

**ICSI Institute of Insolvency Professionals**

**(Disciplinary Committee)**

**ICSI IIP/DC/06/2019**

**11<sup>th</sup> March, 2019**

**ORDER**

**(Under Part III of Disciplinary Policy read with Regulation 24(2)(b)(d) of IBBI(Model Bye Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016)**

**Sub: Order Issued by DC of ICSI IIP against Insolvency Professional, Mr. Venkataramanrao Nagarajan.**

**1. Background**

1.1 This order disposes of the Show Cause Notice (SCN) dated 15.06.2018 issued to Mr. Venkataramanrao Nagarajan, having IP enrolment No. IP-N00055 registration number IBBI/IPA-002/IP-N00055/2016-17/10107. The SCN was issued for non-filing of disclosures as required by IBBI vide its circular dated 16<sup>th</sup> January, 2018. Mr. Venkataramanrao Nagarajan replied to the SCN vide his reply dated 14<sup>th</sup> July, 2018.

1.2 The Secretariat apprised the Disciplinary Committee that Mr. Venkataramanrao Nagarajan is habitually and regularly not providing disclosures as required by ICSI IIP vide IBBI circular dated 16<sup>th</sup> January, 2018 which requires an Insolvency Professional shall disclose his relationship, if any, with (i) the Corporate Debtor, (ii) other Professional (s) engaged by him, (iii) Financial Creditor(s), (iv) Interim Finance Provider(s), and (v) Prospective Resolution Applicant(s) to the Insolvency Professional Agency of which he is a member, within the time specified in the circular and other disclosures as required under the Code.

1.3 The DC was also apprised that despite being required to submit the said disclosures latest by 31<sup>st</sup> January, 2018, which is more than twelve months ago, Mr. Venkataramanrao Nagarajan has chosen not to provide disclosures on time or is doing so in parts despite several reminders and warning letter, thereby, deliberately frustrating the requirement of Code & the Board.



1.4 It was further pointed out that as per the decision taken by the Disciplinary Committee in its 5<sup>th</sup> meeting dated 29<sup>th</sup> January, 2019, a notice was issued to Mr. Venkataramanrao Nagarajan to appear for a personal hearing before the Disciplinary Committee of ICSI IIP at its meeting scheduled to be held on 7<sup>th</sup> March, 2019 at 4:00 PM. at the registered office of the company.

1.5 Mr. Venkataramanrao Nagarajan has also chosen to seek an adjournment for no valid reason.

## **2. OBSERVATIONS**

2.1 The Disciplinary Committee notes that Mr. Venkataramanrao Nagarajan is in clear violation of Section 208(2)(d) of Insolvency and Bankruptcy Code, 2016 and Regulation 7 (2) (a) of IBBI (Insolvency Professionals) Regulations, 2016 which reads as follow:

### *'Regulation 7*

*(2) The registration shall be subject to the conditions that the insolvency professional shall*

*(a) at all times abide by the Code, rules, regulations, and guidelines thereunder and the bye-laws of the insolvency professional agency with which he is enrolled;'*

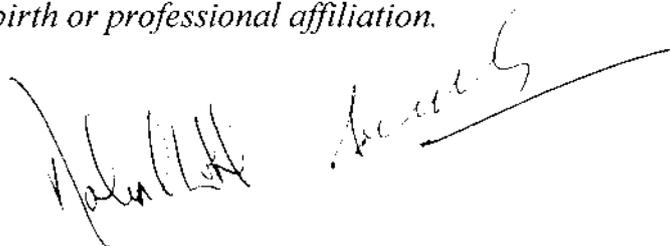
Clause 9 of the Model Bye-Laws of an Insolvency Professional Agency as stated in Schedule of IBBI (Model Bye-Laws and Governing Board of IPA) Regulations, 2016 reads as follows:-

### *9. Eligibility for Enrolment*

*No individual shall be enrolled as a professional member if he is not eligible to be registered as an insolvency professional with the Board:*

*Provided that the Governing Board may provide additional eligibility requirements for enrolment:*

*Provided further that such additional requirements shall not discriminate on the grounds of religion, race, caste, gender, place of birth or professional affiliation.*



Clause 19 of Code of Conduct for Insolvency professional as stated in First Schedule of IBBI (Insolvency Professionals) Regulations, 2016 reads as follow:

*'19. An insolvency professional must provide all information and records as may be required by the Board or the insolvency professional agency with which he is enrolled.'*

2.2 It is evident from the above that the said Insolvency Professional is guilty of treating the requirements under the Code with a high degree of lack of seriousness and adherence and additionally has become a habitual offender for non-compliance of the requirement under the Code.

2.3 It is further noted that the proceeding under the Code requires the Insolvency Professional to conduct himself or herself in a highly professional and ethical manner. Given the track record of Mr. Venkataramanrao Nagarajan, it is evident that he has chosen not to do so.

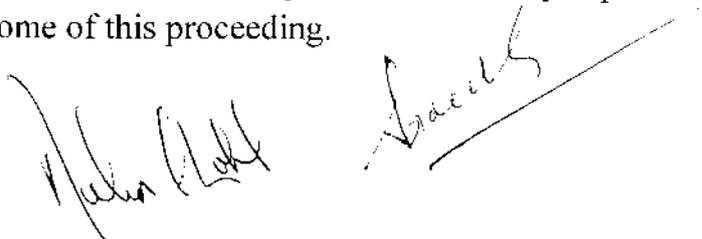
### **3. ORDER**

3.1 In light of the above, the Disciplinary Committee, in exercise of the powers conferred under Regulation 24(2) has taken a considered decision to immediately suspend the member for a period of 30 days to be operational 30 days from the date of receipt of order by him.

3.2 The Disciplinary Committee also directs the member to appear in person and explain as to why he should not be considered for expulsion under the Code after the expiry of the 30 days suspension period.

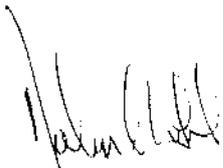
3.3 With regard to issue of expulsion, the respondent is at liberty to file a detailed reply after compliance of all statutory requirements under the Code and before the end of the 30 days suspension period.

3.4 The member is also specifically directed that beginning the date of receipt of order of Disciplinary Committee, not to take up any fresh assignments during the 30 days period of notice of suspension and 30 days operational period subject to outcome of this proceeding.

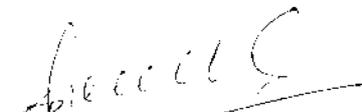


3.5 The Disciplinary Committee also imposes a monetary penalty of INR 50,000 (Rupees Fifty thousand only) on Mr. Venkataramanrao Nagarajan and directs him to deposit the penalty amount by a demand draft payable in favour of the ICSI Institute of Insolvency Professionals within 30 days of the issue of this order. The Agency shall in turn deposit the said penalty amount in the Insolvency and Bankruptcy Fund.

3.6 A copy of this order shall also be forwarded to the Insolvency and Bankruptcy Board of India, where Mr. Venkataramanrao Nagarajan is registered as Insolvency Professional.



**Mr. Nalin Kohli**  
**(Chairperson)**



**Dr. S. P. Narang**  
**(Member)**