

# INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## (Disciplinary Committee)

No. IBBI/DC/296/2025

11 November 2025

### ORDER

This Order disposes of the Show Cause Notice (SCN) No. IBBI/C/2024/01124/934/281 dated 27.02.2024, issued to Mr. Vishnu Kant Kabra, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P-02178/2021-2022/13747 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI (IIIP-ICAI).

#### 1. Background

- 1.1 The National Company Law Tribunal, Mumbai Bench (AA) *vide* its Order dated 04.10.2022, admitted the application filed by M/s. Arham Fintrade LLP, financial creditor (FC) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) for initiating corporate insolvency resolution process (CIRP) of M/s. Vjaydeep Developers LLP (Corporate Debtor/CD). Mr. Vishnu Kant Kabra was appointed as Interim Resolution Professional (IRP) who was later confirmed as the Resolution Professional (RP).
- 1.2 The Board received a complaint against Mr. Vishnu Kant Kabra in respect of CD. The Board sought responses from Mr. Vishnu Kant Kabra through email dated 31.05.2024 and 21.11.2024 respectively. Mr. Vishnu Kant Kabra submitted his reply to the allegation in the complaint *vide* emails dated 01.07.2024 and 21.12.2024 respectively.
- 1.3 The allegations in the complaints were examined by the Board and based on the findings of the examination, the Board formed a *prima facie* view that Mr. Vishnu Kant Kabra contravened provisions of the Code and issued the SCN to Mr. Vishnu Kant Kabra on 27.02.2025 alleging contraventions of several provisions of the Code, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 (CIRP Regulations) and the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations). The reply of Mr. Vishnu Kant Kabra to SCN was received by the Board on 28.03.2025.
- 1.4 The SCN and its response by Mr. Vishnu Kant Kabra were referred to the Disciplinary Committee (DC) for disposal. Mr. Vishnu Kant Kabra availed the opportunity of personal hearing before the DC through virtual mode on 23.04.2025. Pursuant to the personal hearing, Mr. Vishnu Kant Kabra submitted additional written submissions and documents on 13.05.2025.

## **2. Alleged Contraventions, Submissions of Mr. Vishnu Kant Kabra, Analysis and Findings of DC.**

The contraventions alleged in the SCN, submissions by Mr. Vishnu Kant Kabra, analysis and findings of the DC are summarized as follows:

### **2.1.Improper constitution of the Committee of Creditors.**

- 2.1.1. Section 21(2) of the Code provides that the committee of creditors (CoC) shall comprise all financial creditors (FCs) of the corporate debtor. Section 21(2) of the Code also provides that a financial creditor, if it is a related party of the corporate debtor, shall not have any right of representation, participation or voting in a meeting of the committee of creditors.
- 2.1.2. It was observed from the list of claims dated 03.11.2022 that one of the creditors, namely Mr. Samir Shirish Dadia was included in the CoC with 30.20% voting share in the CoC. It is, however, observed from the Deed of Admission-cum-retirement and reconstitution dated 06.12.2021 that Mr. Samir Shirish Dadia was inducted as a new partner in the CD. It was further noted that Mr. Dadia sent letters dated 17.01.2022 and 18.01.2022 to Executive Engineer, Building Proposals, BMC Building, Mumbai in the capacity of a partner of CD. The aforesaid Deed of Admission-cum-retirement and reconstitution dated 06.12.2021 and letters dated 17.01.2022 and 18.01.2022 establish that Mr. Samir Dadia, was a partner of the CD and hence a related party of the CD, in terms of Section 5(24)(a) of the Code.
- 2.1.3. Being a related party to the CD, Mr. Samir Dadia should not have been allowed to participate and vote in the CoC meetings in terms of the provisions of Section 21(2) of the Code. It is, however, observed that Mr. Samir Dadia has participated and voted in various CoC meetings.
- 2.1.4. It was also noticed that Mr. Chirag Shah had filed application no. IA/254/2024 before the AA, *inter alia*, regarding admission of his claim. The said application, to which Mr. Vishnu Kant Kabra was also a party, mentions with reasons and facts, the related party status of Mr. Samir Dadia with the CD. Even after the filing of the said application, Mr. Vishnu Kant Kabra did not remove Mr. Samir Dadia from the CoC. This shows Mr. Vishnu Kant Kabra's willful contravention of continuing with improper constitution of CoC.
- 2.1.5. In view of the above, it was observed that Mr. Vishnu Kant Kabra has *prima facie* contravened provisions contained in Section 21(2) of the Code read with Clause 14 of the Code of Conduct contained in Schedule I of the IBBI (Insolvency Professionals) Regulations 2016 (hereinafter Code of Conduct).

