

# ICSI Institute of Insolvency Professionals

## *(Disciplinary Committee)*

ICSI IIP/DC/02/2025

2<sup>nd</sup> April, 2025

### **ORDER**

*(Under Part III of Disciplinary Policy read with Clause 24(2) of Bye Laws of ICSI Institute of Insolvency Professionals)*

#### **1. Background**

This order disposes of the Show Cause Notice dated 12<sup>th</sup> February, 2025 (SCN) issued to Mr. Ranjeet Kumar Verma, CS 53, F, Ansal Plaza, Sector-1, Vaishali, Ghaziabad, Uttar Pradesh-201010, a professional member of ICSI Institute of Insolvency Professionals (ICSI IIP) and an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India (Board) with Registration No. IBBI/IPA-002/IP-N00301/2017-18/10859.

In the matter of King's Worldwide India Centre ("assignment") having CIN: U80903DL2015NPL277201, Mr. Ranjeet Kumar Verma was appointed as the Voluntary Liquidator on 20th December, 2022. However, it was observed by the Secretariat that at the time of taking up the assignment, his AFA was suspended as disciplinary proceedings were initiated by IBBI.

The matter was placed before the Monitoring committee in its meeting dated 7th February, 2025 and after deliberations, SCN was issued on 12th February, 2025. Mr. Ranjeet Kumar Verma sent his reply to the SCN through e-mail dated 18<sup>th</sup> February, 2025.

The SCN along with the reply and supporting documents were placed before the Disciplinary Committee of ICSI IIP for its disposal in accordance with the Code and Regulations made thereunder. Mr. Ranjeet Kumar Verma availed an opportunity of personal hearing before the DC on 28<sup>th</sup> February, 2025.

The DC has considered the SCN, the reply to SCN, submissions of Mr. Ranjeet Kumar Verma ("IP"), other material available on record.

#### **2. Alleged Contravention, Submissions, Analysis and Findings**

The contravention alleged in the SCN and submissions by the IP are summarized as under:

##### **CONTRAVENTION**

The IP undertook voluntary liquidation assignment on 20th December, 2022 without holding valid Authorisation for assignment (AFA).

A show cause notice was issued by IBBI to IP on 20th September, 2022 and the same was disposed by the order of the Disciplinary Committee of IBBI on 13th January, 2023 wherein IP was suspended for a period of one year. The AFA was suspended on 20th September, 2022 on account of issuance of show cause notice.

However, on 20th December, 2022, a special resolution was passed by the shareholders' of King's Worldwide India Centre for initiation of voluntary liquidation and for the appointment of Mr. Ranjeet Kumar Verma as the Liquidator.

At the time of taking up the assignment, IP's AFA was suspended as disciplinary proceedings initiated by IBBI were ongoing.

**As per Regulation 23A of Insolvency and Bankruptcy Board of India (Model Bye- Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016**

*The authorisation for assignment shall stand suspended upon initiation of disciplinary proceedings by the Agency or by the Board, as the case may be.*

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

**Regulation 2(1) of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016**

*(a) “assignment” means any assignment of an insolvency professional as interim resolution professional, resolution professional, **liquidator**, bankruptcy trustee, authorised representative or in any other role under the Code;*

*(aa) “Authorisation for assignment” means an authorisation to undertake an assignment, issued by an insolvency professional agency to an insolvency professional, who is its professional member, in accordance with its bye-laws;*

**Section 5(18) of the Insolvency and Bankruptcy Code, 2016**

*“Liquidator” means an insolvency professional appointed as a liquidator in accordance with the provisions of Chapter III or Chapter V of this Part, as the case may be;*

*Chapter V deals with Voluntary Liquidation of Corporate Persons.*

Accordingly, ICSI IIP made the prima facie opinion that the IP has not complied with Regulation 7A of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

**Submissions made by the IP**

The IP submitted that he signed form-2 (consent) in the month of May, 2022 and hand delivered the signed copy of the letter on 7th July, 2022 as the Board meeting was scheduled in the month of July, 2022 itself.

He also submitted that cancellation of AFA was duly communicated to the company, however since the company had already executed an engagement letter and further the meetings of the board were at global level, it was not practically possible for the company as well as the Liquidator to withdraw the assignment, which would have clearly impacted the professional ethics and long-time loss to the company as well.

He further submitted that he was duty bound to act as Liquidator in order to maintain dignity and fulfil prior commitment and at the time of acceptance of AFA, the IP had valid AFA and pursuant to the engagement and further proceedings by the board of directors, the IP continued with the assignment in order to fulfil prior commitment and obligation as well as to maintain the dignity of the country before the foreign nationals.

He also clearly mentioned in his reply that he was fully aware of the fact that assignment can be accepted till the IP holds AFA

During the personal hearing sought, he stated that he was not aware about the date of commencement of Voluntary Liquidation.

### **Analysis and Finding**

The DC after analysing all the records and submissions, noted that the IP undertook voluntary liquidation assignment without holding valid AFA.

His acceptance of assignment was a clear violation of the statutory provisions. This conduct demonstrates a wilful disregard for the Code and the regulations governing insolvency professionals, which are designed to ensure transparency and accountability.

In view of the above, the IP has not complied with Regulation 7A of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

### **3. ORDER**

After considering the allegations in the SCN, submissions made by Mr. Ranjeet Kumar Verma and in light of the provisions of the Code and Regulations, the DC, in exercise of the powers conferred under Part III of the Disciplinary Policy of ICSI IIP observed that Mr. Ranjeet Kumar Verma have violated certain provisions and has been very negligent in performance of his duties.

Therefore, the DC directs the following:

- i. Levy of penalty of Rs. 50,000/- (Rupees Fifty thousand only) for contravention and deposit the same 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 Fund constituted under Section 222 of the Code.
- ii. to undergo 50 hours physical Pre-Registration Educational Course (PREC) to improve his understanding of the Code and the regulations made thereunder.
- iii. that the Authorisation of assignment will stand suspended for a period of 6 months from the date of issuance of show cause notice and till the completion of compliance of above-mentioned points (i) & (ii).

3.2 This order shall come into force after 30 days from the date of its issue.

3.3 A copy of this order shall be forwarded to the Insolvency and Bankruptcy Board of India.

CERTIFIED TRUE COPY

Sd/-

MR. GOPAL KRISHAN AGARWAL  
(CHAIRMAN)