

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**  
**(Disciplinary Committee)**

No. IBBI/DC/106/2022

21<sup>st</sup> June, 2022

**ORDER**

**This Order disposes the Show Cause Notice (SCN) No. IBBI/IP/INSP/2020/41/509/3367 dated 9<sup>th</sup> April 2022 issued to Mr. Srinivasan Karthigeyan, Insolvency Professional under section 220 of the Insolvency and Bankruptcy Code, 2016 (Code) read with regulation 13 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 (Inspection Regulations) and regulation 11 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations 2016 (IP Regulations). Mr. Srinivasan Karthigeyan is a Professional Member of Indian Institute of Insolvency Professionals of ICAI (IIIP-ICAI) and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (Board/IBBI) with Registration No. IBBI/IPA-001/IP-P00402/2017- 18/10720.**

**1. Developments in relation to resolution/liquidation of the CD**

1.1. The Hon'ble NCLT, Chennai Bench (AA) vide order dated 15.09.2017 admitted the application under section 9 of the Code for initiating Corporate Insolvency Resolution Process (CIRP) of Inasra Technologies Private Limited (CD). The AA appointed Mr. Srinivasan Karthigeyan as an Interim Resolution Professional (IRP) who was later confirmed as the Resolution professional (RP). Since there was no resolution plan received for approval by Committee of Creditors (CoC), it was unanimously resolved to liquidate the CD. Hence AA *vide* order dated 16.08.2018 ordered liquidation of the CD and currently Mr. S. Kannan is working as liquidator of CD.

**2. Issuance of Show Cause Notice (SCN) and hearing before DC**

2.1. On having reasonable grounds to believe that Mr. Srinivasan Karthigeyan had contravened certain provisions of the Code, Regulations and Circulars issued thereunder, the Board, in exercise of the powers conferred to it under section 218 of the Code read with the Inspection Regulations, appointed an Inspecting Authority (IA) to conduct the inspection of Mr. Srinivasan Karthigeyan *vide* order dated 30.04.2020. A draft inspection report (DIR), prepared by the IA, was shared with Mr. Srinivasan Karthigeyan on 30.03.2021, to which Mr. Srinivasan Karthigeyan submitted reply *vide* email dated 15.04.2021. The IA submitted the Inspection Report to Board on 30.04.2021.

2.2. Based on the material available on record including the Inspection Report, the Board issued the SCN to Mr. Srinivasan Karthigeyan on 09.04.2022. The SCN indicated contraventions of sections 18(f)(iv), 19(2), 20, 25(2)(a), 208(2)(a) and (e) of the Code, regulation 35A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations), regulation 7(2) (a) and (h) of the IP Regulations, and clause 1, 3, 5 and 14 of the Code of Conduct as specified in the First Schedule of the IP Regulations. Mr. Srinivasan Karthigeyan replied to the SCN on 30.04.2022. Mr.

Karthigeyan submitted written arguments on 14.06.2022 and further written submissions on interpretation of status quo on 20.06.2022.

- 2.3. The Board referred the SCN, written and oral submissions of Mr. Srinivasan Karthigeyan, and other material available on record to the Disciplinary Committee (DC) for disposal of the SCN in accordance with the Code and Regulations made thereunder. Mr. Srinivasan Karthigeyan availed an opportunity of personal hearing before DC on 14.06.2022 physically wherein he was accompanied by advocate Mr. Rishabh Tripathi.

### **3. Alleged contraventions and submissions of the IP**

Contraventions alleged in the SCN and Mr. Srinivasan Karthigeyan's submissions thereof are summarized below:

#### **Contravention – I**

##### **3.1. Failure to take control and custody of assets and maintaining CD as a going concern**

- 3.1.1 Information pertaining to CD was available on cloud storage providers namely Amazon Web Services (AWS) and Google suites. The AA in its order dated 04.11.2019 termed the services of AWS as essential under section 14 of Code. However, Mr. Karthigeyan failed to take control and custody of CD's accounts on AWS and Google suites after the initiation of CIRP. As per his communication dated 12.04.2020 to the Board, Mr. Yogendra Vasupal, ex-CEO of the CD, was in control of said accounts as super administrator and made payments for their subscriptions.
- 3.1.2 It is observed from his communication dated 12.04.2020 to the Board that CD's account on AWS was terminated and the data stored therein was erased due to non-payment of subscription by the suspended director. By not maintaining the continuation of essential services of the CD, Mr. Karthigeyan failed to maintain CD as going concern. He also failed to inform AA and seek suitable directions regarding the same.
- 3.1.3 Further, it is noted from his communication dated 12.04.2020 that cash worth Rs. 4.17 lakhs was lying with Mr. Yogendra Vasupal. This amount ought to have been brought under the custody and control of the affairs of the CD.
- 3.1.4 In view of the above, the Board is of the *prima facie* view that Mr. Karthigeyan *inter alia* violated sections 18(f)(iv), 20, 25(2)(a), 208(2)(a), 208(2)(e) of Code read with regulations 7(2)(a), 7(2)(h) of IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) and clause 14 of Code of Conduct.

##### **3.2. Submissions made by the IP**

- 3.2.1 Mr. Karthigeyan submitted that the CEO of the organisation was operating as the administrator of the AWS prior to initiation of CIRP. These services needed specialised knowledge to operate it. The first requirement for payment of GSuite was received on 26.09.2017. Since Mr. Yogendra was the super administrator and his card has been registered as the payment method, approval of Mr. Karthigeyan was required for the payment and approval for payment was given on 29.09.2017 and 04.10.2017. Based on this approval, payment was made on 05.10.2017. The first request for payment for AWS

was communicated on 28.10.2017 and approval was given by Mr. Karthigeyan and CoC on 30.10.2017. For AWS as well, Mr. Yogendra was the super administrator, and his card was registered as the payment method. On 01.11.2017, Mr. Yogendra confirmed that Rs. 4.17 lakh cash belonging to CD is available with him. Mr. Yogendra was supposed to make the payments to AWS similar to Gsuite, but he has not made the payments during the status quo period.

- 3.2.2 On 11.11.2017, the CD communicated the RP about the status quo order from Hon'ble Supreme Court which became effective from 10.11.2017. At this stage CD also informed about availability of intangible assets. On 12.11.2017, the CoC once again approved payment to be made for AWS. On 13.11.2017, he revealed that AWS contains the software codes. After this, Mr. Karthigeyan asked CD to take backup of the codes. The status quo was lifted on 21.03.2018 by dismissal of main case. Meanwhile the CIRP period of 180 days expired therefore Mr. Karthigeyan had to make an application to AA to ask for extension. On 20.04.2018, the AA allowed to restore the days lost for the period during which order of status quo passed by Hon'ble Supreme Court was in force.
- 3.2.3 Once the status quo was lifted, the CD communicated the non-payment of Gsuite for 3 months on 27.03.2018. Once AA allowed the extension of CIRP, Mr Karthigeyan had arranged to make the pending payments by applying for new debit card. On 17.05.2018, CD communicated that services for AWS was not paid for 7 months. Upon this, Mr. Karthigeyan had closed the FDs to make payment of Rs. 3.5 lakhs to Amazon and the payments happened on 26.05.2018. After making the payment, the CD communicated on 29.05.2018 about the fact that the account was suspended on 15.11.2017 and the account was terminated on 14.01.2018. Both the suspension and termination happened during the status quo period. The SCN has correctly observed that Mr. Yogendra has failed to pay for the services. The payment failure has happened during the status quo period. Since the data deletion has happened during the status quo period, Mr. Karthigeyan have not sought suitable direction from AA regarding the same or take any steps.
- 3.2.4 In M/s. Subasri Realty Private Limited Vs. Mr. N. Subramanian & Anr. (22.02.2018), it is clarified by Hon'ble NCLAT that, *"after appointment of the Resolution Professional and declaration of moratorium, the Board of Director stands suspended, but that does not amount to suspension of Managing Director or any of the Director or officer or employee of the Corporate Debtor. To ensure that the Corporate Debtor remains on going concern, all the Director/ employees are required to function and to assist the Resolution Professional who manages the affairs of the Corporate Debtor during the period of moratorium."*
- 3.2.5 As per section 20(2)(d) of the code, IRP has the authority to *"issue instructions to the personnel of the CD as may be necessary for keeping the corporate as the going concern"*. Section 20(d) of the Code allows IRP/RP to delegate certain responsibilities to the personnel of the CD. And section 20(2)(e) of the Code provides *"take all necessary action to keep CD as a going concern."* Handling of AWS and G Suite is quite technical in nature, which the CEO was handling before the CIRP. This is also noted in the order issued by AA. Therefore, allowing the administrator role of AWS/G Suite to be played by Yogendra cannot be construed as lapse in the role of RP as it was done in good faith by allowing the personnel of the CD who was the super administrator of the account which requires special knowledge in such technical field. Such action done on good faith is protected by Section 233 of the IBC.