### **2.2.Submissions by Mr. Vishnu Kant Kabra.**

- 2.2.1. Mr. Vishnu Kant Kabra submitted that he had published the public announcement on 15.10.2022 in English and Marathi newspaper for inviting claims and after the announcement, 2 claims had been

received and after examination, he admitted the said claim.

2.2.2. He submitted that the initial inclusion of Mr. Samir Dadia in the CoC was based on Form C filed on time with adequate documentation. At that point, no materials suggesting Mr. Samir Dadia was a related party were on record. The allegations of his related party status were first raised *vide* IA/254/2024 filed by Mr. Chirag Shah, along with the purported Deed of Admission-cum-Retirement and other letters. On disclosure of these documents, he acted promptly to assess and revise the CoC. Thus, the original constitution was *bona fide* and not a result of any collusion or suppression. The RP has no role in adjudicating related party status unless clear and conclusive materials are made available at the relevant time.

2.2.3. Mr. Vishnu Kant Kabra further submitted that, as on the date of admission of the claim, no admission-cum-retirement deed was found during the public search conducted on the MCA portal. The said deed was unregistered and not available on the MCA portal, and no related forms have been filed by the CD. Furthermore, none of the parties involved are related to the Corporate Debtor or to the members of the CoC.

2.2.4. Mr. Vishnu Kant Kabra also submitted that he has acted independently & impartially, filed a detailed reply opposing IA/254/2024 and has taken all reasonable steps to ensure compliance with law.

2.2.5. He further updated that the resolution plan submitted by Mr. Sameer Dadia on 07.07.2023 was approved by the CoC and filed before the AA *vide* IA/5132/2023. However, on discovering certain valuation discrepancies, the plan was withdrawn on 08.12.2023 with liberty to resubmit after rectification. The allegations that the resolution plan was promoted to benefit a particular stakeholder are speculative and without factual basis and are vehemently denied. The plan was withdrawn and is no longer pending. The process was transparent and non-prejudicial.

### 2.3. Analysis and findings.

2.3.1. The timeline of the events is tabulated as below:

Date	Events
06.12.2021	Deed of Admission-cum-Retirement & Reconstitution stating that Mr. Samir Dadia is new partner of the CD
17.01.2022 & 18.01.2022	Mr. Sameer Dadia sent letters dated 17.01.2022 and 18.01.2022 in the capacity of partner of CD to Executive Engineer, Building Proposals, BMC Building, Mumbai.
04.10.2022	Insolvency commencement date
15.10.2022	Public announcement
31.10.2022	Last date for submission of claims Claim received from Mr. Sameer Dadia
03.11.2022	List of creditors showing Mr. Sameer Dadia as member of CoC having voting share 30.20%

04.01.2024	IA/254/2024 filed by Mr. Chirag Shah where it was alleged that Mr. Samir Dadia is the Partner of CD and hence under Section 21 (2) of the Code, the claims of related parties have to be excluded from the CIRP.
23.01.2024	IA/254/2024 was listed and Mr. Vishnukant Kabra was represented by counsel. He was directed to file reply within two weeks. List of creditors was revised showing Mr. Sameer Dadia as member of CoC having voting share of 22.03%.

2.3.2. The DC notes that Section 21(2) of the Code provides that any financial creditor who is a related party of the CD is disqualified from representation, participation, or voting in CoC meetings. The DC notes that in the present matter, it is undisputed that Mr. Samir Shirish Dadia was admitted as a financial creditor with 30.20% voting share in the CoC by Mr. Vishnu Kant Kabra. However, documentary evidence such as the Deed of Admission-cum-Retirement and Reconstitution dated 06.12.2021 and subsequent letters dated 17.01.2022 and 18.01.2022 respectively addressed by Mr. Samir Shirish Dadia in the capacity of a partner of the CD makes him fall in the definition of a "related party" under Section 5(24)(a) of the Code has not been considered by Mr. Vishnu Kant Kabra.

2.3.3. Section 21(1) of the Code provides that *“The interim resolution professional shall after collation of all claims received against the corporate debtor and determination of the financial position of the corporate debtor, constitute a committee of creditors.”*

Further, Regulation 13 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 provides as follows:

*“13. Verification of claims.*

*(1) The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it.*

*(1A) Where the interim resolution professional or the resolution professional, as the case may be, does not collate the claim after verification, he shall provide reasons for the same. “*

2.3.4. It is observed from the above provisions that an IRP is required to verify the claims received before collating them. The submissions of Mr. Vishnu Kant Kabra that he has no role in adjudicating related party is not tenable. It is primary duty of an IRP to verify the claims. The determination of a claimant as related party cannot be considered as adjudication of claim. It is an important function of an IRP/RP to verify claim so that the CoC constituted does not include any related party. Since, the documents related to constitution and composition of LLP, including amendment to the partnerships, are apparently pointing to related party status, Mr. Vishnu Kant Kabra was required to duly take into account these documents while admitting claims and constituting CoC.

