

Indian Institute of Insolvency Professionals of ICAI
(Disciplinary Committee)

DC. No. - IIIPI/DC/12/2019-20

ORDER

In the matter of Mr. Rajeev Mannadiar (Respondent) under Clause 15(1) of the Disciplinary Policy of IIIPI read with Clause 24(1)(c) of IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, (2016).

- 1.0** This order disposes of the Show Cause Notice (SCN) dated 22-04-2021 issued to the respondent Mr. Rajeev Mannadiar R/O 401, Darshan CHS, R Dadaji Street, Fort, Mumbai City, Maharashtra- 400001. Respondent is a professional member of the Indian Institute of Insolvency Professionals of ICAI and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (Board) with Registration No IBBI/IPA-001/IP-P00212/2017-2018/10412. The Disciplinary Committee of IIIPI (DC) issued SCN to respondent, based on the reference received from the Grievance Redressal Committee pertaining to assignment handled by him as Interim Resolution Professional (IRP) in **Nvento Foods Technologies Pvt. Ltd.** (Corporate Debtor). Respondent submitted his contention to the SCN vide letter dated 08-05-2021. An opportunity for personal hearing was provided to the respondent on 05-06-2021 by the Disciplinary Committee. Respondent choose to be represented along with his counsel Mr. Sankalp Anantwar before the DC of IIIPI, accordingly respondent appeared before the DC of IIIPI through video conferencing along with his legal counsel. The legal counsel and the respondent made oral submissions before the DC.
- 2.0** The allegation against the respondent was, that he in the capacity of IRP of M/s Nvento Foods Technologies Pvt. Ltd. availed services of an IPE and shared the minutes of the meeting of CoC with Mr. Praveen Rathod, one of the Director of M/s Integro Insolvency Professionals Services Private Limited, an IPE in which respondent was also a Director, without making any disclosure of such services in Form (CIRP-2).
- 3.0** Respondent in this regard submitted that Mr. Praveen Rathod, was a Director in an IPE namely-M/s. Integro Insolvency Professionals Services Private Limited, of which he was also a Director and services of Mr. Pravin Rathod were utilized in the present case, for assisting him in his functions as an IP. Moreover, no separate fee was paid to Mr. Pravin Rathod for services, from the account of the Corporate Debtor.

Respondent further submitted that:

- i. Initially his fee was fixed at Rs.50,000/- for the first month. However, looking at the status of the Corporate Debtor and the details received during the first month, he agreed to Rs 20,000/- per month as his fee for RP, upon insistence of the members of the CoC. Also, no additional fee was paid to the Mr. Rathod/IPE from the account of the Corporate Debtor.
- ii. That the sharing of minutes with Mr. Rathod, was to ensure that all the procedures laid down by Code were followed in letter and spirit.
- iii. As Insolvency and Bankruptcy practice was at nascent stage and evolving when the CIR Process of the Corporate Debtor was assigned to him and there were myriad changes in compliances of the IBBI and ambiguity in the procedures to be complied by the Resolution Professional. Therefore, the name of Mr. Pravin Rathod not being mentioned on CIRP Form 2 was more due to inadvertence and/or technical in nature rather than intentional.

- iv. That Mr. Pravin Rathod as Director of the IPE was also bound by certain regulations laid under an agreement between him and IPE with respect to handling an assignment, received by another director of that IPE.
- v. That the confidential information of the Corporate Debtor was not disclosed by him to any third party/person and did not in any way adversely affected the status of the CIR Process of the Corporate Debtor. Further, the information shared with Mr. Pravin Rathod was with a good intention for smooth functioning of the CIR Process of the Corporate Debtor and ensuring compliance of the provisions of the Code and regulations framed thereunder. Therefore, non-disclosure of the name of Mr. Pravin Rathod is only due to inadvertence.

4.0 During the course of personal hearing the counsel of the respondent admitted the lapse on the part of respondent as complete information was not provided, adding however that there was no ill/malafide intention on the part of the respondent.

5.0 In respect of the allegation, DC notes the submission of the respondent that the information shared with Mr. Pravin Rathod was in good faith, for smooth functioning of the CIRP of the Corporate Debtor and to ensure compliance of the provisions of the Code and regulations framed thereunder. DC also notes that no additional cost was borne by CD for such services. DC further notes that sharing of minutes of the CoC with Mr. Rathod, did not affect the CIRP in any adverse manner.

6.0 DC heard the respondent and found no malafide intention on the part of the respondent. Also, DC finds no reason to believe that respondent intentionally concealed the information, with any ill intent or with motive to achieve any undue gain for himself. Therefore, the DC is inclined to take a lenient view.

7.0 Accordingly, 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(1) of the Disciplinary Policy of IIPPI, DC hereby pronounces the respondent as not guilty. However, DC hereby advises the respondent to be diligent and more careful in future while submitting any disclosure. Accordingly, the show cause notice is disposed of.

8.0 This order shall come into force from the date of its issue.

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

Date:30/07/2021

Place: Delhi

CERTIFIED TRUE COPY

Sd/-

Mr. Satish Marathe, (Chairman)

CA. Atul Gupta, (Member)

Mr. Satpal Narang, (Member)

CA. Rahul Madan, (Member)

Copy to:

1. Insolvency and Bankruptcy Board of India.

2. Indian Institute of Insolvency Professionals of ICAI- Members Record