

**ICSI Institute of Insolvency Professionals**

**(Disciplinary Committee)**

**ICSI IIP/DC/ 08/2020**

**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. S Radha Krishna, a resident of A 501, Akbar Towers, VSR Enclave, Anandbagh Malakjiri, Hyderabad, Telangana, 500047, 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-N00724/2018-2019/12206
- 1.2 In the matter of *S.V.C Estates Private Limited* ("assignment"), Mr. S. Radha Krishna was appointed as the Voluntary Liquidator on 15<sup>th</sup> February, 2020 and accordingly public announcement was also made on 17<sup>th</sup> February, 2020. However, it was observed by the secretariat that the assignment was undertaken by Mr. S Radha Krishna 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. S Radha Krishna on 22.07.2020.
- 1.4 Mr. S Radha Krishna filed his reply to the Show Cause Notice on 4<sup>th</sup> August, 2020. Mr. S Radha Krishna availed an opportunity of e-hearing before the DC on 25<sup>th</sup> August, 2020. Mr. Satwinder Singh, counsel of Mr. S. Radhakrishnan

appeared on behalf of him, where the counsel reiterated the submissions made by Mr. Krishnan in his written reply.

- 1.5 The Disciplinary Committee (DC) has considered the SCN, the reply to SCN, oral submissions of counsel of Mr. S Radha Krishna during the course of e-hearing, 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. S Radha Krishna was appointed as Voluntary Liquidator on 15th February, 2020 and accordingly public announcement was also made on 17th February, 2020, 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. The Disciplinary Committee observed that Mr. S Radha Krishna in his reply submitted that the assignment was accepted before 31st December, 2019. Further, Mr. Krishna submitted that the consent for assignment was given on 19<sup>th</sup> December, 2019. IP submitted that the consent, acceptance, fixing of remuneration and approval of board regarding the voluntary liquidation was prior to 31st December, 2019. The special resolution was passed by the Board of the CD on 15.02.2020.
- 3.2 The Disciplinary Committee observed that the date of acceptance of assignment was before 31<sup>st</sup> 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 15<sup>th</sup> February, 2020, whereas Mr. S Radha Krishna accepted the assignment on 19<sup>th</sup> December, 2019. During the personal hearing, counsel of Mr. S Radha Krishna submitted that the error committed by him was inadvertent and unintended.
- 4.2 In view of the above, the DC hereby warns Mr. S Radha Krishna to be extremely careful, diligent, strictly act as per law and similar action should not be repeated.
- 4.3 The DC directs that Mr. S Radha Krishna 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)