- 3.2.6 As per section 14(2A) of the code, where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.
- 3.2.7 With respect to going concern, on 18.10.2018 as part of regular reporting to IBBI, Mr. Karthigeyan submitted that he has already mentioned that the CD was not functional as a going concern for 7 months before starting of CIRP. The business operations were closed and this is recorded as part of the blog post of the CD, wherein, it is mentioned that all the assets have been sold and all the employees were let go. Thus, the availability or deletion of data did not impact the going concern status of the CD, the CD had already wound up the business operations, 11 months prior to deletion of data.
- 3.2.8 Mr. Karthigeyan submitted that the fact that he has given approval for payment of the charges to AWS before the status quo order and the CEO and the suspended director, who were running the affairs of the company during the status quo period, failed to pay due to which the AWS has suspended the account on 15.11.2017 and deleted the account on 15.01.2018, both of which during the status quo period. This is the fact that has been suppressed by the CD while submitting to AA in the final hearing.
- 3.2.9 With regards to Hon'ble AA's observation in the final order, he submitted that the bench was reconstituted for the last two hearing, where he couldn't present himself. During the last hearing, the CD has suppressed the very important fact that the suspension and deletion of data has happened during this period. Since this important fact was suppressed, the AA has passed the said order without considering this fact. Since the court ordered for IBBI to make an inquiry on this, he did not make an appeal in the NCLAT.
- 3.2.10 Mr. Karthigeyan further submitted that Mr. Yogendra filed an appeal in both NCLAT and in Supreme court, both of which were rejected by the respective authority. While hearing in NCLAT, Mr. Karthigeyan placed his request that the aforesaid important fact that was not considered. The Hon'ble NCLAT informed that since he has not filed appeal, they cannot pass an order to this effect however they advised that since IBBI has already been asked to investigate, he should present these facts to the Board. Further, in the order that NCLAT has observed as follows:
- “4. The learned Counsel for IRP/RP is having grievance regarding observations of dereliction of duties against IRP/RP and that I.B.B.I has been directed to take note. There is no appeal by IRP/RP and whatever IRP/RP wants to state he may place it before I.B.B.I for it to consider”*
- 3.2.11 Mr. Karthigeyan submitted that the accounts for the year ending 31.03.2017 was given on 04.10.2017 and the accounts for the period 01.04.2017 to 07.09.2017 were handed over on 20.10.2017. On 01.11.2017, he asked for the clarification on the cash of 4.17 lakhs, where Mr. Yogendra confirmed that he is in possession of cash and will deposit them at the earliest. On 10.11.2017, the Supreme Court had issued status quo order which came to an end only on 20.03.2018. On 27.03.2018, the CEO said he will coordinate with the auditor

and will handover the cash once the audit is completed. The auditor could not complete the audit before the end of CIRP and CD went into liquidation.

3.2.12 Mr. Karthigeyan submitted that the above acts were done in good faith as the CEO is also personnel of CD who is required to meet the expenses of G Suit and AWS.

