

**ICSI Institute of Insolvency Professionals**

**(Disciplinary Committee)**

**ICSI IIP/DC/ 09/2020**

**7<sup>th</sup> 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 22<sup>nd</sup> July, 2020 (SCN) issued to Mr. Ravi Sharma, a resident of 2E/207, 2nd Floor, Caxton House, Jhandewalan Extension, New Delhi, National Capital Territory of Delhi ,110055, 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-N00197/2017-2018/10563.

1.2 In the matter of *Indian Transelectric Company Limited* (“assignment”) & *A.B.S. Enterprises Private Limited* (assignment), Mr. Ravi Sharma was appointed as the Voluntary Liquidator on 3<sup>rd</sup> March, 2020 & 2<sup>nd</sup> July, 2020 and accordingly public announcements were also made on 3<sup>rd</sup> March, 2020 & 2<sup>nd</sup> July, 2020. However, it was observed by the Secretariat that the assignment was undertaken by Mr. Ravi Sharma 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. Ravi Sharma on 22.07.2020.

1.4 Mr. Ravi Sharma filed his reply to the Show Cause Notice on 25<sup>th</sup> July, 2020.

1.5 The Disciplinary Committee (DC) has considered the SCN, the reply to SCN, 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. Ravi Sharma was appointed Voluntary Liquidator on 3rd March, 2020 & 2nd July, 2020 and accordingly public announcements were also made on 3rd March, 2020 & 2nd July, 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 31<sup>st</sup> 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) 31<sup>st</sup> 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 Ravi Sharma in his reply admitted the occurrence of mistake/non-compliance and submitted that it occurred inadvertently and unintentionally resulting from oversight of the provision. Further, extended apologies with prayer to allow continuation and approval of AFA.

3.2 The Disciplinary Committee observed that Mr. Ravi Sharma accepted the assignment on 2nd March, 2020, 5th June, 2020 respectively, which is in violation of Regulation 7(A) of IBBI (Insolvency Professionals) Regulations, 2016.

#### 4. Order

4.1 On perusal of documents and information on record, the Disciplinary Committee is of the view that the date of commencement of assignment was 3<sup>rd</sup> March & 2<sup>nd</sup> July, 2020 and date of acceptance was 2<sup>nd</sup> March, 2020, 5<sup>th</sup> June, 2020 respectively which was after 31<sup>st</sup> December 2019. Mr. Ravi Sharma has contravene Regulation 7(A) of IBBI (Insolvency Professionals) Regulations, 2016.

4.2 In view of the above, the DC hereby warns Mr. Ravi Sharma to be extremely careful, diligent, strictly act as per law and similar action should not be repeated. Also, imposes a penalty of Rs. 10,000/- on Mr. Ravi Sharma to be deposited by a demand draft payable in favour of the ICSI Institute of Insolvency Professionals within 30 days of the issue of this order. The Agency shall in turn deposit the said penalty amount in the Insolvency and Bankruptcy Fund.

4.3 Further, the DC directs that Mr. Ravi Sharma shall only accept any new assignment after depositing the penalty amount imposed and after 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)