitted that these have not caused hardship to the creditors. He has made utmost efforts and yielded better distribution to the creditors than under normal

scenario. There has been no financial loss caused to the creditors and in fact they have benefitted. Even the extended liquidation period has resulted in net marginal recoveries for the creditors.

## 2.4 Analysis and Findings.

2.4.1 The timeline of the events transpired in the liquidation of CD are tabulated below for better understanding of the contraventions alleged:-

<b>Date</b>	<b>Particulars of Event</b>	<b>Remarks</b>
23.11.2020	Liquidation Commencement Date (LCD)	Shri Shankar B Iyer was appointed as liquidator
27.11.2020	Appointment of forensic auditor to investigate into avoidance transactions.	
10.01.2022	The Hon'ble Supreme Court passed order directing exclusion of period from 15.03.2020 to 28.02.2022 for the purpose of calculating limitation	
28.02.2022	Notional LCD excluding the time period by the Hon'ble Supreme Court.	
20.04.2022	Submission of forensic audit report by forensic auditor	
28.06.2022	Application no. IA/286/2022 filed by the liquidator under Section 66 of the Code.	
28.02.2023	Completion of liquidation after accounting for exclusion as directed by the Hon'ble Supreme Court	
07.06.2023	Another application no. IA/409/2023 was filed by the liquidator under section 66 of the Code.	
14.07.2023	IA/855/2023 was filed by the liquidator seeking extension of 23.11.2020 to 28.02.2022 total 463 days.	Application was filed after delay of 501 days from the 28.02.2022, i.e., when the exclusion period of the Hon'ble Supreme Court ended.
23.08.2023	Application no. IA/286/2022 under Section 66 of the Code was dismissed as infructuous as the liquidator had filed a separate application (IA/409/2023) for amendment of the previous application.	

16.04.2024	The AA vide order dated 16.04.2024 allowed exclusion in IA No. 855 of 2023	The AA observed that proper justification was not given by the liquidator for seeking exclusion of 463 from liquidation period and imposed cost of Rs. 25,000/- on him.
11.06.2024	IA/734/2024 filed by the liquidator for seeking extension of the liquidation period for 673 days from 28.02.2023 to 31.12.2024.	Application was filed after delay of 469 days from the 28.02.2023, i.e., when the liquidation period ended, after accounting for exclusion by the Hon'ble Supreme Court.
21.01.2025	The AA in IA No. 734 of 2024 observed that that he could not offer reasonable cause for the delay for not making Application in time. The act of liquidator was completely careless and he did not bother to make extension Application for the liquidation period within the timeline provided under the Rules.	IBBI was directed to initiate the disciplinary action against the liquidator for the misconduct.

### **I. Inordinate delay in filing applications for exclusion and extension of liquidation period.**

2.4.2 Regulation 44 of the Liquidation Regulations provides as follows:

*“Completion of liquidation.*

*(1) The liquidator shall liquidate the corporate debtor within a period of one year from the liquidation commencement date, notwithstanding pendency of any application for avoidance of transactions under Part II of the Code, before the Adjudicating Authority or any action thereof:*

*(2) If the liquidator fails to liquidate the corporate debtor within one year, he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.*

*Explanation.- In relation to the liquidation processes commenced prior to the commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019, the requirements of this regulation as existing before such commencement, shall apply.”*

2.4.3 Thus, the liquidator is required to complete liquidation within a period of one year from the LCD irrespective of pendency of any application for avoidance of transactions before the

AA. Thus, the liquidation process runs distinctly from the avoidance applications. Its pendency does not impact the completion of liquidation and dissolution of CD.

2.4.4 Further, if the liquidator fails to liquidate the CD within one year, he shall make an application to the AA to continue such liquidation, along with a report explaining why the liquidation was not completed and specifying the additional time that shall be required for liquidation.

