INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/344/2026 08 September 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/27/2026-IBBI/1964/796 dated 07.07.2026, issued to Shri Anurag Jain, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP-P01049/2017-18/11732 and a Professional Member of the Indian Institute of Insolvency Professional of ICAI (IIIPI-ICAI).

1. Background

1.1. The corporate insolvency resolution process (CIRP) of M/s. Orient Tourism Private Limited (CD) commenced *vide* order of the National Company Law Tribunal, Mumbai Bench (AA) dated 17.09.2019 and Shri Anurag Jain was appointed as Interim Resolution Professional (IRP) in the matter and later confirmed as the Resolution Professional (RP) in the matter.

1.2. The Board took note of order of Hon'ble NCLAT dated 14.01.2026, wherein certain adverse observations were made against Shri Anurag Jain's conduct in the matter. The Board examined the observations made in Hon'ble NCLAT's order *vis-a-vis* Shri Anurag Jain's reply to the same and other material available on record.

1.3. On perusal of the said examination, the Board formed a *prima facie* view that Shri Anurag Jain contravened provisions of the Code and issued the SCN to Shri Anurag Jain on 07.07.2026 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 Shri Anurag Jain to SCN was received by the Board on 27.07.2026.

1.4. The SCN, reply of Shri Anurag Jain on the SCN and material available on record were referred to this Disciplinary Committee (DC) for disposal of the SCN. Shri Anurag Jain availed the opportunity of personal hearing before the DC through virtual mode on 31.08.2026 along with his advocate Shri Shadab Jana. Pursuant to the personal hearing, Shri Anurag Jain submitted additional documents on 03.09.2026.

2. Alleged Contravention, submissions of Shri Anurag Jain and findings of the DC

2.1. Contravention-I: Failure to take prior approval of CoC for raising interim finance and to disclose relationship with the interim finance provider.

2.1.1. Section 25(2)(c) of the Code provides that the RP shall raise interim finances subject to the approval of the committee of creditors under Section 28. Section 28(1)(a) of the Code provides that the RP shall not raise any interim finance without the prior approval of the committee of creditors. Regulation 31 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) provides that "Insolvency resolution process costs" shall inter-alia include expenses incurred on or by the interim resolution professional to the extent ratified under Regulation 33; and expenses incurred on or by the resolution professional fixed under Regulation 34. Regulation 33 and 34 of CIRP Regulations provides for fixation of expenses by the CoC. Regulation 34A of CIRP Regulations provides that the IRP or RP, as the case may be, shall disclose item wise insolvency resolution process costs in such manner as may be required by the Board. Clause 8B of Code of Conduct for IPs states that an IP shall disclose its relationship, if any, with the corporate debtor, other professionals engaged by it, financial creditors, interim finance providers, and prospective resolution applicants to the insolvency professional agency of which he is a member, within the time specified. Clause 8D of Code of Conduct provides four kinds of relationships from A to D.

2.1.2. In the present matter, in the 1st meeting of CoC held on 13.11.2019, Shri Anurag Jain requested the CoC to contribute funds to run the process and for complying with various tax laws. The CoC expressed its inability to provide such contribution and advised Shri Anurag Jain to get interim funding at appropriate terms subject to maximum interest being 15% p.a. In the 2nd CoC meeting held on 25.02.2021, Shri Anurag Jain informed CoC members that an interim finance of Rs.1 crore was taken from Resolve Support Services Private Limited at an interest rate of 15% p.a. Shri Anurag Jain further informed that an amount of Rs.50 lakh was drawn and the same was utilized towards payment of pending CIRP costs like RP fees, legal support fees and other approved expenses which were overdue. It was noted that Shri Anurag Jain is one of the Directors of Resolve Support Services Private Limited (Interim Finance Provider). In this regard, Shri Anurag Jain filed a relationship disclosure with IPA, disclosing Type B and C relationship with the said entity.

2.1.3. It was noted that in the 2nd CoC meeting held on 25.02.2021, Religare Finvest Limited, which was the sole member of the CoC at the time of the 1st CoC meeting, declined to approve the minutes of the 1st CoC meeting. Further, the CoC members raised objections to the fees charged by Shri Anurag Jain for the period that had been excluded by the AA from the CIRP timeline on account of the pendency of the withdrawal application before the AA.

