

W.P.No. 23703 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.07.2025

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CORAM :

THE HONOURABLE DR.JUSTICE ANITA SUMANTH
and
THE HONOURABLE MR.JUSTICE N.SENTHILKUMAR

W.P.No. 23703 of 2025

K.S.Manigandan

. . . . Petitioner

VS

1.Insolvency and Bankruptcy Board of India
7th Floor, MayurBhawan,
Shankar Market,
Connaught Circus, New Delhi – 110 001.

2.The Former Liquidator,
M/s. SLO Industries Ltd.,
S.Palaniappan
B5, Patteswarar Park, North Block,
Dr.Ramasamy Layout, Velandipalayam,
Coimbatore – 641 025.

3.The Liquidator,
M/s. SLO Industries Ltd.,
Revathi S.Raghunathan
Flat No.7, 3rd Floor, B Wing,
Parsn Manner, 442, Anna Salai,
Chennai – 600 006.

. . . . Respondents



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Prayer : Writ Petition filed under Article 226 of the Constitution of India praying to issue a writ of mandamus directing the 1st respondent to consider petitioner complaints dated 23.04.2025 submitted in Form A against the 2nd and 3rd respondents and dispose the same within the time stipulated by this Hon'ble Court.

For Petitioner : Ms.G.Umamaheswari

For Respondents : Mr.K.S.Jeya Ganeshan
Senior Panel Counsel, for R1
Mr.Varun Srinivasan, for R2
Mr.K.Pavan Jhabakh, for R3

ORDER

(Made by Dr. ANITA SUMANTH.,J)

We have heard Ms.G.Umamaheswari, learned counsel appearing for the petitioner, Mr.Jeya Ganeshan, learned Senior Panel Counsel for R1, Mr.Varun Srinivasan, learned counsel appearing for R2 and Mr.K.Pavan Jhabakh, learned counsel appearing for R3.

2. The prayer is simple. The petitioner seeks a mandamus directing the first respondent i.e., the Insolvency and Bankruptcy Board of India ('IBBI' / 'Board') to consider his complaints dated 23.04.2025 as against



R2 and R3, who are the erstwhile and current liquidators of SLO Industries Ltd., and dispose the same within a fixed time frame.

3. The Scheme for consideration of grievances of a stakeholder is set out under two Regulations, *The Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017* (in short, ('2017 (Grievance and Complaint Handling Procedure) Regulations'), and *The Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017*, ('2017 Inspection and Investigation Regulations').

The Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017

4. The *2017 (Grievance and Complaint Handling Procedure) Regulations* provide, in Regulation 3(4), for a grievance or complaint to be made within 45 days of an occurrence or cause of action for the same. The proviso states that it may be filed even thereafter, but not beyond 30 days, and accompanied by a petition seeking condonation for the delay.

5. We are given to understand by the parties that the Board is presently entertaining complaints / grievances filed even beyond the period of 30 days and is not binding itself very strictly to the time limit, in the interests of addressing genuine and serious complaints. While the



laxity on this account is well taken, and may be leniently viewed, needless to state, the Board has to ensure that there is no breach of the timelines prescribed, at its end.

6. Chapter IV is entitled disposal of complaint and Regulation 7, that deals with disposal of complaint reads as under:

7. Disposal of complaint.

(1) The Board may seek additional information and records from the complainant and information and records from the concerned service provider to form a prima facie view whether the contravention alleged in the complaint is correct.

(2) The complainant and the service provider shall submit the information and records sought under sub-regulation (1) within 10[seven] days thereof. [Provided that an additional time, not exceeding seven days, may be granted by the Board on request of the service provider.]

(3) [The Board shall investigate the information and records and form an opinion whether there exists a prima facie case within thirty days of the receipt of the complaint .].

(4) The Board shall close the complaint where it is of the opinion under sub-regulation (3) that there does not exist a prima facie case and communicate the same to the complainant.

(5) If the complainant is not satisfied with the decision of the Board under sub-regulation (4), he may request a review of such decision 13[within thirty days].

(6) The Board shall dispose of the review under sub-regulation (5) within thirty days of the receipt of the request for review by an order with an opinion whether there exists a prima facie case.



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(7) Where the Board is of the opinion that there exists a prima facie case, it may issue a show cause notice under regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 or order an investigation under Chapter III of Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.

(8) Where the Board is of the opinion that the complaint is not frivolous, it shall refund the fee of two thousand five hundred rupees received under sub-regulation (3) of regulation 3.

7. Regulation 7(1) states that the Board may seek additional information/records from the complainant, or from the service provider, to form a prima facie view as to whether the grievance put forth is acceptable. Such records are to be supplied within 7 days from the request or within an additional period of 7 days if the service provider so seeks the same.

8. Regulation 7(3) states that the Board shall investigate and form an opinion as to whether a prima facie case exists, within 30 days. In the present case, the date of complaint is 23.04.2025 and hence the time frame as contemplated under Regulation 7(3), has been breached.

9. If the Board is of the view that there is no prima facie case, it shall close the complaint and communicate such closure to the complainant, who may seek review of the same under Regulation 7(5)



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within a period of 30 days. This has transpired in the case of R3, as, pending this writ petition, the complaints qua R3 have been disposed vide order dated 18.07.2025, exonerating him and such order has been served upon him.

