

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
(IPE Division)**

20th November, 2018

ORDER

**In the matter of de-recognition of Insolvency Professional Entities under regulation 14
of the Insolvency and Bankruptcy Board of India (Insolvency Professionals)
Regulations, 2016**

The Insolvency and Bankruptcy Board of India (Board) grants a certificate of recognition as an Insolvency Professional Entity (IPE) under sub-regulation (1) of regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (Regulations), subject to the condition that it shall at all times continue to satisfy the requirement of regulation 12 thereof.

2. The Regulations, as amended by the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018, inter-alia, requires that, an IPE recognised as on 1st April, 2018 shall comply with the provisions of clauses (a),(b),(c) and (d) sub-regulation (1) of regulation 12 on or before 30th September, 2018. The said sub-regulation now reads as under:

“12. (1) *A company, a registered partnership firm or a limited liability partnership may be recognised as an insolvency professional entity, if –*

(a) its sole objective is to provide support services to insolvency professionals, who are its partners or directors, as the case may be;

(b) it has a net worth of not less than one crore rupees;

(c) majority of its shares is held by insolvency professionals, who are its directors, in case it is a company;

(d) majority of capital contribution is made by insolvency professionals, who are its partners, in case it is a limited liability partnership firm or a registered partnership firm;

.....”

3. The Board, vide circular dated 5th April, 2018, requested the IPEs recognised as on 1st April, 2018 to ensure compliance with the provisions of sub-regulation (1) of regulation 12 of the Regulations under intimation to the Board, failing which the IPE may be derecognised in accordance with regulation 14 of the said Regulations.

4. The Board, vide emails dated 5th October, 2018 addressed to IPEs, sought the status of compliance with the provisions of sub-regulation (1) of regulation 12 of the IP Regulations, by 15th October, 2018 from the recognised IPEs. It informed, vide the said email that if an IPE failed to intimate the status of compliance by that date, it shall be presumed that the said IPE did not comply with the provisions of sub-regulation (1) of regulation 12 of the Regulations and shall be derecognised forthwith in accordance with the aforesaid regulation 14.

5. In response to above, the following eleven IPEs have applied to Board for their derecognition:

Sl. No.	Name of the IPE	Registration No. of the IPE	Date of Communication
1.	A2Z Insolvency Services Private Limited	IBBI/IPE/0005	25.10.2018
2.	Swift Insolvency Professionals LLP	IBBI/IPE/0009	24.10.2018
3.	Southern Insolvency Professionals LLP	IBBI/IPE/0014	19.09.2018
4.	KRV Insolvency Professionals LLP	IBBI/IPE/0028	01.09.2018
5.	Apex Insolvency Professionals LLP	IBBI/IPE/0041	25.10.2018
6.	Lexpro Insolvency Services Private Limited	IBBI/IPE/0046	26.10.2018
7.	Innovative Restructuring & Insolvency Professionals LLP	IBBI/IPE/0051	18.10.2018
8.	ATCS Insolvency Professionals Private Limited	IBBI/IPE/0057	24.10.2018
9.	KPAD Insolvency Resolution Professionals LLP	IBBI/IPE/0067	28.05.2018
10.	Lexlocus Insolvency Professionals Limited	IBBI/IPE/0069	05.09.2018
11.	Key Insolvency and Bankruptcy Advisors LLP	IBBI/IPE/0070	25.10.2018

6. The Board is, therefore, of the opinion that sufficient cause exists for de-recognition of the eleven IPEs as listed in Para 5 above, as they did not comply with the provisions of sub-regulation (1) of regulation 12 of the Regulations and had requested for their de-recognition. In the light of these circumstances, the Board hereby accepts the application of the above said entities and derecognises them with effect from 1st October, 2018.

7. Consequently, the eleven IPEs listed in Para 5 above are hereby directed to forthwith:

- surrender their original Certificate of Recognition to the Board; and
- inform the concerned Registrar of Companies about their derecognition.

8. Notwithstanding the derecognition, the IPE listed in Para 5 above shall be jointly and severally liable for all acts or omissions, if any, of its partners or directors as insolvency professionals, committed during such partnership or directorship, in accordance with sub-regulation (3) of regulation 13 of the Regulations.



(Dr. Mamta Suri)

Executive Director

Insolvency and Bankruptcy Board of India