2.1.4. It was further noted that a substantial portion of the interim finance was utilized towards payment of CIRP costs, including his own fees, legal fees etc. The CD's bank statement indicates that interim finance of Rs.50 lakh was given to CD on 18.02.2021 from the HUF account of Mr.

Vishal Jain (Director of Resolve Support Services Private Limited). On the very same day, amounts aggregating to Rs.44.44 lakh was transferred from CD's account, including payment of Rs.33.34 lakh to Shri Anurag Jain (IRP/RP fees) and Rs.11.10 lakh to Mr. Vishal Jain (Legal support fee). Further, after the 2nd CoC meeting held on 22.02.2021, additional funds amounting to Rs.5.74 lakh was raised from Resolve Support Services Private Limited, which was utilised towards payments of RP fees and legal support fees.

2.1.5. It was observed that Section 28(1)(a) of the Code mandates prior approval of the CoC before raising any interim finance. While the CoC, in its 1st meeting, had generally permitted Shri Anurag Jain to explore interim funding options after expressing its inability to contribute funds, no specific approval was obtained from the CoC regarding the identity of the lender, the amount of finance, the terms and conditions of the facility, or the actual drawdown thereunder. Despite this, Shri Anurag Jain proceeded to enter into an arrangement for interim finance of Rs.1 crore with Resolve Support Services Private Limited and drew Rs.50 lakh therefrom. The fact that the CoC was merely informed of the transaction in the subsequent meeting cannot cure the defect of absence of prior approval.

2.1.6. It was further noted that the interim finance was obtained from Resolve Support Services Private Limited, an entity in which Shri Anurag Jain is a director. In such circumstances, Shri Anurag Jain was expected to exercise a heightened degree of transparency, independence, and professional objectivity. Instead, Shri Anurag Jain entered into a financial arrangement with a connected entity without obtaining the informed and specific approval of the CoC.

2.1.7. The records further indicate that a substantial portion of the interim finance was utilized towards payment of CIRP costs, including his own fees, legal fees etc. It was not open to Shri Anurag Jain to unilaterally incur or disburse CIRP costs out of funds raised as interim finance without the approval of the CoC. Such conduct raises a reasonable apprehension of conflict of interest and creates an impression that the interim finance arrangement was structured primarily to ensure payment of his fees and associated CIRP expenses, without adequate oversight or explicit approval of the CoC. This undermines the transparency expected in the utilization of interim finance and is inconsistent with the fiduciary obligations cast upon the RP.

2.1.8. In this regard, the Hon'ble NCLAT vide order dated 14.01.2026 observed as under:

> *When we look at the above minutes, it is quite clear that Religare had refrained from signing the minutes of the first CoC meeting. Admittedly, Religare had also sent a written communication earlier to the RP objecting to the proceedings recorded in respect of the first CoC meeting. It is pertinent to also notice that the gap between the first and second CoC meeting was nearly fifteen months but during this long intervening period, the RP took no steps to keep the CoC apprised about the negotiations being undertaken to finalise the Loan Agreement. Instead, the RP had executed the Loan Agreement even before convening the second CoC meeting on 22.02.2021. In other words, the Loan Agreement which contained the exact terms of interim finance*

arrangement had been decided unilaterally by the RP without the approval of CoC. This action on the part of the RP does not appear to be compatible with CIRP Regulations 34-A and 34-B which obligated the RP to disclose to the CoC insolvency resolution process costs including fees/expenses to be incurred by the RP.

....

Mere receipt of a general and preliminary approval in the first CoC meeting to raise interim finance without the stamp of final approval by the CoC on the specific terms and conditions of interim finance cannot be read as compliance to the requirements outlined under Sections 25 and 28 of IBC and CIRP Regulation 34-B for obtaining the specific approval of CoC before entering into any actual interim finance transaction....

