INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/335/2026 27 July 2026

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP/11012/65/2026-IBBI-1917/324 dated 30.03.2026, issued to Shri Harish Kant Kaushik, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP-P-01469/2018-19/12340 and a Professional Member of the The Indian Institute of Insolvency Professional of ICAI (IIIPI).

1. Background

1.1. The corporate insolvency resolution process (CIRP) of M/s. Reliance Innoventures Private Limited (CD) commenced *vide* order of the National Company Law Tribunal, Mumbai Bench (AA) dated 15.06.2023 and Shri Bhrugesh Amin was appointed as Interim Resolution Professional (IRP) in the matter. Later, the AA vide order dated 22.08.2023 appointed Shri Harish Kant Kaushik as the Resolution Professional (RP) in the matter.

1.2. The Board, on the basis of material available on record, formed a *prima facie* view that Shri Harish Kant Kaushik has contravened Sections 12(3), 25(2)(g), 25(2)(j), 65(1) and 208(2)(a) and (e) of the Code and Regulations 35A(1), 36(1), 36(A)(1), 36B(1), 39(2), 40A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and Clause 1,2,3,13,14 and 25A of the Code of Conduct for Insolvency Professionals. Accordingly, the Board issued SCN to Shri Harish Kant Kaushik on 30.03.2026. Shri Harish Kant Kaushik submitted his reply to the SCN on 30.04.2026.

1.3. The SCN, reply of Shri Harish Kant Kaushik on the SCN and other material available on record were referred to this Disciplinary Committee (DC) for disposal of the SCN. Shri Harish Kant Kaushik availed the opportunity of personal hearing before the DC through virtual mode on 19.06.2026 alongwith his advocate Ms. Jyoti Singh. Pursuant to the personal hearing, Shri Harish Kant Kaushik submitted additional written submissions on 19.06.2026.

2. Issue of maintainability of Disciplinary Committee proceedings

Submission of Shri Harish Kant Kaushik.

2.1. Shri Harish Kant Kaushik submitted that Section 219 of the Code contemplates that a SCN may be issued only where the Board, upon completion of an inspection or investigation under Section 218 of the Code, or on the basis of material available on record, forms a prima facie opinion that sufficient cause exists for initiating action under Section 220 of the Code. In the present case, no intimation regarding the initiation of any inspection or investigation under Section 218 of the Code was ever provided to him. Further, neither any inspection report, investigation report, nor any material relied upon by the Board has been furnished to him. The SCN is also silent as to whether any complaint under Section 217 of the Code was received by the Board or whether any material existed on record that formed the basis for conducting an inspection or investigation under Section 218 of the Code.

Examination by the DC.

2.2. The DC notes that Shri Harish Kant Kaushik has raised a preliminary objection with respect to the non-following of provisions of Sections 218 and 219 of the Code prior to issuance of the SCN. However, it is pertinent to note that the present SCN has been issued in terms of the Regulation 11(2) of the Inspection and Investigation Regulations, 2017 which empowers the Board to issue SCN on the basis of material available on record. The said regulation is as hereunder:

11. Consideration of Report.

(1) The Board shall consider the inspection report received under regulation 6 or investigation report received under regulation 10, as the case may be, expeditiously.

(2) If the Board, after consideration of the report under sub-regulation (1) ***or on the basis of material otherwise available on record, is of the prima facie opinion*** *that sufficient cause exists to take actions under section 220 or sub-section (2) of section 236, it shall issue a show-cause notice in accordance with regulation 12 to the service provider or an associated person and in any other case, close the inspection or investigation, as the case may be.*

2.3. Therefore, in view of the above, 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. Further, the DC also notes that the present SCN is borne out of the information and documents submitted by the Shri Harish Kant Kaushik himself during the course of CIRP of the CD, as part of regular monitoring activity of the Board. Furthermore, *vide* the present SCN all the relevant materials and documents relied upon by the Board to form *prima facie* opinion has also been provided to Shri Harish Kant Kaushik to enable him to provide his response on the allegations mentioned in the SCN and also question the relied documents.

2.4. Accordingly, the DC is of the view that through this SCN, Shri Haish Kant Kaushik has been provided a full and fair opportunity to explain his conduct on the allegations mentioned in the SCN. Nonetheless, apart from written submissions, Shri Harish Kant Kaushik has also been provided the opportunity of personal hearing before this DC to defend his actions.

3. Alleged Contravention, submissions of Shri Harish Kant Kaushik and findings of the DC

3.1. **Contravention-I: Excessive Haircut and Failure to examine avoidance transactions despite serious red flags**

3.1.1. It was observed that in the approved resolution plan for Reliance Innoventures Private Limited, there was an exceptionally high haircut of approximately 97.4%, with the total admitted claims amounting to Rs. 4,236.61 crore against which the total resolution plan value is only Rs. 110.10 crores, representing a recovery of merely 2.6% of the total admitted claims.

3.1.2. It was alleged in the SCN that such low recovery and excessive haircut implied that the financial and operational creditors agreed to forgo nearly the entire debt exposure, underscoring a significant erosion of the value during the CIRP and raising serious concerns regarding the effectiveness of the process management and value maximization efforts undertaken by Shri Harish Kant Kaushik. It is noted in the SCN that the magnitude of value erosion in the present case raises serious concerns regarding whether the underlying asset base of the CD was adequately protected and examined during the CIRP. The fair value and liquidation value of the CD were assessed at Rs. 97.56 crore and Rs. 73.20 crore respectively, and the admitted financial claims exceeded Rs. 4,236 crore which suggested that a substantial portion of the claims was unsupported by realizable assets.