### 3.3. Summary Findings

3.3.1 The DC observes that in light of status quo order, by implication, meant to keep affairs of CD as is where is basis. Therefore, Mr. Karthigeyan was required to keep the AWS and G Suite accounts running as essential services. Section 14 of the Code read with regulation 32 of the CIRP Regulations implies that essential services to the CD include information technology services. The same are provided as below:

*“14. Moratorium. –*

*(2) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.”*

*“32. Essential supplies. The essential goods and services referred to in section 14(2) shall mean-*

*(1) electricity;*

*(2) water;*

*(3) telecommunication services; and*

*(4) information technology services,*

*to the extent these are not a direct input to the output produced or supplied by the corporate debtor.”*

3.3.2 The DC observes that during the status quo period, Mr. Karthigeyan did not track the accounts which were essential for CD and one of them was suspended leading to loosing of data. The status quo cannot be construed as CIRP has been halted or Mr. Karthigeyan will not continue as RP. Under section 20(2)(d) and (e) as quoted by Mr. Karthigeyan, he was required to issue instructions to personal of CD and take all necessary action to keep the CD running as intended by status quo order. Further section 14(2A) refers to CD in CIRP under control of RP. Further, Mr. Karthigeyan submitted that after AA allowed extension of CIRP, he made pending payments by applying new debit card. The same could have been done earlier and the control of AWS and G Suites account should have been taken which might have saved data from being lost.

3.3.3 The DC notes that submission of Mr. Karthigeyan that Mr. Yogendra confirmed that he is in possession of cash Rs. 4.17 and will deposit them at the earliest. On asking the amount to be deposited, he said will coordinate with the auditor and will handover the cash once the audit is completed. The link between handover of cash by Mr. Yogendra and conduct of audit is cannot be comprehended. Considering the lax attitude of Mr. Karthigeyan in taking custody and control of assets of CD, DC finds that Mr. Karthigeyan has *inter alia* violated sections 18(f)(iv), 20, 25(2)(a), 208(2)(a), 208(2)(e) of Code read with regulations 7(2)(a), 7(2)(h) of IP Regulations and clause 14 of Code of Conduct.

## **Contravention-II**

### **3.4. Non-filing of Section 19 application despite non-cooperation from suspended management**

3.4.1 Mr. Karthigeyan in his communication dated 12.04.2020, stated that he faced non-cooperation from CD's CEO- Mr. Yogendra Vasupal, and CFO- Mr. Sachit Singh in providing information. He stated that due to the non-cooperation, audit of CD's accounts for FY 2017-18 could not be completed in timely manner. Further, he also stated that CD's cash worth Rs. 4.17 lakhs was lying with Mr. Yogendra Vasupal and not deposited to CD's account. Despite the said instances of non-cooperation, he did not file application before the AA under section 19(2) of the Code to seek suitable directions. In view of the above, the Board is of the *prima facie* view that Mr. Karthigeyan *inter alia* violated section 19(2), 208(2)(a), 208(2)(e) of Code read with regulations 7(2)(a), 7(2)(h) of IP Regulations and clause 14 of Code of Conduct.

### **3.5. Submissions made by the IP**

3.5.1 Mr. Karthigeyan submitted that section 19(2) of the code specifies "the interim resolution professional may make an application to the AA for necessary direction" Since the section mentioned as 'may' and not 'shall', it is not a deviation under section 19(2).

### **3.6. Summary Findings**

3.6.1 With respect to non-filing of application under section 19(2) of the Code, DC notes the submission of Mr. Karthigeyan that there were intangible assets in AWS which contained software codes. He asked CD to take backup of the codes. But the said intangible assets were not provided to him. Similarly Rs. 4.17 lakh lying in possession of Mr. Yogendra was not handed over to Mr. Karthigeyan. Even after above transgressions, Mr. Karthigeyan did not file any application under section 19(2) of the Code before AA. With regards to submission of Mr. Karthigeyan that the section mentions 'may not 'shall', the provision provides for discretion in hands of RP considering the situation of CD and such discretion is to be used for the benefit of CD. Considering the factual circumstances, DC finds that Mr. Karthigeyan did not take required steps for seeking cooperation from promoters of CD, hence he has *inter alia* violated section 19(2), 208(2)(a), 208(2)(e) of Code read with regulations 7(2)(a), 7(2)(h) of IP Regulations and clause 14 of Code of Conduct

## **Contravention-III**

### **3.7. Non-filing of PUFEE application and deliberation with CoC**

3.7.1 The Code and CIRP Regulations entrusts duty upon an insolvency professional to form opinion on PUFEE transactions and file application for AA for suitable directions. The minutes of 2<sup>nd</sup> CoC meeting note that Mr. Karthigeyan highlighted many transactions which were not clear in purpose, seemed to be adjustment entries without proper clarification and could probably be preferential transactions or undervalued transactions or deliberately entered to defraud the accounts.