When we further look at the material placed on record, we find that Vishal who was a related party was appointed as the legal professional. This legal professional hired by the RP happened to be director of Resolve from whom interim finance was raised and interim finance was purportedly transferred from the HUF account of Vishal to the account of the Corporate Debtor which was being handled by the RP. Given this backdrop, this was a clear case of conflict of interest since Vishal, on the one hand, was financing the Corporate Debtor through the RP, and on the other hand, was dipping into the corpus of interim finance through the RP by claiming legal fees. The RP had also not disclosed to the CoC the relationship it had with the Resolve as the Loan Agreement had been executed by RP without placing the specific terms thereof for approval of the CoC.....

The manner in which the RP has raised interim finance and appropriated amounts out of the same largely towards his own fees and fees of the legal professional who was a related party shows lack of transparency on the part of the RP....

From the material placed on record and foregoing discussions, we find no good grounds to disagree with the Adjudicating Authority that the interim finance had been raised by the RP from a related party and has been used to clear his own fees as well as that of the legal professional. We have already noticed that the approval of the first CoC to the raising of interim finance was only preliminary and prefatory in nature and that the RP had gone ahead and inked the Loan Agreement with the interim finance provider without obtaining formal approval of the CoC on the terms and conditions of the Loan Agreement. It is for the CoC to ratify, modify or set aside the CIRP cost and in the present case when CIRP cost was not shown to have been placed before the CoC for its examination, consideration and decision, it was not open for the RP to expend on CIRP costs unilaterally.....

2.1.9. In view of the above, the Board was of the prima facie view that Shri Anurag Jain contravened the provisions of Sections 25(2)(c) and 28(1)(a) of the Code, Regulation 31 read with

Regulations 33, 34 and 34A of CIRP Regulations and Clauses 1, 2, 3, 5 and 14 of the Code of Conduct specified in IP Regulations.

Submissions by Shri Anurag Jain.

2.1.10. Shri Anurag Jain submitted that in the 1st meeting of the CoC on 13.11.2019, it was proposed as agenda at Sr. No. 1 (n) for *"Providing corpus fund to run the process".* Accordingly, the CoC was informed of the need for the CoC to contribute to the corpus fund to run the CIRP of the Corporate Debtor. A sheet detailing the calculation of amount of corpus fund was annexed to the notice and discussed at length by the CoC. Despite the above, CoC members categorically refused to provide any such contribution and instead directed that IRP avail interim finance at appropriate terms and that interest can be paid at 15% p.a.

2.1.11. Shri Anurag Jain further submitted that he had never proposed interim finance and had instead sought contribution from COC members. The CoC understanding its responsibility to fund the process, of its own accord approved availing interim finance as they were not able to contribute to the Corpus fund. The CoC had itself set the terms of availing interim finance at 15%, much lower than the market rate of 19-24% p.a.

2.1.12. Shri Anurag Jain submitted that in the 1st CoC meeting, the CoC had not only permitted him to raise interim finance, the CoC had also fixed the terms of such interim finance. Thus, once terms of interim finance were decided by the CoC themselves, the identity of the financier was wholly irrelevant. In fact, after approving the quantum and terms of interim finance, the only further action to be carried out by him was to conduct the ministerial act of execution of Loan Agreement with any suitable financier agreeable to offer interim finance at interest of 15% p a.

2.1.13. Shri Anurag Jain further submitted that in the 2nd CoC meeting, when Shri Anurag Jain apprised the COC members with respect to the Loan Agreement, no objection was raised by the CoC. It was only when the financier filed an application for recovering its dues that the COC raised an objection to the execution of Loan Agreement.

2.1.14. Shri Anurag Jain further submitted that he had quoted and been paid higher fees for the insolvency resolution period, and the same was negotiated and brought down from Rs. 3 lakhs to Rs. 2 lakhs per month by the CoC in its 1st meeting after clearly analysing the profile of the Corporate Debtor. So, the fees are transparent and reasonable. The CoC had never objected to the fees, only a request was made to consider not taking fees for the excluded period.

2.1.15. Shri Anurag Jain further submitted that the NCLAT Order dated 14.01.2026 has been challenged by him before the Hon'ble Supreme Court in Civil Appeal filed with Diary No. 15923 of 2026 and the said appeal is at presently pending before the Hon'ble Supreme Court.

2.1.16. Shri Anurag Jain further submitted that it is not the mandate of the law that the fees for each month has to be evaluated and paid on the basis of the work done for that month. There is no provision in law that fees are not to be paid to the RP for the period excluded by the AA.