10. As far as R2 is concerned, Mr.Jeya Ganesan, says that some additional information has been sought and the complaint qua R2 is under process. We record the same and thus, as far as R2 is concerned, the investigation shall continue. If the Board is of the view that there exists a prima facie case, then the investigation shall continue, by virtue of the prescription under Regulation 7(7) of the 2017 (*Grievance and Complaint Handling Procedure*) Regulations for issuance of a show cause notice under Chapter III, Section 11 of the 2017 (Inspection and Investigation) Regulations. This takes us to an examination of the 2017 (*Inspection and Investigation*) Regulations.

The Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017

11. The 2017 (*Inspection and Investigation*) Regulations provide for both inspection and investigation of a service provide. A ‘service provider’ is defined under section 2(1)(j) as ‘*insolvency professional*



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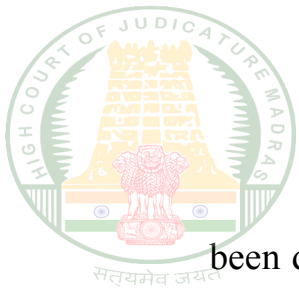
agency, insolvency professional, insolvency professional entity or information utility’.

12. Chapter II provides for inspection by the Board and the purpose for which the investigation may be carried out are adumbrated in

Regulation 3(4) reading as follows:-

- (a) to ensure that the records are being maintained by a service provider in the manner required under the relevant regulations;*
- (b) to ascertain whether adequate internal control systems, procedures and safeguards have been established and are being followed by a service provider to fulfill its obligations under the relevant regulations;*
- (c) to ascertain whether any circumstance exists which would render a service provider unfit or ineligible;*
- (d) to ascertain whether the provisions of the Code, or the rules, regulations and guidelines made thereunder and the directions issued by the Board, if any, are being complied with;*
- (e) to inquire into the complaints received from 6 [stakeholders] or any other person on any matter having a bearing on the activities of a service provider; and*
- (f) such other purpose as may be deemed fit by the Board in furtherance of the objectives of the Code.*

13. Regulation 4 deals with the conduct of inspection and the procedure to be followed. In conducting an inspection, the Board may take the assistance of an ‘Inspecting Authority’ which term means, under section 2(1)(j), an officer or a team of officers of the Board which has



been directed to act as inspecting authority to conduct an inspection of a service provider.

14. Regulation 5 provides for the submission of interim inspection report of the inspecting authority, and the circumstances in which such report may be submitted. The Board may, on a consideration of the interim inspection report refer the matter to the Disciplinary Committee for appropriate action. Regulation 6 deals with inspection report by the inspecting authority.

15. Regulation 7 under Chapter III deals with investigation by the Board of a service provider with specific reference to Section 218. That provision provides for an investigation of an insolvency professional agency or its member and the scope of such investigation is in terms of Regulation 7(3) for the following exigencies:-

- (a) scope of investigation in terms of records, activities, places, and persons;*
- (b) composition of Investigating Authority;*
- (c) timelines for conducting investigation;*
- (d) reporting of progress in investigation;*
- (e) submission of interim investigation report, if any; and*
- (f) submission of investigation report.*

16. Regulation 8 deals with the conduct of investigation, Regulation 9 with the issuance of interim investigation report and



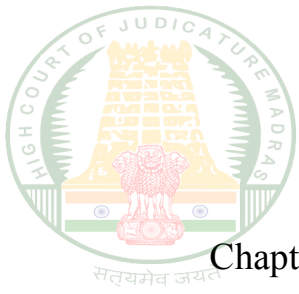
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Regulation 10 with the final investigation report. Chapter III(b) enables the Board to pass an interim order on the basis of the material available on record.

17. Chapter IV states that the inspection report received under Regulation 6 or investigation report received under Regulation 10 may be taken into account by the Board along with other material to come to a conclusion as to whether prima facie information has been formed for action to be taken under Sections 220, 236 or Section 236(2) of the Code to warrant the issuance of a show cause notice under Regulation 12, upon the service provider or an associated person.

18. Such prima facie view may also flow from the inquiry undertaken by the Board under the *2017 (Grievance and Complaint Handling Procedure) Regulations* which is presently ongoing in the case of R3 in the present case.

19. The procedure to be followed thereafter is set out both under Regulations 12 and 13 which deal with disposal of show cause notice by the Disciplinary Committee, which shall follow the principles of natural justice in doing so. They are also expected to pass a reasoned order.



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Chapter V deals with restitution pursuant to the directions, if any, issued by the Disciplinary Authority.

20. The scheme for addressing grievances under the 2017 Regulations, is thus as set out above. Mandamus as sought for qua R2 is achieved. As far as R3 is concerned, matters stand at a stage anterior to the Board arriving at a decision as to whether prima facie case been made out for investigation. It would thus suffice to close the matter stating that the procedure as set out under the 2017 Regulations be followed in arriving at a proper resolution of the complaint qua R2. This exercise be completed within three (3) months from date of receipt of a copy of this order.

21. This writ petition is closed in terms of this order with no order as to costs.

[A.S.M., J] [N.S., J]
21.07.2025

Index: Yes
Neutral Citation: Yes
ssm

To

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7th Floor, Mayur Bhawan,



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