



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
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IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Success usually comes to those who are too busy looking for it."

➤ **NCLAT Stays IBBI Order Barring Insolvency Professional from Other CIRPs Despite Alleged Misconduct in One Case**

The National Company Law Appellate Tribunal (NCLAT) in Delhi has recently stayed the operation of the Insolvency and Bankruptcy Board of India's (IBBI) order suspending an insolvency professional from continuing in his other ongoing assignments, while leaving the suspension undisturbed in the corporate insolvency resolution process (CIRP) from which he had been removed.

The interim relief allows him to continue in his other assignments pending adjudication of his appeal.

Judicial Member Justice N. Seshasayee and Technical Member Barun Mitra observed that although the IBBI has the authority to discipline insolvency professionals, the exercise of that power must comply with the principles of natural justice.

"we are certain that the rule of audi alteram partem is sacrosanct in our jurisprudence, and no matter how high the nature of authority vested in an Authority, the doctrine emphasising the right of hearing should not be violated. The appellant therefore, cannot be banished without a hearing on the materials so placed," the tribunal observed.

The appeal was filed by insolvency professional Sachin Naveen Sinha. In September 2025, the Jaipur bench of the National Company Law Tribunal (NCLT) removed him from a CIRP after finding that he had failed to constitute a Committee of Creditors (CoC) for nearly two years despite the corporate debtor having a secured financial creditor.

The NCLT also directed him to refund ₹2 lakh received as his initial remuneration and recommended disciplinary action by the IBBI.

Source: Live Law Biz

Read Full News: [NCLAT Stays IBBI Order Barring Insolvency Professional from Other CIRPs Despite Alleged Misconduct in One Case](#)

➤ **Suspended Director Can Flag CIRP Violations But Not Question CoC's Commercial Wisdom: NCLT Chandigarh**

The Chandigarh Bench of the National Company Law Tribunal (NCLT) on 1 July held that a suspended director has the locus to bring alleged violations of the Insolvency and Bankruptcy Code, 2016 (IBC) and the Corporate Insolvency Resolution Process (CIRP) Regulations before the NCLT, but cannot question the commercial wisdom of the Committee of Creditors (CoC).

A Bench comprising Judicial Member Khetrabasi Biswal and Technical Member Shishir Agarwal dismissed an application filed by Robin Dahiya, suspended director of Hygiene Feeds & Farms Pvt. Ltd., seeking rejection of the Resolution Plan approved by the CoC, after finding no statutory violations or procedural irregularities.

Source: *Live Law Biz*

Read Full News: [Suspended Director Can Flag CIRP Violations but Not Question CoC's Commercial Wisdom: NCLT Chandigarh](#)

➤ **IBC Moratorium Won't Extinguish Directors' Criminal Liability for Cheque Bounce: Punjab & Haryana HC**

The Punjab and Haryana High Court on 20 July held that the moratorium under the Insolvency and Bankruptcy Code, 2016 (IBC) cannot extinguish a director's criminal liability for dishonour of cheques issued before commencement of insolvency proceedings against the company.

Justice Manisha Batra dismissed a petition filed by Ajay Gupta seeking quashing of proceedings under Section 138 of the Negotiable Instruments Act, 1881 (NI Act) for cheque dishonour, holding that subsequent insolvency and liquidation proceedings of the company cannot shield directors from criminal prosecution for offences already committed.

Source: *Live Law Biz*

Read Full News: [IBC Moratorium Won't Extinguish Directors' Criminal Liability for Cheque Bounce: Punjab & Haryana HC](#)



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