Analysis and Findings of the DC.

2.1.17. The DC has considered the submission of Shri Anurag Jain that the order of the Hon'ble NCLAT dated 14.01.2026 has been assailed by him before the Hon'ble Supreme Court by way of Civil Appeal Diary No. 15923 of 2026, which is stated to be pending. At the outset, the DC notes that the allegations of the present SCN are not dependent solely on the observations mentioned in the NCLAT order dated 14.01.2026. Rather, the Board had independently examined the conduct of Shri Anurag Jain based on the relevant materials and had consequently issued the present SCN. Further, it is a matter of record that Shri Anurag Jain was called upon to respond to the Show Cause Notice, and his detailed reply thereto has been duly considered by the DC. The DC has also provided Shri Anurag Jain an opportunity of being personally heard in the matter, in compliance with the principles of natural justice. In these circumstances, the mere pendency of a Civil Appeal before the Hon'ble Supreme Court against the order of the Hon'ble NCLAT cannot, by itself, constitute a ground for staying or deferring the present disciplinary proceedings, which proceed in terms of the Code and the regulations framed thereunder. The submission is accordingly rejected.

2.1.18. Section 25(2)(c) of the Code casts a duty on the RP to raise interim finance subject to the approval of the CoC under Section 28, and Section 28(1)(a) is unambiguous in mandating that no interim finance shall be raised by the RP in excess of the amount as decided by the CoC without the prior approval of the CoC. The given interpretation make it abundantly clear that the CoC have to decide the amount to be raised through interim finance. Regulation 34A of the CIRP Regulations further obligates the RP to disclose insolvency resolution process costs, including fees and expenses, in the manner specified by the Board, so that the CoC is placed in a position to examine, approve or modify such costs.

2.1.19. The DC after perusal of the minutes of the 1st CoC meeting held on 13.11.2019 notes that CoC had declined to contribute to corpus fund and permit Shri Anurag Jain to explore interim funding, subject to a ceiling of 15% p.a. interest. The DC notes that in the given resolution no lender was identified, no loan amount was fixed, and no specific terms were placed before or approved by the CoC at that stage. Despite this, Shri Anurag Jain proceeded to execute a Loan Agreement for Rs.1 crore with Resolve Support Services Private Limited, an entity of which he himself is a director, and drew down Rs.50 lakh thereunder and that too, informing the CoC of this arrangement only in the 2nd CoC meeting held on 25.02.2021 i.e., after a period of around 1 year 4 months.

2.1.20. The DC notes the submission of Shri Anurag Jain that in the 1st CoC meeting, the CoC had not only permitted him to raise interim finance, the CoC had also fixed the terms of such interim finance. The DC notes that a general and preliminary approval of this nature as sought in the 1st CoC meeting cannot be equated with the specific approval mandated under Sections 25 and 28 of the Code and Regulation 34B of the CIRP Regulations for raising interim finance and mere subsequent intimation of the raising of the interim finance and the utilization of fund, to the CoC does not cure the fundamental absence of prior approval. The DC further notes that Religare

Finvest Limited, the sole member of the CoC in the 1st CoC meeting held on 13.11.2019, refrained from approving the minutes of the 1st CoC meeting in the 2nd CoC meeting held on 22.02.2021 and adjourned to 25.02.2021, as is evident from the minutes of the 2nd CoC meeting.. The DC also notes that there was a considerable gap of nearly fifteen months between the 1st and the 2nd CoC meetings. Further, during this prolonged intervening period, Mr. Anurag Jain took no steps to keep the CoC apprised of the negotiations being undertaken for finalising the Loan Agreement.

