

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/321/2026

05 June 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11011/115/2025-IBBI/1845/1768 dated 25.11.2025, issued to Mr. Rattan Chaudhry, who is a Professional Member of the ICSI Institute of Insolvency Professionals and an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-002/IP-N00325/2017-18/10930.

1. Background

- 1.1 The National Company Law Tribunal, New Delhi Bench (AA) had admitted the application filed under Section 7 of the Code by the Financial Creditor (FC) for initiating corporate insolvency resolution process (CIRP) of M/s. Silver Jubilee Motors Limited (CD) vide Order dated 03.07.2024 and appointed Mr. Rattan Chaudhry as Interim Resolution Professional.
- 1.2 The Board received a complaint against Mr. Rattan Chaudhry with regard to his assignment as IRP of the CD. The Board examined the allegations in the above complaint *vis-à-vis* reply of Mr. Rattan Chaudhry and based on such examination, the Board formed a *prima facie* opinion that Mr. Rattan Chaudhry has contravened provisions of the Code and Regulations made thereunder and issued SCN to Mr. Rattan Chaudhry on 25.11.2025. Mr. Rattan Chaudhry submitted his reply to the SCN on 24.12.2025.
- 1.3 The SCN and its response by Mr. Rattan Chaudhry were referred to the Disciplinary Committee (DC) for disposal. The hearing was initially scheduled on 16.04.2026, however it was adjourned at the request of Mr. Rattan Chaudhry. The matter was subsequently rescheduled for hearing on Mr. Rattan Chaudhry on 30.04.2026, however it was again adjourned at the request of Mr. Rattan Chaudhry. The matter was subsequently rescheduled for hearing on 19.05.2026. Mr. Rattan Chaudhry availed the opportunity of personal hearing on 19.05.2026 and appeared with his advocate, Mr. Deep Bisht. Mr. Rattan Chaudhry also submitted additional written submissions on 22.05.2026.
- 1.4 The DC has considered the SCN, the reply to SCN, oral and written submissions of Mr. Rattan Chaudhry, and proceeds to dispose of the SCN.

2. Alleged Contravention, submissions of Mr. Rattan Chaudhry and findings of the DC.

The contravention alleged in the SCN, submissions by Mr. Rattan Chaudhry and findings of the DC are summarized as follows:

2.1 Accepting and undertaking an assignment despite suspension of AFA and Non-disclosure of Fee and Cost to IPA

2.1.1 Regulation 7A of IP Regulations provides that an IP shall not accept or undertake an assignment unless it holds a valid authorisation for assignment (AFA) on the date of such acceptance or commencement of such assignment, as the case may be.

2.1.2 Clause 23A of the Model Bye-laws specified in Schedule to IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 (Model Bye-laws Regulations) provides that the AFA shall stand suspended upon initiation of disciplinary proceedings by the Insolvency Professional Agency (IPA) or by the Board, as the case may be. The explanation to said clause provides that a disciplinary proceeding shall be considered as pending against the professional member from the date he has been issued a show cause notice (SCN) by the IPA or the Board, as the case may be, till its disposal by the Disciplinary Committee (DC) of the IPA or the Board, as the case may be.

2.1.3 It was observed that SCN in the matter of M/s. Classic Bottle Caps Private Limited was issued to Mr. Rattan Chaudhry vide letter dated 29.02.2024 and as per the Clause 23A of Model Bye-Laws Regulations, Mr. Rattan Chaudhry's AFA got suspended from the date of issue of SCN i.e, 29.02.2024.

2.1.4 It may be noted that the CIRP of the CD commenced on 03.07.2024, on which date Mr. Rattan Chaudhry was not holding a valid AFA. Accordingly, Mr. Rattan Chaudhry was ineligible to accept an assignment and should have informed the AA about his disqualification in accepting or undertaking any new assignment in view of suspension of AFA by virtue of issue of SCN on 29.02.2024.