3.1.3. It was noted in the SCN that such a disproportion between the scale of admitted liabilities and the realizable value of assets ordinarily warranted a heightened scrutiny of the Corporate Debtor's historical transactions, particularly with respect to the possibility that assets or value might have been diverted, transferred, encumbered, or otherwise depleted prior to the commencement of the CIRP. In the insolvency matters, an extreme haircut of this nature often signals the possibility that the estate of the Corporate Debtor might have been stripped of value through preferential, undervalued, extortionate or fraudulent transactions prior to insolvency commencement date.

3.1.4. It was further noted in the SCN that the perusal of the financial statements of the Corporate Debtor for the three years immediately preceding commencement of CIRP disclosed a persistent pattern of large, concentrated exposures to group entities, including subsidiaries such as Reliance Infrastructure Consulting & Engineers Pvt. Ltd. ("RICEPL") and Reliance Big Pvt. Ltd. ("RBPL") through loans, advances, zero-coupon compulsorily convertible debentures and corporate guarantees, which together constitute the substantial portion of the asset base of the Corporate Debtor. These exposures were progressively classified as credit-impaired, with interest receivables written off and significant provisions recorded against loans, advances and investments in compliance with Ind AS 9, thus clearly evidencing chronic non-recovery and a pattern of non-performance in respect of related parties. The statutory auditors, in each of the three preceding years, issued qualified opinions recording (i) repeated non-provision of interest on borrowings in violation of IndAS 23, (ii) material uncertainty regarding going concern in view of accumulated losses, negative net worth and current liabilities exceeding current assets, and (iii) an express inability to comment on the realisability of loans and investments aggregating to over Rs.1,700 crore, which were nevertheless carried on the balance sheet as the primary assets of the Corporate Debtor. In FY 2021-22, the auditors also reported material weaknesses in internal financial controls specifically in respect of loan sanctioning, documentation, risk assessment, monitoring and the policy of lending to entities with weaker creditworthiness. These serious observations/comments should have been treated as red flags, on the face of the audited financial statements and auditor's reports available to Shri Harish Kant Kaushik, mandating heightened scrutiny, independent valuation and prompt initiation of applications under sections 43, 45, 50, 66 and allied provisions for avoidance of preferential, undervalued, fraudulent and extortionate transactions.

3.1.5. Further, it was observed that SEBI's Letter dated 15.05.2025 flags Reliance Infrastructure Limited (R Infra) for allegedly diverting Rs. 81.80 crore as disguised inter-corporate deposits to Reliance ADA group entities, including promoter- beneficiary companies, via undisclosed related party CLE Private Limited. Funds were routed through layered intra-group transactions ultimately linking to Reliance Innoventures Private Limited, raising red flags for round tripping, accommodation entries, and lack of commercial justification potentially avoidable transactions in CIRP. This pattern also suggested fund diversion warranting scrutiny under insolvency frameworks and again should have been treated as a red flag.

3.1.6. The Enforcement Directorate (ED) had also shared certain information with the Board under Section 66(2) of the Prevention of Money Laundering Act, 2002 (PMLA), in respect of CD's forming part of Reliance Anil Ambani Group and Associates (RAAGA). As per the information provided, during the course of search operations conducted by the ED, certain digital devices were seized. Upon analysis of the information and data contained therein, it was revealed that the Code's framework was being misused as a tool of tax avoidance, corporate restructuring with malafide objectives, money laundering, etc.

3.1.7. In light of these circumstances, it is alleged in the SCN that it was apparent that Shri Harish Kant Kaushik failed to exercise due diligence and professional scepticism by not investigating suspicious transactions and overlooked the red flags pointing towards possibility of preferential, undervalued, fraudulent or extortionate transactions in the matter.

3.1.8. In this context, it was observed in the SCN that under Sections 43, 45, 50 and 66 of the Code, read with Regulation 35A of the CIRP Regulations, it was the duty of Shri Harish Kant Kaushik to carefully examine the affairs of the Corporate Debtor and determine whether any such transactions occurred which might have caused diminution or dissipation of the corporate debtor's asset pool. The objective of these provisions is precisely to restore value to the insolvency estate where assets have been diverted or improperly transferred, thereby protecting creditor recoveries.

3.1.9. It is further alleged in the SCN that the failure to determine and pursue PUFE transactions demonstrate lack of due diligence and constituted non-compliance with Section 25(2)(j) of the Code read with Regulations 35A and 39(2) of the CIRP Regulations, reflecting a material lapse in the discharge of statutory duties by Shri Harish Kant Kaushik.

3.1.10. Further, Section 65 (1) of the Code provides that if any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.

3.1.11. In such a backdrop, it is alleged in the SCN that Shri Harish Kant Kaushik's failure to scrutinise the transactions through a substance-over-form lens, to treat the pattern as a potential case of preferential, undervalued fraudulent or extortionate transactions, and to move the Adjudicating Authority with appropriate applications under the avoidance and wrongful-trading provisions, reflects a passive acceptance of a pre-engineered structure rather than active discharge of statutory duties to protect the estate of the CD and uphold the integrity of the CIRP.