2.4.5 For the liquidation of CD, Shri Shankar B Iyer was appointed as the liquidator *vide* order dated 23.11.2020 passed by the AA. As provided in Regulation 44 of the Liquidation Regulations, the liquidation proceedings ought to have been completed by 22.11.2021. However, due to exclusion provided on account of Covid by the Hon'ble Supreme Court *vide* its order dated 10.01.2022 for the period starting from 15.03.2020 till 28.02.2022, the time period for completion of liquidation proceedings, i.e., 22.11.2021 fell within the said exclusion period allowed by the Hon'ble Supreme Court. Shri Shankar B Iyer filed an application bearing no. IA 855 of 2023 on 12.07.2023 for seeking exclusion from 23.11.2020 to 28.02.2022 constituting total 463 days of exclusion. This Application was filed on 14.07.2023 after the delay of 501 days from 28.02.2022. The DC observes that such application could have been filed earlier when the Hon'ble Supreme Court passed the order of exclusion of the period.

2.4.6 While excluding the period of 463 days, the AA *vide* order dated 16.04.2024 observed that Shri Shankar B Iyer failed to provide justification for delay of 500 days in filing the IA/855/2023 and observed as follows:

“ ...

*4. On perusal of the Memo, it is noticed that proper justification is not given by the Liquidator. However, considering the Liquidator's statement, we hereby allow the instant I.A. by excluding the period of 463 days i.e. from 23.11.2020 to 28.02.2022 from the computation of the liquidation period of the Corporate Debtor subject to payment of costs of Rs.25,000/- (Rupees Twenty Five Thousand only) by the Liquidator to the 'Prime Minister's National Relief Fund' and filing a Memo enclosing the proof of payment in this regard within a period of two weeks.*

*5. Accordingly, IA No.855 of 2023 stands disposed of.”*

2.4.7 The DC further noted that Shri Shankar B Iyer filed another application bearing no. IA/734/2024 on 10.06.2024 for seeking extension of 673 days from 28.02.2023 till 31.12.2024. The said application was filed on 11.06.2024 after the delay of 469 days from 28.02.2023. During the course of hearing, the AA sought reason from the liquidator for delay in filing extension application. The AA observed that Shri Shankar B Iyer failed to provide reasonable cause of delay in filing extension application and made certain observations in its order dated 21.01.2025. Shri Shankar B Iyer also admitted that due to wrong

interpretation of regulations, he committed such an error. Apart from this, no other plausible reason or submission was made by him before the DC.

2.4.8 Moreover, in application no. IA/855/2023 and IA/734/2024 filed by Shri Shankar B Iyer under Section 66 of the Code, he stated that he appointed forensic auditor on 27.11.2020 to investigate the avoidance transactions who submitted forensic audit report on 20.04.2022. Thereafter, he filed IA/286/2022 dated 28.06.2022 under Section 66 of the Code which was dismissed as infructuous after he filed another IA/409/2023 which was under progress. He stated that barring the direction with respect to IA/409/2023, he did not have much work pending towards this case. Such admittance by Mr, Shankar B Iyer that there is no cogent reason further shows his negligent attitude.

2.4.9 Thus, the DC observes that except negligence, no other reason appears which explains delay in filing extension and exclusion application. The DC, therefore, holds the contravention considering the fact that Shri Shankar B Iyer also admitted his mistake before the DC.

## **II. Delay in submission of progress reports and non-filing of Liquidation Forms**

2.4.10 The contravention alleged in the SCN pertains to delay in filing progress report before the AA by Shri Shankar B Iyer and non-filing of Liquidation Forms before the Board.

2.4.11 Regarding delay in filing progress report, Section 35 of the Code read with Regulation 15 of the Liquidation Regulation provides that the liquidator shall submit the progress report to the AA within fifteen days after the end of every quarter.

