

**Indian Institute of Insolvency Professionals of ICAI
(Disciplinary Committee)**

DC No.- IIIPI/DC/03/2018-19

ORDER

In the matter of Mr. Venkata Subrahmanya Sharma Kollapudi, Professional member enrolled under Bye-Law No 10 of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

This order disposes of the Show Cause Notice dated 14th February, 2019 (SCN) issued to Mr. Venkata Subrahmanya Sharma Kollapudi, Flat No. 3604 Mapple towers, Runwal Greens, Mulnd Goregaon Link Road, Mulnd, West, Mumbai-400078. Mr.Kollapudi is a professional member of the Indian Institute of Insolvency Professionals of ICAI (IIIPI) with Enrolment No – IP/P-01239 and yet not registered as an Insolvency Professional (IP) with the Insolvency and Bankruptcy Board of India. The Membership Committee of IIIPI observed that in his application under the heading work experience the member had stated that his last employment was till 29.03.2018 while in Form A, he had mentioned that he was in employment with the company as CEO from 20.04.2018 to 01.08.2018 and thus referred the matter to the Disciplinary Committee for concealment of fact of being in employment while submitting the application Form for enrolment and Pre registration educational Course with IIIPI.

2. The DC considered the reference made by Membership Committee and reviewed the records to issue Show Cause Notice (SCN). The SCN was issued for alleged contravention of the following provisions of the Code of Conduct:

- I. Clause (1) requires that “an Insolvency Professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.”
- II. Clause (2) requires that “an Insolvency Professional must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.”
- III. Clause (12) requires that “an Insolvency Professional must not conceal any material information or knowingly make a misleading statement to the Board, the Adjudicating Authority or any stake holder, as applicable.”
- IV. Clause (23) requires that “an Insolvency Professional must not engage in any employment, except when he has temporarily surrendered his certificate of membership with the Insolvency Professionals agency with which he is registered.”

3. The DC has carefully considered the oral and written submissions of Mr. Kollapudi and material available on record.

4. The undisputed fact of the case are as under:

- 4.1 Mr. Kollapudi had mentioned in his application for enrolment dated 28.05.2018 made to IIIPI, that he was in employment with Asset Reconstruction Company India Limited till 29.03.2018 which was supported by his relieving letter from the Company.
- 4.2 Based on the information provided by him to IIIPI, he was enrolled and allowed to attend Pre Registration educational course held at Mumbai from 18.06.2018 to 24.06.2018.
- 4.3 However, while scrutinizing the Form A (online form) received from him after completion of his pre-registration training for the purpose of registration with IBBI as an Insolvency Professional, it was observed that he was in employment from 20.04.2018 to 01.08.2018. This action tantamount to a wilful suppression of material information and raises a question on his integrity as a professional member.

5. A summary of contravention alleged in the SCN, Mr. Kollapudi's written response dated 01.03.2019 and oral submissions made before the DC in its meeting held on 10.04.2019 thereon and the findings of the DC are as under:

5.1 Contravention: Mr. Kollapudi had mentioned in his application dated 28th May 2018 for enrolment that he was in employment till 29.03.2018 which was supported by his relieving letter, thus being enrolled. However it was observed from Form A that Mr. Kollapudi was in employment from 20.04.2018 to 01.08.2018.

5.2 Submission: I would humbly submit that the non-mention of my association with M/s. TRC Corporate Consulting Pvt Ltd since 20.04.2018 in the application dated 28.05.2018 for pre-registration course was not 'wilful' Further, it is not something like "material information". If it is wilful, I would not have mentioned the same i.e. the fact of employment in Form A dated 12.07.2018 for submission to the IBBI. He admitted his mistake and regretted the same.

5.3 Finding: An IP has the highest professional responsibility. He ought to have been more careful in filing the form. He had disclosed the fact of employment at Para 'C' of Form A, which escaped attention of the office, in the enrolment form of IIIPI. The member has the responsibility to disclose all the information in a proper manner but he failed to do so.

6. In view of the above, the DC is of the opinion that Mr. Kollapudi is guilty of Minor misconduct falling within the meaning of clause 15(B) of the Disciplinary Policy of IIIPI.

The Disciplinary Committee, in exercise of the powers conferred under Regulation 24(1) (c) of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 read with clause 15(B) of the Disciplinary Policy of IIIPI, hereby admonish Mr. Kollapudi to be more careful in future while providing any information.

The DC also observed that IIIPI should frame a checklist/guidelines for filing the form and the eligibility criteria should be more clearly stated on the website and in the application form for ensuring compliance at the time of receipt of application.

7. This order shall come into force from the date of its issue. A copy of this order shall be forwarded to IBBI.

Date: 6th June, 2019

Place: Delhi

CERTIFIED TRUE COPY

Sd/-

Shri Ashok Haldia, Chairman

Dr. S.P. Narang, Member

CA. Nilesh Vikamsey, Member