3.1.12. In view of the above, the Board held *prima facie* view that Shri Harish Kant Kaushik had contravened Sections 25(2)(j), 65(1), 208(2)(a) and (e) of the Code, Regulations 35A and 39(2) of the CIRP Regulations and Regulation 7(2)(a) and (h) of the IP Regulations read with Clauses 1, 2, 3 and 14 of the Code of Conduct as specified in the First Schedule of the IP Regulations.

Submissions by Shri Harish Kant Kaushik.

3.1.13. Shri Harish Kant Kaushik submitted that the haircut percentage was misleading because the majority of claims were corporate guarantee claims, not direct lending. Only an amount of Rs.1,409.54 crore was direct debt, and the remaining claims were on account of corporate guarantee claims at best contingent liabilities and capable of independent recoveries outside the CIRP of the corporate debtor. Furthermore, the direct lending was also for onwards investments into group company /promoter funding and not for any kind of creation of new assets in the hands of the Corporate Debtor.

3.1.14. As on the CIRP date, the Corporate Debtor's asset base consisted of wind energy assets valued at Rs.50.38 crores, long pending receivables valued at Rs.21.19 crores and impaired investments valued at Rs. 0.69 crore by the registered valuers appointed during the CIRP. In contrast, the resolution plan value exceeded fair value and liquidation value and due to his efforts surplus cash of INR 62.44 crore net of CIRP costs was generated during the CIRP. No asset was dissipated or impaired during CIRP and the total recovery was 177% of fair value and 236% of liquidation value.

3.1.15. Shri Harish Kant Kaushik submitted that the allegation of a 97.4% haircut has been computed by comparing the Resolution Plan amount of Rs.110.10 crore with the total admitted claims of Rs.4,215.35 crore. Shri Harish Kant Kaushik submitted that such computation is fundamentally flawed, as out of the total admitted claims, only Rs.1,409.54 crore (approximately 28%) represented direct lending exposure to the Corporate Debtor, comprising principal outstanding of Rs.912.84 crore and interest of Rs. 496.70 crore. The remaining claims, aggregating to approximately Rs.3,661.45 crore (approximately 72% of the admitted claims), arose from corporate guarantees issued by the Corporate Debtor in favour of lenders of other ADA Group entities. Further, these corporate guarantee obligations did not result in the creation of any corresponding assets in the books of the Corporate Debtor and remained contingent liabilities, subject to recoveries by creditors from principal borrowers, including Reliance Big Entertainment Private Limited, Reliance Infrastructure Consultancy Services Private Limited, Reliance Big Private Limited, Reliance Infrastructure Consultancy & Engineering Private Limited and Reliance Capital Limited, as well as from co-guarantors, pledged securities and other recovery mechanisms available outside the CIRP of the Corporate Debtor. Shri Harish Kant Kaushik further submitted that the contingent and fluctuating nature of such guarantee claims was evident from the fact that claims aggregating to more than Rs.866 crore were reduced during the CIRP itself, including the withdrawal of Credit Suisse AG's claim of Rs. 802.97 crore and reduction of claims aggregating to Rs.54.26 crore by other creditors on account of recoveries made from the principal borrowers. The inclusion of the entire guarantee exposure in the denominator artificially inflates the haircut percentage and presents a distorted picture of the resolution outcome.

3.1.16. Shri Harish Kant Kaushik submitted that the haircut under the Resolution Plan was a consequence of the Corporate Debtor's financial position that existed much prior to the commencement of the CIRP and was not attributable to any act or omission on his part as RP. He submitted that approximately 99.55% of the Corporate Debtor's assets, amounting to Rs. 17,021 crores comprised long-term investments in the form of equity, redeemable/convertible preference shares and Zero Coupon Compulsorily Convertible Debentures (ZCCDs) in ADA Group entities, subsidiaries and associates. These investments had already suffered complete impairment during FY 2017-18 to FY 2021-22, several years prior to the insolvency commencement date i.e., 15.06.2023. Consequently, the CD inherited an already impaired balance sheet and did not contribute to the erosion in value. Also, as on the insolvency commencement date, the only material assets available with the Corporate Debtor were wind energy assets having a book value of approximately Rs.47.20 crore, trade receivables arising from wind energy operations amounting to approximately Rs.28.68 crore, and negligible cash balances.

3.1.17. Shri Harish Kant Kaushik further submitted that the outside borrowings reflected in the books of the Corporate Debtor, with an outstanding principal amount of approximately Rs.1,063 crore as on 31.03.2023, had been extended by Yes Bank during FY 2015 to FY 2018 primarily for onward investments in group companies and promoter financing rather than for the creation of new assets. Further, facilities sanctioned by the creditors holding corporate guarantees of the Corporate Debtor in favour of other ADA Group entities were also largely extended for similar purposes and were secured by the assets of the principal borrowers.

