

ICSI Institute of Insolvency Professionals
(Disciplinary Committee)

ICSI IIP/DC/ 06/2021

26th May 2021

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 (SCN) dated 17th February, 2021 (SCN) issued to Ms. Rajshree Choudhari, a resident of Old No.41, New No. 38, Thirupalli Street, 2nd Floor, Chennai - 600 079 , Chennai, Tamil Nadu ,600079, 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-N00809/2019 -2020/12595
- 1.2 In the matter of MMD India Private Limited (“assignment”), Ms. Rajshree Choudhari gave the consent for taking up the assignment on 8th September, 2020, she was appointed as the Voluntary Liquidator on 11th September, 2020 and thereafter public announcement was made on 12th September, 2020. However, it was observed that the assignment was undertaken by Ms. Rajshree Choudhari without holding valid Authorisation for Assignment (AFA).
- 1.3 Monitoring Committee of ICSI IIP in exercise of its powers conferred under Bye Law 23 of the Bye Laws ICSI Institute of Insolvency Professionals, Part 1.6 of the Monitoring Policy of ICSI IIP and based on information available directed the Secretariat to issue show cause notice (SCN) to Ms. Rajshree Choudhari. Secretariat on the directions given by Monitoring Committee issued SCN to Ms. Rajshree Choudhari on 17th February 2021. Thereafter, on receiving reply to the SCN the matter was placed before the Disciplinary Committee of ICSI IIP on 23rd April, 2021.

1.4 The DC considered the SCN, reply to the SCN and other material available on record and proceeded to dispose of the SCN in accordance with the Code and Regulations made thereunder.

2. Alleged Contravention

Ms. Rajshree Choudhari gave the consent for taking up the assignment on 8th September, 2020, she was appointed as the Voluntary Liquidator on 11th September, 2020 and thereafter public announcement was made on 12th September, 2020, without obtaining AFA, 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 Ms. Rajshree Choudhari submitted in her reply on 24th February 2021 stating that she had presumed that AFA was already obtained by her and had therefore accepted the assignment by oversight. Further, she requested DC to condone the delay in filing the particulars for AFA.

3.2 The Disciplinary Committee after taking into consideration the reply submitted, observed that the consent for the assignment was given much after the date of notification of the regulation and its applicability i.e. after 31st December, 2019.

Order

- 4.1 On perusal of documents provided by Ms. Rajshree Choudhari and information on record, the Disciplinary Committee is of the view that Ms. Rajshree Choudhari gave the consent for taking up the assignment on 8th September, 2020, she was appointed as the Voluntary Liquidator on 11th September, 2020 and thereafter public announcement was made on 12th September, 2020, without obtaining an AFA. Ms. Rajshree Choudhari has contravened Regulation 7(A) of IBBI (Insolvency Professionals) Regulations, 2016.
- 4.2 In view of the above, the DC hereby give warning to Ms. Rajshree Choudhari to be extremely careful, diligent, strictly act as per all the rules, regulations and provisions of Insolvency and Bankruptcy code and similar action should not be repeated in future. The DC also imposes a penalty of Rs. 10,000/- on Ms. Rajshree Choudhari and the same 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 The DC further directs Ms. Rajshree Choudhari that she shall not accept any new assignment without obtaining AFA 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 30 days 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 off.

CERTIFIED TRUE COPY

Sd/-
GOPAL KRISHNA AGARWAL
(CHAIRPERSON)

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

Sd/-
CS DEVENDRA DESHPANDE
(MEMBER)