2.4.12 The DC notes that Shri Shankar B Iyer filed 1<sup>st</sup> progress report on 19.04.2021, 2<sup>nd</sup> progress report on 26.08.2021 and 3<sup>rd</sup> progress report on 05.11.2021. After this, Shri Shankar B Iyer filed from 4<sup>th</sup> to 12<sup>th</sup> progress report on 21.05.2025, 13<sup>th</sup> progress report was filed on 18.01.2025 and 14<sup>th</sup> progress report was filed on 25.10.2024. Further, 15<sup>th</sup> and 16<sup>th</sup> progress reports were filed on 18.01.2025 and 19<sup>th</sup> progress report was filed on 19.07.2025. The details of filing of progress reports in the liquidation proceedings of the CD are tabulated below:-

<b>Progress Report</b>	<b>Due date of filing as per Regulation 15</b>	<b>Date of actual filing</b>
1 <sup>st</sup> Progress Report	09.03.2021	19.04.2021
2 <sup>nd</sup> Progress Report	06.06.2021	26.08.2021
3 <sup>rd</sup> Progress Report	08.09.2021	05.11.2021
4 <sup>th</sup> Progress Report till 12 <sup>th</sup> progress Report	07.12.2021 to 15.10.2023	21.05.2025
13 <sup>th</sup> Progress Report	15.01.2024	18.01.2025
14 <sup>th</sup> Progress Report	15.04.2024	25.10.2024
15 <sup>th</sup> Progress Report-16 <sup>th</sup> progress Report	15.07.2024 & 15.10.2024	18.01.2025
17 <sup>th</sup> Progress Report	15.01.2025	15.01.2025

18 <sup>th</sup> Progress Report	15.04.2025	16.04.2025
19 <sup>th</sup> Progress Report	15.07.2025	19.07.2025

- 2.4.13 The DC notes that the due date of filing Progress Report as per Regulation 15 of the Liquidation Regulation was missed by Shri Shankar B Iyer without providing any cogent reason for the same. He also admitted delay in filing of the progress reports. Hence, the DC holds the contravention.
- 2.4.14 Regarding delay in filing of Liquidation Forms, the Board *vide* its Circulars No. IBBI/LIQ/73/2024 dated 28.06.2024, IBBI/LIQ/76/2024 dated 09.10.2024, IBBI/LIQ/79/2024 dated 02.12.2024 and IBBI/LIQ/80/2025 dated 09.01.2025, extended the last date for submission of liquidation and voluntary Liquidation Forms till 31.03.2025.
- 2.4.15 The DC further notes that Shri Shankar B Iyer filed Liquidation Form-1 on 30.01.2025 and failed to file Liquidation Form-2 till the date of issuance of SCN. While filing the reply to the SCN, he submitted that he will file the Form-2 by 27.11.2025. Thus, Form-2 was filed only after issuance of SCN and he admits to the delay in filing Liquidation Forms. The DC holds contravention on this ground also.

### **3. Order.**

- 3.1 The DC observes that Shri Shankar B Iyer failed to adhere to the statutory timelines provided under the Code and the Liquidation Regulations in filing the extension and exclusion application. His understanding that he can file application for extension of liquidation period only after disposal of application filed for exclusion, does not justify the overall delay.
- 3.2 In view of the foregoing discussion and the fact that delays in filing applications for exclusion and extension of liquidation period and delay in submission of reports and non-filing of liquidation forms has been admitted by Shri Shankar B Iyer, 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 Shri Shankar B Iyer (Registration No. IBBI/IPA-002/IP-N00615/2018-19/11850) for a period of three months.
- 3.3 This Order shall come into force on expiry of 30 days from the date of its issue.
- 3.4 A copy of this order shall be sent to the CoC/Stake Holders Consultation Committee (SCC) of all the corporate debtors in which Shri Shankar B Iyer is providing his services, if any. The CoC/SCC of the respective CD may decide about continuation of Shri Shankar B Iyer as RP/Liquidator of the CD.

3.5 A copy of this order shall be forwarded to the ICSI Institute of Insolvency Professionals (ICSI-IIP) where Shri Shankar B Iyer is enrolled as a member.

3.6 A copy of this order shall also be forwarded to the Registrar of the National Company Law Tribunal, Principal Bench, for information.

3.7 Accordingly, the show cause notice is disposed of.

-sd/-

**(Dr. Bhushan Kumar Sinha)**

Whole Time Member

Insolvency and Bankruptcy Board of India

-sd/-

**(Jayanti Prasad)**

Whole Time Member

Insolvency and Bankruptcy Board of India

Date: 07 May 2026

Place: New Delhi