3.1.18. Shri Harish Kant Kaushik further submitted that the total distribution under the Resolution Plan amounted to Rs.172.54 crore, comprising the Resolution Plan amount of Rs.110.10 crore and surplus cash flows generated during the CIRP amounting to Rs.62.44 crore, after adjusting CIRP costs of approximately Rs. 39 crores. Secured financial creditors recovered approx. 11.30% of their admitted claims, unsecured financial creditors recovered approx. 0.47% of their admitted claims, operational creditors comprising statutory authorities received 100% of their admitted claims, and other operational creditors recovered approx. 1.05% of their admitted claims. Accordingly, the haircut was a consequence of the structural mismatch between the admitted claims and the asset profile of the Corporate Debtor.

3.1.19. Shri Harish Kant Kaushik further submitted that a transaction auditor was appointed promptly, and all available records sought were provided. The PUFE examination was completed post multiple rounds of discussions between the RP, transaction audit team, management inputs and the CoC. No preferential, undervalued or extortionate transactions were identified and long term strategic investments were made more than a decade back, far outside PUFE windows for examination of fraudulent behaviour or conduct.

3.1.20. Shri Harish Kant Kaushik submitted that the allegation that the RP failed to examine avoidance transactions is contrary to the record. He submitted that substantially all investment assets of the Corporate Debtor, comprising long-term investments in equity shares, redeemable/convertible preference shares and Zero Coupon Compulsorily Convertible Debentures (ZCCDs) of group companies, had been made nearly a decade or more prior to the insolvency commencement date. He further submitted that, upon his appointment as RP and after reviewing the audited financial statements, auditor observations and other records of the Corporate Debtor, he appointed a Transaction Auditor to examine transactions falling within the statutory look-back periods prescribed under Sections 43, 45, 50 and 66 of the Code. the Transaction Auditor adopted standard forensic methodologies, examined the underlying documents, reviewed transactions undertaken during the relevant statutory periods and assessed their compliance with the legal tests prescribed under the Code. Upon completion of the review, the Transaction Auditor concluded that there were no reportable preferential transactions under Section 43, undervalued transactions under Section 45, extortionate credit transactions under Section 50, fraudulent trading under Section 66(1), or wrongful trading under Section 66(2) of the Code.

3.1.21. Shri Harish Kant Kaushik further submitted that, during the relevant look-back period, the Corporate Debtor had neither sold any material assets nor transferred investments, created fresh security interests, undertaken suspect related-party transactions, or engaged in any conduct attracting the avoidance transaction provisions of the Code. Shri Harish Kant Kaushik submitted that the adverse observations contained in the statutory auditors' reports were duly considered by the Transaction Auditor; however, such observations primarily pertained to management decisions and business failures that had occurred several years prior to the commencement of the CIRP and did not constitute avoidance transactions within the meaning of the Code.

3.1.22. Shri Harish Kant Kaushik submitted that the letter dated 15.05.2025 issued by SEBI, as referred to in the SCN, came to his knowledge for the first time only upon receipt of the SCN and that he had no prior knowledge of either the said letter or its contents. Further, upon perusal of the letter, it appears that the allegations pertain to certain entities having invested funds in the Corporate Debtor and do not indicate any siphoning or diversion of funds from the Corporate Debtor.

3.1.23. Shri Harish Kant Kaushik further submitted that the proceedings referred to in the said communication appear to relate to investigations and actions initiated by SEBI and the Enforcement Directorate against certain other entities belonging to the ADA Group and not against the Corporate Debtor. During the CIRP of the Corporate Debtor, no investigation, proceeding, attachment, seizure or other action was initiated by the Enforcement Directorate against the Corporate Debtor or any of its assets. Any seizure of documents from the management or promoters of ADA Group entities had no nexus with the duties and responsibilities discharged by him as RP and did not have any bearing on the CIRP, which, according to him, was conducted in compliance with the provisions of the Code and the regulations framed thereunder.

3.1.24. Shri Harish Kant Kaushik submitted that Section 65(1) of the Code concerns fraudulent or malicious initiation of CIRP or liquidation proceedings for purposes other than insolvency resolution. On an application under Section 7 of the Code preferred by Yes Bank Limited the AA vide order dated 15.06.2023 admitted the Corporate Debtor into the CIRP. Shri Harish Kant Kaushik further submitted that during the course of the CIRP, he had not encountered any material or have any reasons to believe that Yes Bank Limited has filed the application with the malicious intent. Subsequently, JCF Flowers ARC has represented Yes bank Ltd as its assignee under the CIRP of CD.

Analysis and Findings of the DC.

3.1.25. The DC notes that in the instant matter, the total admitted claims was Rs. 4,215.35 crores. As per the submission of Shri Harish Kant Kaushik, out of the total admitted claims, the claims amounting to Rs. 3,661.45 crores were corporate guarantee claims and only amount of Rs. 1,409.54 crores was the direct lending exposure of the CD.

3.1.26. The DC notes that the resolution plan provided for recovery of meagre 2.6% of the total admitted claims of the CD (including corporate guarantee claims). Further, as compared to the direct debt exposure of CD of Rs. 1,409.54 crores, the resolution plan provides value of only Rs. 110.10 crores which reflects a recovery of merely around 7.8% of such direct debt exposure claims. This reflects a deep haircut to stakeholders irrespective of whether guarantee claims are excluded. The DC also notes that Shri Harish Kant Kaushik has submitted that the direct lending was routed onward for group company/promoter funding without corresponding asset creation in the debtor's hands. This again reflects an admission on part of Shri Harish Kant Kaushik regarding the precise pattern of CD being a tool for fund diversion and hence there was need to further investigate the transactional affairs of the CD in light of Sections 43, 45, and 66 of the Code, read with Regulation 35A of the CIRP Regulations, This combination of knowledge of the diversion, and an undisclosed failure to investigate or act upon it, converts the haircut from an inherited financial condition into a foreseeable consequence of his own dereliction of statutory duty.

