

ICSI Institute of Insolvency Professionals

(Disciplinary Committee)

ICSI IIP/DC/inter/01/2019

11th March, 2019

INTERIM ORDER

(Under Part II and Part III 3(g) of Disciplinary Policy read with Regulation 24(1)(a) of IBBI(Model Bye Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016)

Sub: Interim Order issued by DC of ICSI IIP in the matter of Mr. Venkataramanrao Nagarajan on the complaint filed by Aruna Hotels Limited.

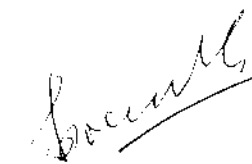
A complaint dated 16.02.2018 was received from M/s Aruna Hotels Ltd against Mr. Venkataramanrao Nagarajan having IP enrolment No. IP-N00055, registration number IBBI/IPA-002/IP-N00055/2016-17/10107. The Disciplinary Committee at its 5th meeting held on 29th January, 2019 decided to issue a notice for personal hearing to both the parties.

In view of the decision of the Disciplinary Committee, notice for personal hearing dated 14th February 2019 were duly issued to Mr. Venkataramanrao Nagarajan and the complainant, M/s. Aruna Hotels Limited, directing them to appear before the Disciplinary Committee of ICSI IIP at the next meeting.

Since the Meeting of the Disciplinary Committee was rescheduled to 7th March, 2019 an e-mail communicating the same was forwarded to the complainant as well as Mr. Venkataramanrao Nagarajan.

The complainant appeared in person before the Disciplinary Committee on 7th March, 2019. During the hearing, the complainant re-iterated his grievances as stated in his complaint filed on 16.02.2018. The same are stipulated herein below:

1. The physical notice of the first meeting of the Committee of Creditors (CoC) conducted on 14.12.2017 was not given to the suspended Board of Directors of the Corporate Debtor viz. Aruna Hotels Limited ("CD").
2. The meeting was conducted abruptly without adherence to the stipulated timelines.



3. The Minutes of the 1stCoC meeting were not shared with suspended Board of Directors of the Corporate Debtor.
4. "M/s. Kgeyes Residency Private Limited" has been allowed to be a part of the 2nd CoC meeting held on 10.02.2018 irrespective of the fact that the claim of M/s. Kgeyes Residency Private Limited was already settled with full and final amount.

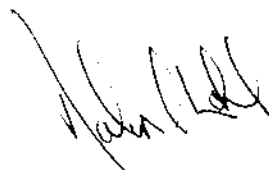
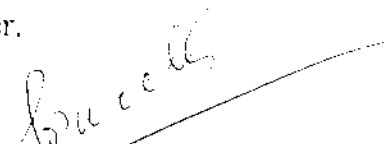
During the hearing, the complainant sought to bring on record serious discrepancy with regard to the 1st CoC, the meeting which was held at 10:30 AM on 13.12.2017, as evident from the Minutes. The electronic notice sent by IRP namely Mr. Venkataramanrao Nagarajan by email was, however, sent at 16:28 hrs on 13.12.2017 i.e. several hours after the scheduled time of the said meeting. Additionally no prior intimation of the meeting was served to the complainant by the IRP.

The complainant also showed a video recording wherein he alleges that the IRP was physically restrained by the staff and security while he was allegedly seeking to take confidential papers outside the Company, M/s Aruna Hotels Limited without permission, being a Public Limited Company, the confidential documents including statutory records as per the Companies Act 2013 are mandatorily required to be kept at the Registered Office of the company and cannot be taken out of the premises of the company without permission and following the prescribed procedures.

The DC observed that the complainant has brought certain new facts which were not mentioned in the original complaint filed by him. In view of the same, the Complainant sought permission and leave of the Disciplinary Committee to modify his original complaint dated 16.02.2018 and to submit a revised and modified complaint within a period of two weeks, i.e. on or before 21st March 2019.


Considering the seriousness of the nature of the allegations, particularly with regard to the notice being sent after the conclusion of the 1st meeting of CoC and video recording, the Disciplinary Committee grants permission to the Complainant to file the amended complaint incorporating all the allegations alongwith documentary proof on the same by 21st March 2019.

The Disciplinary Committee also directs that this amended complaint be served to the Respondent within a period of one week thereafter.

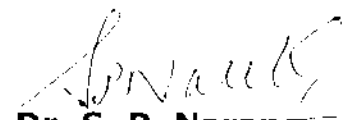
 

The Respondent i.e. Mr. Venkataramanrao Nagarajan is directed to file a specific response within a period of maximum two weeks thereafter i.e., on or before 10th April, 2019. Failure by the Respondent to file a response within the stipulated time shall be treated as the Respondent not wanting to counter any of the allegations of the complainant.

The Disciplinary Committee directs the Secretariat to put up the matter before the Disciplinary Committee for final hearing in the last week of April, 2019 with adequate notice to the Respondent. The complainant need not be called for any further hearing.



Mr. Nalin Kohli
(Chairperson)



Dr. S. P. Narang
(Member)