2.1.5 Mr. Rattan Chaudhry, in his reply, had not stated as to why the assignment was accepted on 03.07.2024 upon admission of CD into CIRP and his appointment as the IRP despite suspension of his AFA. Moreover, Mr. Rattan Chaudhry had not made any submission whether any steps

were taken to bring it to the knowledge of the Hon'ble AA immediately or at a later stage. Instead, Mr. Rattan Chaudhry took steps only upon disposal of the SCN vide DC's order dated 22.10.2024. Mr. Rattan Chaudhry submitted that after the said order, he had approached the applicant financial creditor seeking advice on continuation in the assignment. Mr. Rattan Chaudhry further stated that the DC order was brought to the attention of Hon'ble NCLAT during the hearing on 23.12.2024 of an application filed by the erstwhile director of the CD inter alia seeking his removal as IRP and calling for an explanation for non-disclosing of the DC order during the proceedings. Mr. Rattan Chaudhry stated that the Hon'ble NCLAT, in the said order, granted liberty to the appellant (director of the suspended board of the CD) to approach the AA for his replacement or appropriate directions. Mr. Rattan Chaudhry also submitted that the suspension of the AFA applied prospectively to new assignments after the DC order.

- 2.1.6 It was admittedly clear that Mr. Rattan Chaudhry attained ineligibility to accept new assignment upon issuance of SCN on 29.02.2024. However, Mr. Rattan Chaudhry not only accepted and undertook the assignment but also failed to disclose his ineligibility to the AA at the earliest opportunity. Instead, Mr. Rattan Chaudhry sought advice from a creditor and relied on intervention by a third-party for bringing material facts to the attention of Hon'ble NCLAT and the AA.
- 2.1.7 In view of the above, *prima facie*, Mr. Rattan Chaudhry violated Clause 23A of the Schedule of Model Bye-laws Regulations read with Regulation 7A of IP Regulations, 2016, although the CIRP was active only for a brief period of 20 days. Later, the settlement among the parties was arrived at and AA vide order dated 29.05.2025 allowed the withdrawal of the CIRP.
- 2.1.8 It was pertinent to note that Regulation 34A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) read with Clause 25A of Code of Conduct specified in First Schedule to IP Regulations and Circular No. IBBI/IP/013/2018 dated 12.06.2018 requires that an IP shall disclose the fee payable to it, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by it to the IPA of which he is a professional member and the IPA shall publish such disclosure on its website.
- 2.1.9 It was noted from the order of AA dated 29.05.2025 that "The Original Applicant/Financial Creditor in Form FA had submitted that the CIRP expenses had already been paid by him from

time to time.” This indicates that Mr. Rattan Chaudhry had been paid the insolvency resolution process costs (IRPC) by the Financial Creditor. However, it was observed that disclosure towards fees and other expenses incurred/ paid during the CIRP had not been filed by Mr. Rattan Chaudhry on the website of the IPA. Thus, *prima facie*, Mr. Rattan Chaudhry contravened Regulation 34A of CIRP Regulations read with Clause 25A of Code of Conduct specified in First Schedule to IP Regulations, 2016 and Circular No. IBBI/IP/013/2018 dated 12.06.2018.

2.1.10 In view of above, the Board was of the *prima-facie* view that Mr. Rattan Chaudhry, by the above-stated conduct and actions, had contravened Section 208(2)(b) & (e) of the Code, Regulations 7(2)(a), 7(2)(h), 7A of IP Regulations, Regulation 34A of CIRP Regulation, Clause 25A of the Code of Conduct specified in First Schedule to IP Regulations, Clause 23A of Model Bye-laws specified in Schedule to Model Bye-laws Regulations and Circular No. IBBI/IP/013/2018 dated 12.06.2018.

Submissions by Mr. Rattan Chaudhry

2.1.11 Mr. Rattan Chaudhry submitted that he had submitted consent in Form-2 on 30.12.2021, much prior to initiation of disciplinary proceedings and much prior to admission of the CIRP. The subsequent appointment of Mr. Rattan Chaudhry as IRP was not based on any unilateral act on his part but arose pursuant to a judicial order passed by the AA. Mr. Rattan Chaudhry did not independently solicit, procure or voluntarily undertake any assignment after issuance of the SCN. The appointment flowed solely through a judicial process. Accordingly, the allegation that the Respondent “accepted” or “undertook” an assignment despite the alleged deemed suspension of AFA is misconceived.