3.1.27. The DC notes Shri Harish Kant Kaushik's submission that he had appointed a Transaction Auditor promptly upon his appointment, and the auditor examined transactions within the statutory look-back periods under Sections 43, 45, 50 and 66 of the Code. Section 25(1) of the Code casts duty on the Resolution Professional to protect and preserve the value of the corporate debtor. In furtherance to this duty, Section 25(2)(j) read with Regulation 35A of the CIRP Regulations mandates the Resolution Professional to form an opinion as to whether the CD has been subjected to any avoidance transaction and file application with the AA. The performance of this duty requires the RP to bring an independent professional approach to scrutinise the affairs of the corporate debtor. The DC observes that transactions undertaken by the CD shows a pattern of large and concentrated exposures to group entities through loans, advances, zero-coupon compulsorily convertible debentures and corporate guarantees, which were progressively classified as credit-impaired, with interest receivables written off and significant provisions recorded for loans, advances and investments in violation of Ind AS 9. These exposures together constituted the substantial portion of the asset base of the CD which were showing evidence of non-recovery and a pattern of non-performance in respect of related parties. Further, the statutory auditor report had flagged repeated non-provision of interest on borrowings in violation of IndAS 23, material uncertainty regarding going concern in view of accumulated losses, negative net worth and current liabilities exceeding current assets, and an express inability to comment on the realisability of loans and investments aggregating to over Rs.1,700 crore. In view of the above, the DC finds that Shri Harish Kant Kaushik has failed to form an opinion on avoidance transaction undertaken by the CD and file application before AA.

3.1.28. The DC also notes that Clause 14 of Code of Conduct mandates an IP not to act in a mala fide manner or be negligent while performing its functions and duties under the Code. The DC notes that Shri Harish Kant Kaushik not only chose to ignore the available evident information available with him but also failed to diligently carry out his duties under the Code. Having possession of such information and documents, the DC finds that Shri Harish Kant Kaushik has failed to exercise the professional competence and diligence expected of him by not bringing the apparent misuse of the Code's process before the CoC and AA and by failing to file requisite applications before the AA.

3.1.29. The DC further notes that the documents and financial statements on record disclose a matrix of interconnectedness of financial transactions between the holding and group companies revealing a coordinated mechanism designed to facilitate the disposal of assets rather than to achieve the genuine economic revival of the CD. A Resolution Professional as Chairman of the CoC occupies a position of trust qua the body of creditors and other stakeholders and the integrity of the insolvency framework itself. Clause 1 of Code of Conduct mandates an IP to maintain integrity by being honest, straightforward, and forthright in all professional relationships. Rather than apprising the Adjudicating Authority these facts, Shri Harish Kant Kaushik opted to continue the proceedings which was apparently carried out for an ulterior and malafide objective and effectively became an instrument in utilizing of the process under the Code for objectives entirely contrary to the spirit of the Code. Shri Harish Kant Kaushik has violated section 65 read with Clauses 1 and 14 of Code of Conduct by failing to exercise professional competence and failing to act with the necessary due diligence.

3.1.30. In view of the above discussion, the DC holds that Shri Harish Kant Kaushik failed to independently examine avoidance transactions and consequently file avoidance applications.

3.2. **Contravention-II: Delays and repeated extension of CIRP Timelines.**

3.2.1. As per Regulation 36(1) of the CIRP Regulations, the Information Memorandum (IM) is required to be submitted within 95 days from the insolvency commencement date. However, the IM was submitted on 05.11.2023 instead of the due date of 18.09.2023, resulting in a delay of approximately forty-eight days. It was further noted that Shri Harish Kant Kaushik delayed publication of Form-G, which was issued on 19.08.2023 instead of 14.08.2023, contrary to Regulation 36A of the CIRP Regulations. Additionally, the Request for Resolution Plan (RFRP) was issued on 09.11.2023, against the mandated deadline of 28.09.2023, indicating a delay of forty-two days. These delays pointed to non-adherence to the process schedule under Regulations 36A and 36B.

3.2.2. The CIRP was extended four times, aggregating to approximately 432 days, which exceeded the outer limit of 330 days prescribed under Section 12(3) of the Code. This repeated extension, coupled with delays in other key milestones such as publication of Form-G, submission of IM, and issue of RFRP, reflected poor process management by Shri Harish Kant Kaushik and his failure to adhere to the statutory timeframes under Regulation 40A.

3.2.3. In view of the above, the Board held prima facie view that Shri Harish Kant Kaushik's conduct appeared to be in contravention of Sections 12, 25(2)(g) and 208(2)(a) and (e) of the Code, Regulations 36(1), 36A, 36B and 40A of the CIRP Regulations, and Regulation 7(2)(a) and 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 read with Clauses 1, 2, 13 and 14 of the Code of Conduct specified in the First Schedule thereto.

Submissions by Shri Harish Kant Kaushik.