2.3.5. Further as per, Section 25(1)(a) of the Code, an IRP/RP is required to take immediate custody and control of all the assets of the corporate debtor, including the business records of the CD. Thus, the letters dated 17.01.2022 and 18.01.2022 respectively written by Mr. Sameer Dadia as partner of the CD to BMC are supposed to be in his knowledge. Such letters were material and ought to have triggered deeper scrutiny.

2.3.6. The DC further notes that in the Form C dated 31.10.2022 filed by Mr. Sameer Shirish Dadia, he does not provide any list of documents to substantiate its claim amount. The details of the claim as described in the claim form is as follows:

*“At the request of the Corporate Debtor, I, the Financial Creditor agreed to lend loan /credit facility to the extent of Rs. 2,55,00,000/- (Rupees Two Crore Fifty Five Lac Only) together with interest on the same @ 24% p.a. will be paid on completion of the project. To protect the transactions a Loan Agreement executed on 01.11.2021 between me as the Financial Creditor and the Corporate Debtor. As per the terms the loan agreement it was repayable by 31.10.2022. Now the Corporate Debtor is under process of CIRP. And an order passed on 04.10.2022 by NCLT under section 7 of IBC, 2016. As on 31.10.2022 my as Financial Creditor total claim is Rs. 2,97,21,732/- (Rupees Two Crore Ninety Seven Lac Twenty One Thousand Seven Hundred Thirty Two Only), out of which the principal amount is Rs. 2,52,48,554/- and Interest @ 24% p.a. Rs. 44,73,178/-. Please find attached Ledger account and Interest calculation till 31.10.2022.”*

Thus, the submission by Mr. Vishnu Kant Kabra that he included claim of Mr. Sameer Shirish Dadia on the basis of Form C implies that he has not verified the details provided in the claim form with the records of the CD of which he was required to take control and custody.

2.3.7. The DC observes that the responsibility to ensure that the CoC is constituted in compliance with the law rests solely with the RP, and such lapses cannot be shielded by claiming lack of registration or absence of filings. Accordingly, Mr. Vishnu Kant Kabra’s defence that the deed evidencing related party status was unregistered and not visible on the MCA portal is not acceptable.

2.3.8. Thus, Mr. Vishnu Kant Kabra’s action to not heed the documents while verifying claim and constituting CoC amounts to negligence. Hence, the DC holds the contravention.

## **2.4. Non-adherence to requirement of Regulation 6A of CIRP Regulations.**

2.4.1. Regulation 6A of the IBBI (Insolvency Resolution Process for Corporate Persons) 2016 (CIRP Regulations) provides that an interim resolution professional shall send a communication along with a copy of public announcement made under Regulation 6, to all the creditors as per the last available books of accounts of the corporate debtor through post or electronic means wherever the information for communication is available. Further, Regulation 13(1) of the CIRP Regulations provides that the interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it. Furthermore, Regulation 13(2)(ca)

of the CIRP Regulations provides that the list of creditors shall be filed on the electronic platform of the Board for dissemination on its website.

- 2.4.2. It was observed from the resolution plan dated 07.07.2023 submitted by Mr. Samir Dadia, filed before the AA for its approval, that there are 7 flat owners who are allottees of CD, however, admittedly, claims of only three financial creditors have been admitted. It is observed that Mr. Vishnu Kant Kabra was required to send a notice to all creditors of the CD under Regulation 6A of the CIRP Regulations. It, however, appears *prima facie* that Mr. Vishnu Kant Kabra has not complied with the prescribed requirements.
- 2.4.3. Furthermore, it was also noticed that Mr. Vishnu Kant Kabra has admitted of having revised the composition of CoC by late inclusion of Mr. Chirag Shah in the CoC and proportionately changing the voting share of Mr. Samir Dadia, a related party to the CD. However, Mr. Vishnu Kant Kabra failed to file the list of revised claims on the website of the Board as required under Regulation 13(2)(ca) of the CIRP Regulations.
- 2.4.4. In view of the above, it is observed that Mr. Vishnu Kant Kabra has *prima facie* contravened provisions contained in Regulations 6A, 13(1) and 13(2) (ca) of the CIRP Regulations and Clause 14 of the Code of Conduct contained in Schedule I of the Code of Conduct.