2.1.12 Mr. Rattan Chaudhry further submitted that shortly after admission of the CIRP, the matter was carried in appeal and vide order dated 23.07.2024, the NCLAT stayed constitution of the CoC. Thereafter, the CIRP did not proceed in the ordinary course. Subsequently, settlement was arrived at and ultimately withdrawal under Section 12A of the Code came to be allowed vide order dated 29.05.2025, consequent to which Mr. Rattan Chaudhry stood discharged. Mr. Rattan Chaudhry further submitted that during the relevant period there was no substantive CoC functioning, no resolution process and no commercial decision-making affecting stakeholders. Thus, even assuming without admitting any technical issue concerning AFA eligibility, no prejudice, , financial loss or adverse consequence whatsoever was caused to the stakeholders.

- 2.1.13 Mr. Rattan Chaudhry submitted that he at all times had acted bona fide and without any intention to violate any regulatory requirement. Since the constitution of the CoC was stayed by the NCLAT vide order dated 23.07.2024 passed in Comp. App. (AT) (Ins.) No. 1305 of 2024, no CoC could ever be constituted in the CIRP. In these circumstances, and acting with utmost transparency and bona fide intent, Mr. Rattan Chaudhry addressed an email dated 04.11.2024 to the Financial Creditor, informing it about the Disciplinary Order dated 22.10.2024 passed by the IBBI and seeking its views/advice regarding his continuation in the CIRP process.
- 2.1.14 Mr. Rattan Chaudhry further submitted that the Disciplinary Order dated 22.10.2024 was duly brought to the notice of the NCLAT during the hearing held on 23.12.2024, whereupon the NCLAT was pleased to grant liberty to the Appellant therein to approach the AA for appropriate directions, including for replacement of Mr. Rattan Chaudhry or for passing of such further orders as may be deemed necessary. However, despite the said liberty having been granted, no such application was ever filed by the Appellant before the AA.
- 2.1.15 Mr. Rattan Chaudhry submitted that, owing to the stay granted by the NCLAT, the CoC was never constituted, and consequently, there was no CoC in existence which could have taken a decision regarding his continuation or replacement. Being an officer of the Court appointed by the AA, Mr. Rattan Chaudhry submitted that he was duty-bound to continue discharging his responsibilities in compliance with the judicial mandate, in the absence of any order directing his replacement or relieving him from the assignment.
- 2.1.16 Mr. Rattan Chaudhry further submitted that, consequent to a settlement arrived at between the parties, the NCLAT, vide order dated 06.03.2025, granted liberty to the Financial Creditor to file an appropriate application for withdrawal of the CIRP before the AA under Section 12A of the Code. Since the constitution of the CoC had been stayed and no CoC was ever formed, there was no competent body available to take any decision or pass a resolution for withdrawal. Mr. Rattan Chaudhry, being the duly appointed IRP and officer of the Court, was duty-bound to act in furtherance of the directions of the NCLAT and accordingly proceeded with the filing of the application under Section 12A of the Code before the AA.
- 2.1.17 Mr. Rattan Chaudhry submitted that during the hearing held on 18.03.2025, the AA took note of the DC Order dated 22.10.2024 and sought clarification from the IBBI as to whether he could continue to proceed further in the CIRP or whether a new IRP/RP was required to be appointed.

This itself demonstrates that the issue was not free from doubt and was considered fit for clarification by the Regulator itself. Pursuant thereto, and acting with utmost caution and complete transparency, Mr. Rattan Chaudhry addressed an email dated 26.03.2025 to the IBBI seeking guidance/clarification with respect to his continuation in the CIRP. However, no clarification or response was received from the IBBI. Subsequent thereto, no specific order was passed by the AA pursuant to the clarification sought from the IBBI vide order dated 18.03.2025.

2.1.18 With regard to the allegation in the SCN pertaining to failure in filing of CIRP-related expenses and process costs incurred in connection with compliance of statutory requirements and procedural steps undertaken during the CIRP, including actions necessary for processing the withdrawal proceedings, Mr. Rattan Chaudhry submitted that, owing to the peculiar procedural history of the matter, the limited progression of the CIRP, and the intervening judicial orders, the requirement of uploading the cost disclosure on the IPA portal came to be inadvertently missed.

2.1.19 Mr. Rattan Chaudhry submitted that there was neither any concealment nor any attempt to suppress information. Further, there was no wrongful gain, misappropriation, diversion of funds, or any prejudice whatsoever caused to any stakeholder on account of the said omission. Mr. Rattan Chaudhry submitted that he has already undertaken corrective steps and ensured compliance with the requisite disclosure requirements. In furtherance thereof, the requisite disclosure form was duly filed, thereby curing the inadvertent omission. Accordingly, the underlying regulatory objective of transparency and disclosure stands fully achieved.