3.2.4. Shri Harish Kant Kaushik submitted that all the CoC meetings were conducted regularly, all decisions were placed before the CoC and all information was shared transparently and such transparency was maintained throughout the CIRP. Shri Harish Kant Kaushik further submitted that with respect to observation on the four extensions of the CIRP period amounting to 432 days, the total CIRP period was accounted for 408 days instead of 432 days. The extensions were sought strictly in compliance with the provisions of the Code and the applicable regulations based on the advice of the legal counsel and were duly discussed and approved by the CoC in its commercial wisdom with the requisite voting thresholds and subsequently allowed by the AA.

3.2.5. Shri Harish Kant Kaushik further submitted that with regard to the First extension (180 + 90 days), the Form G was initially issued by the erstwhile IRP on 19.08.2023, wherein the last date for submission of the Expression of Interest was specified as 02.09.2023. However, upon requests received from the multiple prospective resolution applicants ("PRAs"), the timeline for submission of EOls was extended till 13.10.2023 as the last date for submission of EOls, with the approval of the CoC. As on 13 October 2023, EoI were received from 33 PRAs. Upon scrutiny of the eligibility criteria and submitted documents, 30 PRAs were found eligible. A provisional list of eligible PRAs was issued on 23.10.2023, granting 5 days for submission of objections. Since no objections were received, the final list of 30 PRAs was issued on 31.10.2023. In the 4th CoC meeting held on 02.11.2023, it was apprised that the 180 day CIRP period was set to expire on 12.12.2023, and the last date for submission of resolution plans was 04.12.2023 (subsequently revised to 08.12.2023). It was further noted that additional time would be required for evaluation of resolution plans in accordance with the approved evaluation matrix, verification of documents as per RFRP, negotiations with PRAs, assessment of feasibility and viability, and final approval by the CoC. Accordingly, an extension of 90 days was proposed and placed for e-voting. The CoC, in its commercial wisdom, approved the extension with 84.12% voting share, with voting concluding on 07.11.2023. Pursuant thereto, IA No. 5414 of 2023 was filed and vide order dated 29.11.2023 the same was allowed and extension of CIRP period upto 12.03.2024 was granted by the AA.

3.2.6. With regard to Second Extension (270 + 60 days), Shri Harish Kant Kaushik submitted that the CoC in the 8th CoC Meeting held on 22.02.2024 discussed that key issues and observations in respect of the resolution plans were under discussion with the PRAs and CoC was duly informed that as per the prevailing timelines, the CIRP period was due to expire on 11.03.2024, and that limited time remained for completion of critical steps, including finalisation and approval of the resolution plan(s). Accordingly, an extension of 60 days was proposed under the second proviso to Section 12 of the Code read with Regulation 40 of the CIRP Regulations. The said resolution was approved by the CoC with 69.60% voting share (comprising 68.38% through e-voting and 1.22% through email from Central Bank of India due to technical constraints), with the voting process concluding on 29.02.2024. Pursuant thereto, IA No. 1169 of 2024 was filed, and vide order dated 19.03.2024, extension of CIRP period up to 10.05.2024 was allowed by the AA.

3.2.7. With regard to Third Extension (330 days + 60 days), Shri Harish Kant Kaushik submitted that in the 12th CoC meeting held on 29.04.2024 and 30.04.2024, the CoC resolved to seek a further extension of 60 days beyond the prescribed outer limit of 330 days, in view of exceptional circumstances. The resolution was unanimously approved with voting concluding on 06.05.2024. Shri Harish Kant Kaushik further submitted that the revised resolution plans had been received and were under active consideration. Accordingly, the CoC resolved to conduct a second challenge mechanism process on 06.05.2024 to ensure equitable opportunity to all eligible resolution applicants and to maximize value of the Corporate Debtor. Pursuant thereto, IA No. 2667 of 2024 was filed, and AA vide order dated 04.06.2024 allowed the IA and CIRP period was extended upto 09.07.2024.

3.2.8. With regard to Fourth Extension (390 + 18 days), Shri Harish Kant Kaushik submitted that in the 15th CoC meeting held on 03.07. 2024, the CoC resolved to seek an extension of 42 days beyond 390 days, again in exceptional circumstances, particularly as the resolution plans had already been put to vote before CoC and the CIRP was at an advanced stage. The extension was sought to enable completion of the resolution process, including finalization and approval of resolution plans, and to avoid the Corporate Debtor being pushed into liquidation. Pursuant thereto, IA No. 3764 of 2024 was filed, and vide order dated 02.08.2024, the AA allowed an extension of only 18 days, i.e., till 27.07.2024, on the grounds stated therein.

3.2.9. Shri Harish Kant Kaushik further submitted that the CIRP was extended four times, aggregating to 408 days instead of 432 days and each such extension was sought pursuant to the deliberations, directions, and due approval of the CoC, and was subsequently allowed by the AA. Shri Harish Kant Kaushik also submitted that he had acted strictly in accordance with Section 12(2) of the Code and other applicable provisions of law, by placing the matter before the CoC and filing the requisite applications pursuant to the CoC's duly approved decisions. Accordingly, the extensions were undertaken in compliance with the statutory framework and under judicial sanction. To support the contention, reliance was placed on the NCLAT judgement in Quinn Logistics India Pvt. Ltd. vs. Mack Soft Tech Pvt. Ltd, wherein it was held that periods lost on account of factors beyond the control of the Resolution Professional may be excluded for the purposes of computation of the CIRP timeline.