3.7.2 The minutes of 2<sup>nd</sup> and 3<sup>rd</sup> CoC meeting also record that Mr. Karthigeyan held discussions with CoC regarding conduct of forensic audit, sought their approval for same and CoC

denied conducting forensic audit to avoid costs. However, in his response dated 14.04.2021 to DIR, Mr. Karthigeyan stated that no opinion was formed on the transactions. Thus, Mr. Karthigeyan did not form opinion on PUFÉ applications despite being apprehensive of certain transactions as is evident from deliberation in various CoC meetings. In view of the above, the Board is of the *prima facie* view that Mr. Karthigeyan *inter alia* violated section 208(2)(a), 208(2)(e) of Code read with Regulation 35A of CIRP Regulations, regulations 7(2)(a), 7(2)(h) of IP Regulations and clause 3, 5 and 14 of Code of Conduct.

### **3.8. Submissions made by the IP**

- 3.8.1 Mr. Kartigeyan submitted that that as the statutory audit was under process and the auditor was having all the documents, there was lack of data with him to form an opinion. Since, status quo order was prevailing he was unable to form an opinion and deliberated with CoC for their approval to conduct Forensic Audit, so that the Forensic Auditor could possibly discover if there were any issues. The CoC has not approved the Forensic Audit.
- 3.8.2 Mr. Karthigeyan submitted that regulation 35A of CIRP Regulations was notified on 03.07.2018, and section 1(2) of the said notification said that “They shall come into force on the date of their publication in the Official Gazette and shall apply to corporate insolvency resolution processes commencing on or after the said date.” According to regulation 35A of CIRP Regulations which got substituted on 03.07.2018, and came into force on 04.07.2018, it mandated the RP to form an opinion on PUFÉ transactions. Since the current case is initiated on 15.09.2017 and clearly this section is not applicable in this case, hence there is no violation of regulation 35A. He submitted that he has made observations about some transaction appears to be questionable in nature and may also fall under PUFÉ category and requested CoC to enable for forensic audit, which was denied by them. He submitted that he was unable to form an opinion as relevant data is not available.

### **3.9 Summary Findings**

- 3.9.1 The DC notes the submission of Mr. Karthigeyan that regulation 35A of CIRP Regulations shall come into force on the date of its publication in the Official Gazette ie. 04.07.2018 and shall apply to corporate insolvency resolution processes commencing on or after the said date. However, it does not absolve Mr. Karthigeyan from forming opinion on the transactions as section 43 and 45 of the provides for forming opinion on preferential and undervalued transactions. The relevant provisions are reproduced as below:

*43. Preferential transactions and relevant time. - (1) Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as referred to in sub-section (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44.*

*45. Avoidance of undervalued transactions. - (1) If the liquidator or the resolution professional, as the case may be, on an examination of the transactions of the corporate debtor referred to in sub-section (2) determines that certain transactions were made during the relevant period under section 46, which were undervalued, he shall make an*

*application to the Adjudicating Authority to declare such transactions as void and reverse the effect of such transaction in accordance with this Chapter.*

3.9.2 Mr. Karthigeyan states that he only had doubt and has not formed opinion on the transactions and such opinion is pre-requisite for section 43. The submission of Mr. Karthigeyan is against the objective of the Code and he did not make effort to retrieve required information or data from auditor to form an opinion regarding avoidance transactions, hence the DC finds him in contravention of section 208(2)(a), 208(2)(e) of Code, regulations 7(2)(a), 7(2)(h) of IP Regulations and clause 3, 5 and 14 of Code of Conduct.

