

Insolvency and Bankruptcy Board of India

New Delhi, 19th 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 requirements under 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) of sub-regulation (1) of regulation 12 on or before 30th September, 2018. The said sub-regulation 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 an IPE may be derecognised in accordance with regulation 14 of the said Regulations.

4. Thereafter, vide letters dated 5th October, 2018, the Board sought the status of compliance with the provisions of sub-regulation (1) of regulation 12 of the Regulations by 15th October, 2018 from the recognised IPEs. It informed, vide the said letter 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 de-recognised forthwith in accordance with the aforesaid regulation 14.

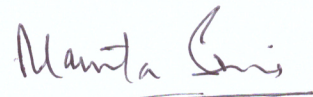
5. In response to the above, the following eight IPEs have communicated to the Board that they did not comply with the provisions of sub-regulation (1) of regulation 12 of the Regulations:

Sl.	Name of the IPE	Registration No. of the IPE	Date of Communication
1	Turnaround Insolvency Professionals LLP	IBBI/IPE/0006	01.11.2018
2	Kedia and Kedia Associates	IBBI/IPE/0033	08.10.2018
3	BRS Insolvency Professionals LLP	IBBI/IPE/0042	15.10.2018
4	SRI Resolution and Insolvency Advisory LLP	IBBI/IPE/0043	18.10.2018
5	A. Mittal Management Consultants (OPC) Pvt. Ltd.	IBBI/IPE/0054	31.10.2018
6	Qboid Advisors (Insolvency & Bankruptcy) LLP	IBBI/IPE/0058	25.10.2018
7	Smartnomics Insolvency Professionals LLP	IBBI/IPE/0062	29.10.2018
8	Elite Insolvency Resolution Private Limited	IBBI/IPE/0076	24.10.2018

6. The Board is, therefore, of the opinion that sufficient cause exists for de-recognition of the eight IPEs listed in Para 5 above, as they did not comply with the provisions of sub-regulation (1) of regulation 12 of the Regulations, and it hereby de-recognises them with effect from 1st October, 2018.

7. Consequently, the eight IPEs listed in Para 5 above are hereby directed to forthwith:
(a) surrender their Original Certificates of Recognition to the Board; and
(b) inform the concerned Registrar of Companies about their de-recognition.

8. Notwithstanding the de-recognition, the IPEs 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