

ICSI Institute of Insolvency Professionals

(Disciplinary Committee)

ICSI IIP/DC/ 06/2020

7th September, 2020

ORDER

(Under Part II of Disciplinary Policy read with Clause 24(1)(a) of Bye Laws of ICSI Institute of Insolvency Professionals)

1. Background

- 1.1 This order disposes of the Show Cause Notice dated 24th July, 2020 (SCN) issued to Mr. Pranav Kumar, a resident of 3F CS-70, 3rd floor, ansal plaza sector-1, Vaishali, Ghaziabad, Uttar Pradesh, 201010, a professional member of ICSI Institute of Insolvency Professionals (ICSI IIP) and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (Board) with Registration No. IBBI/IPA-002/IP-N00263/2017-18/10776.
- 1.2 In the matter of *Crayons Advertising Private Limited* (“assignment”), Mr. Pranav Kumar was appointed as the Interim Resolution Professional on 19th March, 2020 and accordingly public announcement was also made on 23rd March, 2020. However, it was observed by the secretariat that the assignment was undertaken by Mr. Pranav Kumar without holding valid Authorisation for Assignment.
- 1.3 ICSI IIP in exercise of its powers conferred under Bye Law 23 of the Bye Laws ICSI Institute of Insolvency Professionals, Part III of the Disciplinary Policy of ICSI Institute of Insolvency Professionals (ICSI IIP) and based on information available on record, issued a show cause notice to Mr. Pranav Kumar on 24.07.2020.
- 1.4 Mr. Pranav Kumar failed to file his reply within the stipulated time mentioned in the SCN.

1.5 The Disciplinary Committee (DC) has considered the SCN and other material available on record and proceeds to dispose of the SCN in accordance with the Code and Regulations made thereunder.

2. Alleged Contravention

Mr. Pranav Kumar was appointed as the Interim Resolution Professional on 19th March, 2020 and accordingly public announcement was also made on 23rd March, 2020, without obtaining Authorization for Assignment, whereas Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016 provides:

Regulation 7A of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

“An insolvency professional shall not accept or undertake an assignment after 31st December, 2019 unless he holds a valid authorisation for assignment on the date of such acceptance or commencement of such assignment, as the case may be:

Provided that provisions of this regulation shall not apply to an assignment which an insolvency professional is undertaking as on-

- a) 31st December, 2019; or*
- b) the date of expiry of his authorisation for assignment.”*

3. Reply and Observations

3.1 The matter was placed before the Disciplinary Committee of ICSI IIP for further consideration.

3.2 Mr. Pranav in its e-mail communication dated 9th July 2020 submitted that his name was proposed by the petitioner/applicant in the petition which was admitted for hearing on 14.09.2019. The consent to act as IP in form 2 was also given prior to the date of admission of the petition which was attached as part of the petition.

3.2 The Disciplinary Committee observed that the date of acceptance of assignment was before 31st December, 2019.

4. Order

- 4.1 On perusal of documents and information on record, the Disciplinary Committee is of the view that the date of commencement was 19th March, 2020, whereas Mr. Pranav Kumar accepted the assignment on 14th September, 2019.
- 4.2 In view of the above, the DC hereby warns Mr. Pranav Kumar to be extremely careful, diligent, strictly act as per law and similar action should not be repeated.
- 4.3 The DC directs that Mr. Pranav Kumar shall not accept any new assignment without obtaining Authorisation for Assignment in view of Regulation 12A of Bye Laws of ICSI Institute of Insolvency Professionals from the date of coming into force of this Order.
- 4.4 This order shall come into force from the date of its issue.
- 4.5 A copy of this order shall be forwarded to the Insolvency and Bankruptcy Board of India.
- 4.6 Accordingly, the show cause notice is disposed of.

CERTIFIED TRUE COPY

Sd/-
MR. GOPAL KRISHNA AGARWAL
(CHAIRPERSON)

Sd/-
DR. S. P NARANG
(MEMBER)

Sd/-
CS NAGENDRA RAO
(MEMBER)