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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 15092/2022, CM APPL. 46665/2022 (Interim Relief)

RAKESH VERMA

..... Petitioner

Through: Mr. Neeraj Malhotra, Sr. Adv.
with Mr. Chetan Garg, Mr.
Nimish Kumar and Ms. Shreya
Singh, Advs.

versus

INSOLVENCY & BANKRUPTCY BOARD OF INDIA

..... Respondent

Through: Ms. Madhavi Divan, ASG with
Mr. (appearance not given).

CORAM:

HON'BLE MR. JUSTICE YASHWANT VARMA

ORDER

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04.11.2022

1. Notice. Bearing in mind the nature of issue which stands raised, let the respondent which is duly represented, file a reply within a period of six weeks. The petitioner shall have four weeks thereafter to file a rejoinder affidavit.
2. Let the matter be posted again on 19.04.2023.
3. Prima facie and for the consideration of the grant of interim protection, the Court takes note of the submission of Mr. Malhotra, learned senior counsel for the petitioner who contends that the expenses which were incurred in the engagement of office clerks would clearly fall within the ambit of '*out of pocket expenses*' which are permissible under the relevant Regulations. According to Mr. Malhotra, the authorised representative was constrained to engage the services of a consultant or counsel for advising the home buyers bearing in mind the large number of persons who constituted that class.
4. The Court, however, notes that the duties and obligations which stand placed upon an Authorised Representative would clearly not



warrant the engagement of a consultant or counsel for advice. The expenses incurred under that head would thus prima facie not fall within the ambit of '*out of pocket expenses*'.

5. The petitioner is also stated to have incurred expenses on the engagement of office clerks who were paid Rs. 50,000/- per month. The aforesaid expenses are questioned by Ms. Divan, the learned ASG, who submits that the records would reflect that the two office clerks were paid double what was fixed for payment to the Authorised Representatives. According to the learned ASG, the expenses incurred on office staff must necessarily be proportional.

6. In view of the aforesaid, and till the final disposal of the writ petition, the liability which stands imposed upon the petitioner to refund the amount of expenses which was incurred on the engagement of office clerks alone is stayed. The balance amount which is payable under the impugned orders may be deposited with the Insolvency and Bankruptcy Board of India [Board]. That deposit may be affected within a period of four weeks from today.

YASHWANT VARMA, J.

NOVEMBER 4, 2022
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