2.1.20 Mr. Rattan Chaudhry further submitted that he has now attained the age of 70 years and, therefore, the present proceedings carry extremely serious and irreversible implications upon his remaining professional career and livelihood.

Analysis and Findings of the DC.

2.1.21 The DC notes the following chronology of events for appreciation of facts of the case :-

DATE	EVENTS
30.12.2021	Mr. Rattan Chaudhry consented to act as IRP in Form 2 to the FC.

05.01.2024	Additional affidavit submitting Authorization for Assignment (“AFA”) certificate was filed with the AA.
11.01.2024	Order in the CIRP of Silver Jubilee Motors Ltd reserved.
29.02.2024	SCN issued in Classic Bottle Caps Pvt. Ltd.
03.07.2024	CIRP of Silver Jubilee Motors Ltd. initiated
23.07.2024	NCLAT stayed the constitution of the CoC on an appeal preferred by the director of the suspended board of the CD.
22.10.2024	DC order in SCN dated 29.02.2024 related to Classic Bottle Caps Pvt. Ltd. was issued suspending AFA of Mr. Rattan Chaudhry for a period of 2 years.
04.11.2024	Mr. Rattan Chaudhry approached the FC and informed about the IBBI suspension order and sought advice on the continuation of his service.
23.12.2024	DC Order dated 22.10.2024 was brought to the notice of the NCLAT by the directors of the suspended board of the CD during the hearing, whereupon the NCLAT granted liberty to them to approach the AA for appropriate directions.
06.03.2025	Consequent to a settlement, the NCLAT granted liberty to file an application for withdrawal of the CIRP before the AA.
18.03.2025	AA during the hearing took note of the DC order dated 22.10.2024 and expressly sought clarification from IBBI as to whether the present IRP could proceed further in the matter or whether a new IRP/RP was required to be appointed.
26.03.2025	With regards to AA Order dated 18.03.2025 in I.A. No. 1269/2025 – Mr. Rattan Chaudhry sent an email to IBBI intimating about the AA order dated 18.03.2025 seeking clarification from IBBI .
29.05.2025	AA allowed the withdrawal application.

2.1.22 Considering the provisions outlined in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 and the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, it is imperative that an Insolvency Professional (“IP”) strictly adheres to the obligations cast upon him. Regulation 7A of the IBBI (Insolvency Professionals) Regulations, 2016 mandates that an IP shall not accept or undertake any assignment unless he holds a valid Authorisation for Assignment (“AFA”) on the date of such acceptance or commencement of the assignment, as the case may be. Further, Clause 23A of the Model Bye-Laws Regulations stipulates that the AFA shall stand suspended upon initiation of disciplinary proceedings by the

Insolvency Professional Agency or the Board, which is triggered by issuance of a Show Cause Notice (“SCN”). The relevant provisions are reproduced below:

“Regulation 7A of the IBBI (Insolvency Professionals) Regulations, 2016 – Authorisation for Assignment

7A. An insolvency professional shall not accept or undertake an assignment after 31st December, 2019 unless he holds a valid authorisation for assignment on the date of such acceptance or commencement of such assignment, as the case may be.

Clause 23A of the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016

23A. The authorisation for assignment shall stand suspended upon initiation of disciplinary proceedings by the Agency or by the Board, as the case may be.

Explanation. – A disciplinary proceeding shall be considered as pending against the professional member from the date he has been issued a show cause notice by the Agency or the Board, as the case may be, till its disposal by the Disciplinary Committee of the Agency or the Board, as the case may be.”

2.1.23 In terms of Sections 7, 9 and 10 of the Code, an Insolvency Professional cannot be appointed as an IRP or Resolution Professional (“RP”) if any disciplinary proceeding is pending against him. Further, the IBBI, vide Circular No. LA/010/2018 dated 23.04.2018, clarified that disciplinary proceedings shall be deemed to be pending from the date of issuance of the SCN, as follows:

- (i) a disciplinary proceeding is considered as pending against an insolvency professional from the time he has been issued a show cause notice by the Insolvency and Bankruptcy Board of India till its disposal by the Disciplinary Committee; and
- (ii) an insolvency professional who has been issued a show cause notice shall not accept any fresh assignment as Interim Resolution Professional, Resolution Professional, Liquidator, or Bankruptcy Trustee under the Code.