2.1.21. The DC has also perused the utilisation of the interim finance raised by Shri Anurag Jain from its related party. The DC on perusal of the CD's bank statements notes that a sum of Rs.50 lakh was received from the HUF account of Mr. Vishal Jain, Director of Resolve Support Services Private Limited, amounts aggregating Rs.44.44 lakh was paid out from the CD's account, of which Rs.33.34 lakh was paid to Shri Anurag Jain as his own IRP/RP fees and Rs.11.10 lakh was paid to Mr. Vishal Jain (also a director of Resolve Support Services Private Limited) as legal support fees. Moreover, a further sum of Rs.5.74 lakh raised subsequently from the same entity, was likewise applied towards RP fees and legal fees. The DC notes that a major amount of the interim finance drawn was appropriated towards his own professional fees and legal fees of a related professional, without the CIRP costs having been placed before the CoC for its ratification as required under Regulations 33 and 34 of the CIRP Regulations. The DC further notes that the fact that the interim finance provider was an entity in which Shri Anurag Jain held directorship, and that the legal professional (Mr. Vishal Jain) paid out of the same funds, was himself a Director of that lending entity, reflects a self-referential financial arrangement in which Shri Anurag Jain raised funds from his own company and used those very funds to discharge his own fees and the fees of other director of his company, without approval of the CoC. His company being the beneficiary of this financial arrangement by earning interest at the rate of 15% per annum. Such an act of Shri Anurag Jain reflects serious professional misconduct on his part.

2.1.22. Accordingly, the DC holds that Shri Anurag Jain failed to take the prior approval of the CoC for raising the interim finance for the CD and the approval obtained in the 1st CoC meeting as relied by Shri Anurag Jain cannot be accepted as the same did not extend to the specific terms of the Loan Agreement or the identity of the lender. Further, a substantial part of the funds so raised was applied towards the RP's own fees and the fees of a related legal professional, without CoC approval of such CIRP costs. Therefore, the DC finds Shri Anurag Jain in contravention of Sections 25(2)(c) and 28(1)(a) of the Code, Regulation 31 read with Regulations 33, 34 and 34A of CIRP Regulations and Clauses 1, 2, 3, 5 and 14 of the Code of Conduct specified in IP Regulations.

2.2. **Contravention-II: Filing of defective withdrawal application under Section 12A contributing to avoidable delay and costs.**

2.2.1. Section 12A of the Code provides that the AA may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with the approval of ninety per cent. voting share of the committee of creditors, in such manner as may be specified. Regulation 30A(2) of CIRP Regulations provides that the application for withdrawal u/s 12A shall be made in Form FA of the Schedule-I accompanied by a bank guarantee- (a) towards estimated expenses incurred on or by the interim resolution professional for purposes of regulation 33, till the date of filing of the application; or (b) towards estimated expenses incurred for purposes of clauses (aa), (ab), (c) and (d) of regulation 31, till the date of filing of the application.

2.2.2. In the present matter, in the 1st meeting of CoC held on 13.11.2019, Shri Anurag Jain informed the CoC members that on receipt of Form FA from the applicant creditor, Shri Anurag Jain filed an application on 06.11.2019 for withdrawal of the CIRP. Shri Anurag Jain further stated that, considering the withdrawal application, Shri Anurag Jain initially did not file the report certifying constitution of the CoC or convene its first meeting. However, upon legal advice that the CIRP was required to continue until an order or stay was granted by the AA, Shri Anurag Jain proceeded with the CIRP, constituted the CoC, convened its first meeting. It was further noted that in the said meeting, Shri Anurag Jain also sought the CoC's approval for withdrawal of the CIRP.

2.2.3. The Hon'ble AA vide order dated 08.01.2021 noted that Form-FA was not accompanied by the Bank Guarantee as mandated under Regulation 30A(2) of CIRP Regulations, and therefore dismissed the Section 12A application. Vide the said order, the AA also excluded the litigation period from 06.11.2019 to 08.01.2021 from the period of CIRP.

2.2.4. It was noted that in the 2nd CoC meeting held on 25.02.2021, Religare Finvest Limited, which was the sole member of the CoC at the time of the 1st CoC meeting, declined to approve the minutes of the 1st CoC meeting. Further, the CoC members raised objections to the fees charged by Shri Anurag Jain for the period that had been excluded by the AA from the CIRP timeline on account of the pendency of the withdrawal application before the AA.