3.2.10. Shri Harish Kant Kaushik submitted that he was appointed as the RP on 22.08.2023 and the AA order appointing him RP was available on 28.08.2023. Upon receipt of the order of the AA, Shri Harish Kant Kaushik took handover from the erstwhile IRP and as part of handover, he was not provided with the IM or any draft thereof. Basis the collated information and documents, Shri Harish Kant Kaushik prepared the comprehensive and detailed IM and submitted to the CoC on 05.11.2023 i .e. within 68 days of his appointment. The intention behind the said Regulation in providing 95 days for submission of IM is that the IM covers comprehensively all the information related to corporate debtor comprehensively including those referred in Regulation 36 of the CIRP Regulation. Accordingly, the IM was issued after ensuring that materially relevant information was incorporated so that CoC and PRAs were furnished with a meaningful and reliable document containing vital information related to affairs of the Corporate Debtor. The same was also updated on 13.12.2025 in order to update the CoC members and PRAs to ensure full transparency of the CIRP.

3.2.11. Shri Harish Kant Kaushik further submitted that the Form G was issued on 19.08.2023 by the erstwhile IRP upon approval of the CoC and he was appointed as RP vide AA order dated 22 August 2023. By the time he was appointed as RP, the Form G was already issued. Therefore, any delay in issuance of Form G cannot be attributed to him.

3.2.12. Shri Harish Kant Kaushik submitted that upon consideration and approval given by the CoC for extension of timeline for inviting EoIs, the last date for issuance of RFRP was required to be 05.11.2023, which was actually issued on 09.11.2023 i.e., delay by 4 days. Shri Harish Kant Kaushik further submitted that RFRP and Evaluation Matrix were approved by the CoC in the 4th CoC meeting for approval on 30.10.2023 which was postponed to 02.11.2023 due to request received from CoC member. Further, due to the unfortunate demise of Shri Harish Kant Kaushik's father on 31.10.2023. The RFRP and Evaluation Matrix were approved by the CoC on 08.11.2023 and RFRP was issued immediately on 09.11.2023.

Analysis and Findings of the DC.

3.2.13. Considering the peculiar facts in hands, the DC accepts the submission of Shri Harish Kant Kaushik with regard to issuance of Form-G, IM and RFRP. However, the DC observes that before seeking the first extension for 90 days, list of PRAs had been finalised. Hence, Shri Harish Kant Kaushik could have proactively engaged with CoC for finalisation of the resolution plan within the maximum period of first extension taken. After finalising the list of PRAs, seeking four successive extensions across the timeline (culminating in dates up to 12.03.2024, 10.05.2024, 09.07.2024, and 27.07.2024) to complete the process after the PRAs had already been finalised is unjustified. Section 12 of Code provides for extension of the 180-day resolution period by up to 90 days but not more than once. Furthermore, the second proviso explicitly mandates that the entire CIRP inclusive of all extensions and time spent in related legal proceedings must be completed within a strict outer limit of 330 days from the insolvency commencement date.

3.2.14. Clause 13 of the Code of Conduct for Insolvency Professionals explicitly requires an Insolvency Professional to strictly adhere to prescribed time limits, carefully plan all actions, and communicate promptly with stakeholders to ensure the timely discharge of duties. Additionally, Clause 14 prohibits an Insolvency Professional from acting negligently or with mala fide intent while executing statutory functions. Consequently, by repeatedly seeking unwarranted extensions and failing to streamline the resolution timeline, Shri Harish Kant Kaushik has failed to act as per the provision of Section 12, read with Clauses 13 and 14 of the Code of Conduct.

3.3. **Contravention III: Non-Filing of Cost Disclosures with IPA**

3.3.1. As per Regulation 7(2)(h) of the IP Regulations, 2016 read with Clause 25A of the First Schedule, it is the duty of an insolvency professional to disclose the fee payable to him, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by him for the conduct of the assignment, to the insolvency professional agency of which he is a member. As per the records, it was observed that Shri Harish Kant Kaushik had not filed the required cost disclosures with the concerned Insolvency Professional Agency (IPA).

3.3.2. In view of the above, the Board held the prima facie view that Shri Harish Kant Kaushik appear to had contravened Sections 208(2)(a) and 208(2)(e) of the Insolvency and Bankruptcy Code, 2016, Regulation 7(2)(a) and Regulation 7(2)(h) of the IP Regulations read with Clauses 14 and 25A of the Code of Conduct specified in the First Schedule to the said Regulations.

Submissions by Shri Harish Kant Kaushik.

3.3.3. Shri Harish Kant Kaushik submitted that as on plan approval by the AA by order dated 06.01.2026, the final CIRP cost had not been fully crystallised or approved, however, Shri Harish Kant Kaushik demitted the office as RP on approval of the Resolution Plan. Shri Harish Kant Kaushik further submitted that due to peculiar nature of the business of the corporate debtor, the Deviation Settlement Mechanism ("DSM") charges payable by corporate debtor towards its energy trading at IEX platform, which are required to be part of CIRP costs, remained unreconciled with Maharashtra State Electricity Distribution Company Ltd (MSEDCL) by the concerned vendor Manikaran Analytics Ltd (QCA) despite persistent follow up by him.