2.1.24 Therefore, from the aforesaid provisions, it is evident that right from the inception of the Code, an Insolvency Professional is prohibited from accepting any assignment if disciplinary proceedings are pending against him. Further, a conjoint reading of Sections 219 and 220 of the Code makes it abundantly clear that disciplinary proceedings against a service provider commence upon issuance of an SCN. This position was further clarified through the Circular dated 23.04.2018 referred to above.

- 2.1.25 The DC further notes that the concept of AFA was introduced through Regulation 7A of the IP Regulations and Clause 12A of the Schedule to the Model Bye-Laws Regulations, while the provision regarding suspension of AFA in cases involving pending disciplinary proceedings was introduced through Clause 23A of the Schedule to the Model Bye-Laws Regulations, all with effect from 23.07.2019. In this background, it is pertinent to note that Mr. Rattan Chaudhry was fully aware of the provisions relating to AFA, as he had obtained AFA on 22.12.2019 and subsequently renewed the same on 14.12.2020, 13.12.2021, 08.12.2022 and 06.12.2023. Accordingly, Mr. Rattan Chaudhry cannot claim ignorance regarding the provision relating to suspension of AFA upon initiation of disciplinary proceedings, particularly when the said provision formed an integral part of the same regulatory framework. In any event, being an Insolvency Professional, he was under a continuing obligation to keep himself abreast of all amendments and developments in the applicable regulations.
- 2.1.26 The DC notes that despite the issuance of the SCN dated 29.02.2024 in the matter of M/s. Classic Bottle Caps, Mr. Rattan Chaudhry came to be appointed as IRP vide order dated 03.07.2024 passed by the AA in the matter of M/s. Silver Jubilee Motors Limited. Mr. Rattan Chaudhry has submitted that he had furnished his consent for appointment on 30.12.2021 and order in the matter of M/s. Silver Jubilee Motors Limited was reserved prior to issuance of the SCN dated 29.02.2024.
- 2.1.27 The DC further notes that although Mr. Rattan Chaudhry had submitted his consent for the assignment prior to issuance of the SCN dated 29.02.2024 in the matter of M/s. Classic Bottle Caps Private Limited, the CIRP application came to be admitted and his appointment as IRP by the AA was made on 03.07.2024 i.e., after the issuance of the SCN dated 29.02.2024 resulting in suspension of AFA. Therefore, it was incumbent upon Mr. Rattan Chaudhry to apprise the AA, immediately on the pronouncement of the admission order, regarding his inability to undertake the assignment owing to the pendency of disciplinary proceedings against him.
- 2.1.28 The DC notes that in terms of Sections 7, 9 and 10 of the Code, an Insolvency Professional cannot be appointed as an IRP or RP if any disciplinary proceeding is pending against him. Accordingly, the relevant point of time for determining non-pendency of disciplinary proceedings is the date of admission and appointment, and not merely the date on which consent is furnished by the IP. This is also evident from Section 7(5) of the Code, which provides that the Adjudicating Authority, if satisfied that a default has occurred and that there are no

disciplinary proceedings pending against the proposed resolution professional, may, by order, admit such application. Accordingly, the plea of Mr. Rattan Chaudhry that his consent had been furnished prior to suspension of his AFA does not aid his case, as the AFA was required to remain valid both at the time of furnishing consent as well as at the time of his actual appointment.

2.1.29 The DC notes that the director of suspended board of the CD had preferred IA No. 8910 of 2024 in Comp. App. (AT) (Ins.) No. 1305 of 2024 pending before the Hon'ble NCLAT, inter alia, submitting that AFA of Mr. Rattan Chaudhry had been suspended vide order dated 22.10.2024 and, therefore, he could not continue to carry on any activity in the CIRP thereafter. The Hon'ble NCLAT, vide order dated 23.12.2024, observed that, "With regard to IRP, it is always open for the Appellant to make appropriate application before the Adjudicating Authority for replacement or passing any further orders as may be required."