2.2.5. It was observed that Shri Anurag Jain filed an application under section 12A of the Code without complying with the mandatory requirement of furnishing a bank guarantee under regulation 30A(2) of the CIRP Regulations. Consequently, the application was dismissed by the AA, resulting in avoidable litigation, exclusion of the period from 06.11.2019 to 08.01.2021 from the CIRP timeline, and a corresponding increase in CIRP costs. Further, Shri Anurag Jain continued to claim fees for the period during which the withdrawal application remained pending, including the period later excluded by the AA, notwithstanding the limited CIRP activities undertaken and the objections raised by the CoC. Shri Anurag Jain's conduct therefore demonstrates a lack of due diligence and diligence expected of an insolvency professional and contributed to avoidable delay and costs in the CIRP.

2.2.6. In this regard, the Hon'ble NCLAT vide order dated 14.01.2026 observed as under:

> *…. During this period of nearly two years when the Section 12A application was pending before the Adjudicating Authority, we do not find any status report filed by the RP before the CoC on what action or efforts were taken by the RP. We also find that when the second CoC meeting was held which happened after the dismissal of Section 12-A application, City Union Bank which was one of the CoC members had objected to the payment of fees to the RP for the period excluded by the Adjudicating Authority and had questioned the reasonability and justification of the fees claimed by the RP.*
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> *It is equally pertinent to note that the second CoC meeting had also noticed that there was minimal business operation of the Corporate Debtor with no substantial revenue generation during this period when the Section 12-A withdrawal application remained pending as all employees had left and business was gravely impacted by lockdown. We also take cognisance of the fact that while rejecting the Section 12A application, the Adjudicating Authority had excluded the litigation period from 06.11.2019 to 08.01.2021 from the CIRP timelines. We are therefore inclined to agree that though CIRP as such was not stayed, however, the very fact that the RP had filed the Section 12A withdrawal application immediately after admission of the Corporate Debtor into the rigours of corporate insolvency, the CIRP proceedings remained in a moribund state and there is nothing on record to show that any significant work was undertaken by the RP during this period.*
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> *In such circumstances, when the CIRP remained practically in abeyance for almost a period of two years on account of filing of Section 12A application, the claim of the full fees of the RP is clearly unsustainable. The RP can charge fees only in a transparent manner and the fees should be a reasonable reflection of the work undertaken and should have been validly incurred. The hefty fees appropriated by the RP from the Corpus Fund raised through interim finance facility does not appear justified.*

2.2.7. In view of the above, the Board was of the prima facie view that Shri Anurag Jain had contravened the provisions of Section 12A of the Code read with Regulation 30A (2) of CIRP Regulations, Regulation 31 read with Regulations 33, 34 and 34A of CIRP Regulations and Clauses 14, 25 and 27 of the Code of Conduct specified in IP Regulations.

Submissions by Shri Anurag Jain.

2.2.8. Shri Anurag Jain submitted the Corporate Debtor is in the business of travel and tourism and was a going concern during the whole period when Section 12A application was pending. Shri Anurag Jain was running the business as a going concern throughout the period and even during COVID period though there were huge challenges in the said industry worldwide. All aspects of the business activities and compliances were being handled. A dedicated team was deputed for the same. The bank turnover during the period is about Rs. 3.50 crores.

2.2.9. Shri Anurag Jain further submitted that no invoices were raised during the period when Section 12A application was pending as there were no funds to pay the same. Interim finance was availed only after the Section 12A application was rejected, and then the invoices were raised for the whole period and paid.

2.2.10. Shri Anurag Jain further submitted that necessary steps for running the CIRP were taken such as in the 1st CoC meeting, 2 sets of valuers for all 3 categories were appointed, and necessary compliance and CIRP forms were filed, visited the financial creditors to get their claims verified and admitted, coordinated with advocate in the matter of withdrawal under Section 12A, appeared before the AA, tabled the proposal to appoint transaction auditors after getting quotes from various professionals, drafted and circulated Information Memorandum, drafted Invitation for Expression of Interest and circulated to the members, drafted Form G and other necessary actions.

2.2.11. Shri Anurag Jain further submitted that the issue relating to rejection of application under Section 12A on account of lack of bank guarantee was not forming part of the notice and investigation carried out under Reg. 8 of the Inspection & Investigation Regulations. Accordingly, the said issue was raised for the very first time in the present show-cause notice. Such allegation being raised for the first time at the stage of show cause deprives him from one additional stage of representation and hearing as contemplated under law.