## **2.5. Submissions by Mr. Vishnu Kant Kabra.**

- 2.5.1. Mr. Vishnu Kant Kabra submitted that in compliance with Regulation 6 of the CIRP Regulations, a public announcement was published in Financial Express and Lakshadeep on 15.10.2022, calling for submission of claims by 31.10.2022. In response, two claims were received — from Arham Fintrade LLP and Mr. Samir Dadia — both of which were admitted based on documents then available. The CoC was accordingly constituted, and its first meeting was held on 11.11.2022.
- 2.5.2. He submitted that Mr. Chirag Shah submitted his Form C on 21.12.2023, i.e., nearly 300 days after the public notice deadline. Notwithstanding the delay, he verified and admitted Mr. Shah's claim on merits. The CoC was thereafter reconstituted with revised voting shares: Arham Fintrade LLP (50.93%), Mr. Dadia (22.03%) and Mr. Shah (18.27%). The revised CoC was functional, and all stakeholders were made part of the resolution process.
- 2.5.3. Mr. Vishnu Kant Kabra submitted that the issue of failure to upload the list of creditors on the IBBI website is not indicative of any mala fide intention. The list was maintained and circulated internally. Any delay in uploading the revised list is a procedural oversight, not a substantive violation. All admitted claimants were duly represented and participated in the CoC deliberations.
- 2.5.4. Mr. Vishnu Kant Kabra further submitted that the public announcement was widely circulated, and no effort was ever made to exclude any party. The fact that certain creditors elected to not respond and/or respond belatedly cannot be and should not be attributed to him. The Code permits submission of claims at any time prior to plan approval. Accordingly, the claim of Mr. Shah was accepted.

## **2.6. Analysis and findings.**

- 2.6.1. The DC notes that Regulation 6A of the CIRP Regulations, introduced on 16.09.2022, mandates the IRP to send a communication, along with a copy of the public announcement made under Regulation 6, to all creditors as per the last available books of accounts of the CD, by post or electronic means wherever such information is available. The intent behind this provision is to ensure that all known creditors of the CD are made aware of the initiation of the insolvency process and are provided with an equal and fair opportunity to file their claims and participate in the resolution process. Moreover, the information regarding claimants/ creditors / allottees is available with the CD.
- 2.6.2. Regulation 13(1) of the CIRP Regulations casts a mandatory duty upon the RP to verify every claim received and maintain an updated list of creditors with requisite details including amount admitted, claimed, and security interest. The failure to comply with this requirement, especially in the context of a resolution plan being finalized, indicates a procedural lapse of a serious nature. The RP's duty does not end with merely issuing a public announcement; he is required to proactively reach out to all identifiable creditors from the CD's records, verify their claims, and ensure proper disclosure and participation in the process.
- 2.6.3. As observed from the resolution plan submitted by Mr. Sameer Dadia, there existed seven flat owners as allottees of the CD, i.e., financial creditors of the CD. Since the resolution applicant was aware of the seven allottees, the details must have been provided by Mr. Vishnu Kant Kabra. Even though the claims of only three financial creditors were admitted by Mr. Vishnu Kant Kabra. He had access to the last available books of accounts of the CD and was expected to be fully aware of the identities of other creditors, including the flat owners and should have duly communicated with the creditors about the initiation of CIRP against the CD.
- 2.6.4. The DC also notes that Mr. Vishnu Kant Kabra had revised the composition of the CoC upon later admission of the claim of Mr. Chirag Shah, which resulted in a proportional reduction in the voting share of Mr. Samir Dadia. Despite this material change, Mr. Vishnu Kant Kabra had not uploaded the updated list of creditors on the website of the Board as required under Regulation 13(2)(ca) of the CIRP Regulations. While the DC notes Mr. Vishnu Kant Kabra's explanation that the list of creditors was internally maintained and circulated, however the same does not satisfy the legal requirement of dissemination of the list of creditors on the IBBI's electronic platform.
- 2.6.5. Regarding uploading of list of creditors on IBBI's website, the DC notes Mr. Vishnu Kant Kabra's contention that no mala fide intention can be inferred and that the delay was procedural. However, the responsibilities of an IP are statutory in nature and require strict compliance, both in letter & spirit of the provisions of the Code. Accordingly, the DC holds the contravention.

## **3. Order.**

- 3.1. In view of the foregoing, 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 suspend the registration of Mr. Vishnu Kant Kabra having Registration No. IBBI/IPA-001/IP-

P/02178/2021-2022/13747 for a period of one year.

- 3.2. This Order shall come into force after expiry of 30 days from the date of its issuance.
- 3.3. A copy of this order shall be sent to the CoC/ Stakeholders Consultation Committee (SCC) of all the Corporate Debtors in which Mr. Vishnu Kant Kabra provides his services, if any, and the CoC/SCC may decide on the continuation of services of Mr. Vishnu Kant Kabra.
- 3.4. A copy of this order shall be forwarded to the Insolvency Professionals of ICAI where Mr. Vishnu Kant Kabra 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: 11 November 2025  
Place: New Delhi

-sd/-  
(Dr. Bhushan Kumar Sinha)  
Whole Time Member  
Insolvency and Bankruptcy Board of India