2.1.30 Thereafter, NCLAT allowed the settlement between the parties and granted liberty to file withdrawal application before the AA vide order dated 16.03.2025. Consequently, Mr. Rattan Chaudhry on 10.03.2025 preferred an application under Section 12A of the Code seeking withdrawal of the CIRP of the CD and the application was listed for hearing on 18.03.2025.

2.1.31 The DC observes that Mr. Rattan Chaudhry instead of suo moto disclosing before the AA the factum of pending disciplinary proceedings on the issuance of the SCN dated 29.02.2024 and the consequent suspension of his AFA, Mr. Rattan Chaudhry continued to take the assignment as IRP in the CIRP proceedings of the CD. The DC further notes that the issue regarding continuation of Mr. Rattan Chaudhry as IRP was subsequently raised by the suspended director of the Corporate Debtor before the NCLAT. The DC further notes that vide order dated 23.12.2024, the NCLAT, while noting the suspension of AFA of Mr. Rattan Chaudhry, granted liberty to the director of the suspended board of the CD to approach the AA for appropriate directions. Despite objections being raised by the stakeholders, for a period of approximately three months, Mr. Rattan Chaudhry did not take any independent steps to bring the matter to the attention of the AA or to seek his replacement. Subsequently, pursuant to a settlement arrived at between the parties, Mr. Rattan Chaudhry filed an application under Section 12A of the Code for withdrawal of the CIRP before the AA, wherein also, the AA was not informed about the suspension of the AFA, at the time of admission of the CIRP of the CD, but had only apprised the AA about the DC order dated 22.10.2024.

2.1.32 The DC further notes that during the hearing held on 18.03.2025, before the AA, the AA was apprised about the Disciplinary Order dated 22.10.2024 and, considering the said development. The AA sought clarification from the Insolvency and Bankruptcy Board of India (“IBBI”) as to whether Mr. Rattan Chaudhry could continue to proceed further in the CIRP or whether a new IRP/RP was required to be appointed.

2.1.33 The DC notes the submission of Mr. Rattan Chaudhry that he had vide email dated 26.03.2025 had sought clarification from IBBI on whether he may proceed further in the matter of the CD in view of the IBBI order dated 22.10.2024 wherein his AFA was suspended. However, Mr. Rattan Chaudhry had not received any response to the query regarding suspension of his AFA, the DC on perusal of his email dated 26.03.2025 observe that the email specifically records as follows:

“We would like to apprise that while the CIRP in the matter of the Corporate Debtor was on-going the Insolvency and Bankruptcy Board of India (IBBI) on October 22, 2024 passed an order for suspension of the Authorisation for Assignment (AFA) of the undersigned, in the said order it has been mentioned that the respective CoC/ SCC, as the case may be, will decide about continuation of existing assignment of Mr. Rattan Chaudhry.

Since the formation of the CoC was stayed by the Hon’ble NCLAT vide order dated 23.07.2024 in Comp. App. (AT) (Ins.) No. 1305 of 2024, the undersigned approached the applicant seeking advice regarding continuation of the undersigned and conduct of the CIRP of the Corporate Debtor.

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In I.A. No. 1269 of 2024, the Hon'ble NCLT, vide order dated March 18, 2025, sought clarification from IBBI on whether the undersigned may proceed further in the matter of the Corporate Debtor. A copy of the order is attached herewith as Annexure -4.

This communication is issued without prejudice.

2.1.34 The DC notes that the email does not contain any independent query or request from Mr. Rattan Chaudhry seeking IBBI's guidance or permission to continue his assignment. The same constitutes a mere intimation to IBBI of the directions issued by the AA, and does not, in any manner, amount to a request by Mr. Rattan Chaudhry seeking clarification from IBBI about the continuation of his assignment.