2.2.12. Shri Anurag Jain also submitted that under Reg. 30A of CIRP Regulations, the IRP does not have any discretion to withhold or delay filing of application once it receives the FORM FA from the applicant-creditor. Even otherwise, on facts of the case, Shri Anurag Jain had received a signed cheque from the applicant-creditor, which was accompanied with the FORM FA as filed before the AA. In any case, the purpose of submitting a bank guarantee was to secure the payment of the fees which was substantially met by the applicant-creditor through submission of cheque to cover such cost. And since such cost was due to the Applicant himself and if he chose to be satisfied with a post-dated cheque, there was no ground for dismissal of the Application. Further, if the CoC members wanted the CIRP to be withdrawn they could have chosen to either direct him to file an appeal or could have separately passed a resolution for withdrawal with 90% voting in favour and again filed an application for withdrawal of the CIR Process. In fact they chose to continue with the process and then proceed on to liquidation.

2.2.13. Shri Anurag Jain further submitted that dismissal of any application filed by him in his capacity as an IRP before the AA either on merits or on account of lapse of procedural compliance would not in itself either amount to misconduct or constitute grounds or contravention of provision of the Code.

Analysis and Findings of the DC.

2.2.14. The DC notes that Shri Anurag Jain raised a preliminary objection that the issue relating to rejection of application under Section 12A on account of lack of bank guarantee was not forming part of the notice and investigation carried out under Reg. 8 of the Inspection & Investigation Regulations. However, it is pertinent to note that the present SCN has been issued under Section

219 of the Code read with Regulation 11(2) of the Inspection and Investigation Regulations which empowers the Board to issue SCN on the basis of material available on record. Therefore, the DC notes that the present SCN has been issued in terms of the statutory framework and is therefore proper and can be adjudicated by this DC in terms of the provisions of the Code.

2.2.15. Regulation 30A of the CIRP Regulation is reproduced below:-

"30A. Withdrawal of application.

(1) An application for withdrawal under section 12A shall be made to the Adjudicating Authority by the resolution professional, within three days of approval by the committee of creditors, in such form as notified by the Board through circular and shall be accompanied by a bank guarantee or a demand draft towards the estimated expenses incurred for the purposes of clauses (aa), (ab), (ac), (ba), (c), (d) and (e) of regulation 31, till the date of filing of the application, as determined by the resolution professional:
Provided that such application shall not be made –
(a) before the constitution of the committee under sub-section (1) of section 21; and
(b) after the issue of invitation for expression of interest under regulation 36A.

(2) Where the application is approved by the Adjudicating Authority, the person furnishing the bank guarantee or a demand draft under sub-regulation (1) shall deposit the amount towards the actual expenses incurred for the purposes referred to in sub-regulation (1), till the date of approval by the Adjudicating Authority, as determined by the resolution professional within three days of such approval, to the bank account of the corporate debtor, failing which the bank guarantee furnished under sub-regulation (1) shall be invoked or demand draft shall be encashed, without prejudice to any other action permissible under the Code."

2.2.16. Regulation 30A operationalises the withdrawal mechanism under Section 12A of the Code and is designed to ensure that the process of exiting a CIRP, once initiated, does not itself become a source of financial prejudice to the Corporate Debtor or a means of avoiding legitimate CIRP costs by ensuring that CIRP cost is paid. The provision is mandatory language, admitting no discretion to the resolution professional either to dispense with the security or to substitute it with some other instrument; a bank guarantee or demand draft are the only two permissible forms. This reflects the regulatory intent that the security furnished at the outset is not a mere formality or a one-time gatekeeping requirement to be forgotten once the application is filed, but a continuing, self-executing safeguard that remains alive and enforceable right up to the point of actual payment of the true costs.