3.3.4. Shri Harish Kant Kaushik submitted that on account of non-crystallization of DSM charges till Plan approval date and subsequently despite persistent follow up with MSEDCL till end of March 2026, the issue was discussed at Monitoring Committee, and a provision of Rs 2.50 Crore was retained for contingency/unreconciled DSM Charges. The same was also bring to the notice of the members of the erstwhile CoC members in the first meeting of the erstwhile CoC.

3.3.5. Shri Harish Kant Kaushik submitted that a meeting of the erstwhile CoC was convened and the CIRP cost as on the plan approval date was put on vote. Upon approval, the cost disclosure form has been filed with IPA.

Analysis and Findings of the DC.

3.3.6. The IP who has acted as Resolution Professional is required to file cost disclosure Form 3 within 7 days of demitting office. The DC notes that Shri Harish Kant Kaushik demitted office as RP upon approval of the Resolution Plan by the AA vide order dated 06.01.2026, and that in terms of the said requirement, the cost disclosure was required to have been filed with the IPA on or before 13.01.2026. The DC notes that the cost disclosure form was in fact filed only on 30.04.2026, which is subsequent to, and consequent upon, the issuance of the SCN dated 30.03.2026. Further, the explanation offered by Shri Harish Kant Kaushik that DSM charges payable to MSEDCL remained unreconciled cannot justify non-compliance. Hence, the DC is of the view that the timing of the filing, coming nearly four months after the prescribed deadline and only after the issuance of the SCN, confirms that the disclosure was not made within the timeline prescribed under the Regulations, and that compliance was prompted by the initiation of disciplinary proceedings rather than being undertaken in the ordinary course by Shri Harish Kant Kaushik.

3.3.7. In view of the above, the DC finds that Shri Harish Kant Kaushik had contravened Sections 208(2)(a) and 208(2)(e) of the Insolvency and Bankruptcy Code, 2016, Regulation 7(2)(a) and Regulation 7(2)(h) of the IP Regulations read with Clauses 14 and 25A of the Code of Conduct specified in the First Schedule to the said Regulations.

4. Order.

4.1. The DC finds that Shri Harish Kant Kaushik failed to independently examine financial transactions of the CDs and consequently file necessary avoidance applications, despite clear statutory mandates under Section 25(2)(j) of the Code, read with Regulation 35A of the CIRP Regulations. The financial records of the CDs revealed a glaring pattern of large, concentrated exposures to group entities that were progressively credit-impaired and written off. Furthermore, statutory audit reports had explicitly flagged repeated non-provision of interest (in violation of Ind AS 23), material uncertainty regarding going concern, and an inability to comment on the realizability of loans and investments exceeding Rs. 1,700 crores. By ignoring these evident red flags and failing to bring the apparent misuse of the insolvency process before the CoC and the AA, Shri Kaushik acted negligently and failed to exercise the requisite professional competence and diligence.

4.2. The DC further finds that the conduct of Shri Harish Kant Kaushik is in violation of Clause 1 of the Code of Conduct, which mandates that an insolvency professional shall maintain integrity by being honest, straightforward and forthright in all professional relationships. Furthermore, the DC also holds that Shri Harish Kant Kaushik has violated Clause 14 of the Code of Conduct, which mandates that an insolvency professional shall neither act with malafide nor be negligent while performing his functions and duties under the Code. The DC observes that IP should act as an impartial officer of the court and a custodian of the corporate estate. Instead of halting the misuse of the framework and reporting these irregularities to the CoC and the AA, Shri Harish Kant Kaushik opted to continue the proceedings, effectively allowing himself to be used as an instrument for furtherance of ulterior motives.

4.3. The DC further notes that Clause 13 of Code of Conduct mandates an Insolvency Professional to adhere to the time limits prescribed in the Code and therefore he must carefully plan his actions. The DC finds that the repeated extensions sought by Shri Harish Kant Kaushik for completion of CIRP is unjustified and in contravention of Section 12 of the Code read with Clauses 13 and 14 of the Code of Conduct. Furthermore, Shri Harish Kant Kaushik failed to file mandatory cost disclosures with the IPA within the prescribed timeline, submitting the form only on 30.04.2026, subsequent to and consequent upon the issuance of the Show Cause Notice dated 30.03.2026.

4.4. In view of the above, the DC finds that Shri Harish Kant Kaushik has contravened Sections 12, 25(2)(j), 65(1), 208(2)(a) and (e) of the Code, Regulations 35A and 39(2) of the CIRP Regulations and Regulation 7(2)(a) and (h) of the IP Regulations read with Clauses 1, 2, 3, 14 and 25A of the Code of Conduct as specified in the First Schedule of the IP Regulations.

4.5. In view of the foregoing discussion, 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 Harish Kant Kaushik (Registration No. IBBI/IPA-001/IP-P-01469/2018-19/12340) for a period of three years. Further, in terms of Section 206 of the Code, Shri Harish Kant Kaushik shall not be eligible to continue his existing assignments.

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

4.7. A copy of this order shall be forwarded to The Indian Institute of Insolvency Professional of ICAI (IIIPI) where Shri Harish Kant Kaushik is enrolled as a member.

4.8. 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.

4.9. A copy of this order shall be forwarded to Head Office, Directorate of Enforcement for information

4.10. 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: 27 July 2026
Place: New Delhi