- 2.1.35 The DC further notes that aforesaid communication clearly demonstrates that Mr. Rattan Chaudhry was relying upon the DC Order dated 22.10.2024, whereby continuation in existing assignments was left to the decision of the respective CoC/SCC, as the case may be. However, the DC notes that in the present matter, the SCN had already been issued to Mr. Rattan Chaudhry on 29.02.2024 and, therefore, in terms of the provisions discussed hereinabove, he was prohibited from accepting any fresh assignment after the said date.
- 2.1.36 In this regard, the DC notes that, despite being aware of the pendency of disciplinary proceedings against him and the suspension of his AFA on the issuance of SCN dated 29.02.2024, Mr. Rattan Chaudhry did not apprise the AA of the same at the very first instance, i.e., immediately after the admission of the CIRP on 03.07.2024. Furthermore, Mr. Rattan Chaudhry did not take any steps in this regard on his own. The records reveal that it was only after the DC's Order dated 22.10.2024 that Mr. Rattan Chaudhry, vide email dated 04.11.2024, informed the FC about the IBBI suspension order and sought advice regarding continuation of his assignment. The records do not reflect any response or communication from the Financial Creditor to the said email, and no material has been placed on record by Mr. Rattan Chaudhry to demonstrate any reply received from the FC in this regard or any follow up been taken in this regard.
- 2.1.37 Further, Mr. Rattan Chaudhry has not produced any material on record to establish his bona fides or to demonstrate that he had intimated the suspension of his AFA to the AA immediately upon his appointment as the IRP of the CD, which could have been taken into consideration by the DC. The DC, therefore, holds that Mr. Rattan Chaudhry accepted the assignment of IRP of the CD even though he was not eligible to accept the same. Further, Mr. Rattan Chaudhry did not take any proactive steps to bring the correct position before NCLAT and AA and to seek withdrawal of his assignment as IRP from the case.
- 2.1.38 The DC further notes that the disclosure relating to fees and other expenses incurred/paid during the CIRP had not been filed by Mr. Rattan Chaudhry on the website of the Insolvency Professional Agency. However, Mr. Rattan Chaudhry submitted that he had undertaken corrective steps, and requisite disclosure form is duly filed with the IPA. Mr. Rattan Chaudhry further submitted that there was no wrongful gain, misappropriation, diversion of funds, or any prejudice whatsoever caused to any stakeholder on account of the said omission.

2.1.39 It is pertinent to note that the CIRP commenced on 03.07.2024, and the SCN was issued on 25.11.2025, yet the requisite disclosure of fees and costs was filed by Mr. Rattan Chaudhry only after the issuance of the SCN, thereby reflecting the absence of a proactive and timely compliance with the applicable regulatory obligations. The DC notes that such compliance was undertaken only after issuance of the SCN and did not reflect a proactive approach on the part of Mr. Rattan Chaudhry. Accordingly, DC holds the contravention.

2.1.40 Accordingly, the DC finds Mr. Rattan Chaudhry is in contravention of Section 208(2)(b) & (e) of the Code, Regulations 7(2)(a), 7(2)(h), 7 A of IP Regulations, Regulation 34A of CIRP Regulation, Clause 25A of the Code of Conduct specified in First Schedule to IP Regulations, Clause 23A of Model Bye-laws specified in Schedule to Model Bye-laws Regulations and Circular No. IBBI/IP/013/2018 dated 12.06.2018.

3. ORDER

3.1 In the present matter, the DC also takes note of the mitigating factors that in the matter of Silver Jubilee Motors Limited, the CIRP was initiated on 03.07.2024 and constitution of CoC was stayed on 23.07.2024, and later on 29.05.2025 the AA allowed the withdrawal of the CIRP. The DC notes that the CIRP had not progressed in any substantial manner. Further, Mr. Rattan Chaudhry has submitted that he has already attained the age of 70 years and therefore, he will not be able to get his AFA renewed.

3.2 In view of the foregoing, the DC in the exercise of the powers conferred under section 220 of the Code read with regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 and Regulation 11 of the IBBI (Insolvency Professionals) Regulations, 2016 hereby imposes a penalty of Rs. One Lakh on Mr. Rattan Chaudhry (Registration No. IBBI/IPA-002/IP-N00325/2017-2018/10930) and directs Mr. Rattan Chaudhry to deposit the penalty amount directly to the Consolidated Fund of India (CFI) under the head of “penalty imposed by IBBI” on <https://bharatkosh.gov.in> within 45 days from the date of issue of this order and submit a copy of the transaction receipt to the Insolvency and Bankruptcy Board of India.

3.3 This Order shall come into force with immediate effect in view of Para 3.2.

3.4 A copy of this order shall be forwarded to ICSI Institute of Insolvency Professionals where Mr. Rattan Chaudhry 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.

Sd/-

(Sandip Garg)

Whole Time Member

Insolvency and Bankruptcy Board of India

Dated: 05 June 2026

Place: New Delhi