2.2.17. The DC notes Shri Anurag Jain's submission that he was obliged to forward the Form FA upon receipt from the applicant-creditor without discretion to withhold the same and that a signed post-dated cheque from the applicant-creditor substantially achieved the object of a bank guarantee or demand draft. The DC notes that a post-dated cheque and a bank guarantee or demand draft are legally and functionally distinct instruments; a cheque carries no assurance against dishonour and provides none of the security that a bank guarantee or demand draft is designed to furnish for the protection of the CIRP costs. The DC notes that it was incumbent upon Shri Anurag Jain, as a professional to ensure compliance with this regulatory safeguard in true letter and spirit before presenting the application to the AA, particularly since Shri Anurag Jain in his capacity as the IRP/RP bore the statutory responsibility for the form and contents of the application. The DC notes that the consequence of this lapse directly resulted in the dismissal of the application by the AA vide order dated 08.01.2021 and the consequent exclusion of the period from 06.11.2019 to 08.01.2021 from the CIRP timeline, thereby resulting into avoidable delay and increased costs to the CIRP process.

2.2.18. The DC notes Shri Anurag Jain's submission that dismissal of an application filed before the AA cannot, by itself, amount to misconduct. The DC notes that the present case is not one of mere dismissal of an application on a bona fide interpretation of law. The dismissal arose from the non-fulfilment of an express and mandatory regulatory requirement of furnishing bank guarantee or demand draft along with the application, that a diligent insolvency professional was expected to be aware of and to comply with. The DC further notes that the lapse in furnishing the bank guarantee or demand draft towards the unpaid CIRP cost viewed cumulatively with the fact that the CIRP remained in a state of abeyance for nearly two years on account of withdrawal, that no status reports appear to have been placed before the CoC regarding steps taken during the pendency of the Section 12A application, and that Shri Anurag Jain nevertheless proceeded to claim and appropriate fees for this period, including the period subsequently excluded from the CIRP timeline despite the objections raised by the CoC.

2.2.19. In view of the foregoing, the DC finds that Shri Anurag Jain’s failure to file Section 12A application without the mandatory bank guarantee or demand draft required under Regulation 30A(2), directly resulted in dismissal of the application, avoidable litigation, exclusion of the period from 06.11.2019 to 08.01.2021 from the CIRP timeline, and increased CIRP costs. Accordingly, the DC holds that Shri Anurag Jain contravened Section 12A of the Code read with Regulation 30A(2) of the CIRP Regulations, Regulation 31 read with Regulations 33, 34 and 34A of the CIRP Regulations, and Clauses 14, 25 and 27 of the Code of Conduct specified under the IP Regulations.

3. Order.

3.1. The DC finds that Shri Anurag Jain had raised interim finance of Rs.1 crore from Resolve Support Services Private Limited, a company in which he himself is a Director, without the prior approval of the CoC mandated under Sections 25(2)(c) and 28(1)(a) of the Code, and disbursed a substantial part of the funds so drawn towards his own fees and the fees of a related legal professional (who was other director in the Resolve Support Services Private Limited) without such costs being placed before the CoC for ratification, in contravention of Regulation 31 read with Regulations 33, 34 and 34A of the CIRP Regulations and Clauses 1, 2, 3, 5 and 14 of the Code of Conduct. The DC further finds that Shri Anurag Jain had filed the application for withdrawal under Section 12A without the bank guarantee or demand draft as mandated under Regulation 30A(2) of the CIRP Regulations, resulting in dismissal of the IA filed under Section

12A of the Code and avoidable delay and costs, in contravention of Section 12A of the Code read with Regulation 30A(2), Regulation 31 read with Regulations 33, 34 and 34A of the CIRP Regulations, and Clauses 14, 25 and 27 of the Code of Conduct.

3.2. In view of the above, 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 Anurag Jain (Registration No. IBBI/IPA-001/IP-P01049/2017-18/11732) for a period of two years.

3.3. Further, in terms of Section 206 of the Code, Shri Anurag Jain shall not be eligible to continue his existing assignments. Accordingly, the CoC of the respective Corporate Debtors where Shri Anurag Jain is providing his services shall replace Shri Anurag Jain with another Resolution Professional/Liquidator.

3.4. This order shall come into force after 30 days from the date of issuance of this order.

3.5. A copy of this order shall be forwarded to The Indian Institute of Insolvency Professional of ICAI (IIIPI-ICAI) where Shri Anurag Jain is enrolled as a member.

3.6. 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.

3.7. Accordingly, the show cause notice is disposed of.

Sd/-

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

Sd/-

(Ravi Mital)
Chairperson
Insolvency and Bankruptcy Board of India

Dated: 08 September 2026
Place: New Delhi