#### **Contravention-IV**

##### **3.10 Non-submission of Data and Information**

3.10.1 Handover of data and information is one of the main requisites of timely and smooth completion of the processes under the Code. However, AA order dated 04.11.2019 passed in MA 172/2019 in CP No. 559/IB/CB/2017 states that Mr. Karthigeyan failed to provide data and information, particularly in relation to financial statements to the Liquidator of CD, Mr. S. Kannan appointed on 26.09.2018. This shows that Mr. Karthigeyan did not hand over data and information to the Liquidator in timely manner. In view of the above, the Board is of the *prima facie* view that Mr. Karthigeyan *inter alia* violated sections 208(2)(a), 208(2)(e) of Code read with regulation 7(2)(a), 7(2)(h) of IP Regulation and clauses 1 and 14 of Code of Conduct.

##### **3.11 Submissions made by the IP**

3.11.1 Mr. Karthigeyan submitted that the prayer made by liquidator is to “*direct the 1st respondent to hand over the entire documents and other material which is in possession of the corporate debtor during the process of CIRP*”. Towards this prayer, Mr. Karthigeyan had submitted his counter providing proof to AA, that he had handed over all the documents in physical copy to the liquidator on 13.10.2018 by meeting him in person at his office and requested for acknowledgement for the same on 23.10.2018 and 06.12.2018. However, the liquidator did not provide any acknowledgement. He further asked for soft copy of the documents, which he had provided to him on 08.12.2018. On 12.12.2018, he has acknowledged receipt of information. These above facts were explained to AA when inquired in the court hall, as this was also mentioned in his counter, which the Hon’ble NCLT considered and asked him to submit an affidavit with list of documents that he has handed over. The affidavit was submitted in April 2019 and has been recorded in the AA’s interim orders which satisfied the prayer. Therefore, read with the liquidator’s prayer, there is no failure from his part to provide information to the liquidator. In the final order dated 04.11.2019, AA has not made any observation about failure to handover data and information to the liquidator in timely manner. The AA had directed all respondents to provide all the data and information that liquidator sought for particularly in relation to the financial statements of the year ended 31.03.2017 and 31.03.2018. On 24.11.2019, Mr. Karthigeyan responded to liquidator that he had provided all the information in his possession and that book of accounts and related documents were with auditor for statutory audit. Upon completion of the audit, the auditor has handed over



all the documents based on which statutory filings were compiled by the liquidator as observed in related case MA/361/2019. The liquidator made an application to AA because of the conflicting statement made by the directors of the CD. This has been observed in the same quoted order. It is further evident during the liquidation period, the auditor and liquidator were in regular correspondence, having access to the said documents.

### 3.12 Summary Findings

- 3.12.1 With respect to the issue of non-submission of data and information by Mr. Karthigeyan to the liquidator, the DC notes the submission of Mr. Karthigeyan that on 12.12.2018, the liquidator has acknowledged receipt of information. However, the submission of Mr. Karthigeyan that in order dated 04.11.2019, AA has not made any observation about failure to handover data and information to the liquidator in timely manner cannot be accepted as the AA therein observed that *“there seems to be dereliction of duty on the part of the Respondent 1 to 4 by not providing the necessary information to the Applicant viz. Liquidator to perform his function effectively...”*. Hence DC finds that Mr. Karthigeyan has violated sections 208(2)(a), 208(2)(e) of Code read with regulation 7(2)(a), 7(2)(h) of IP Regulation and clauses 1 and 14 of Code of Conduct.

## 4. Order

- 4.1. In view of the submission made by Mr. Srinivasan Karthigeyan, and materials available on record, DC notes that Mr. Srinivasan Karthigeyan should have been more careful and vigilant in conducting the CIRP and should have been cautious and prompt in discharging his duties as a IRP/RP of the CD.
- 4.2. The deficiencies as noticed and conceded by Mr. Srinivasan Karthigeyan appear to be minor in nature and largely had no bearing on the outcome of the process. Therefore, DC is inclined to take lenient view and cautions Mr. Srinivasan Karthigeyan to be more careful in future while handling process under the Code.
- 4.3. Though the deficiencies as noticed and conceded by Mr. Srinivasan Karthigeyan to be minor in nature, however, in the context of the independent role of Insolvency Professional as envisaged under the Code and Regulations framed thereunder, such acts of omission have larger ramifications. The scheme of running the CD as a going concern is an onerous responsibility of the Insolvency Professional.
- 4.4. In view of above, the SCN is disposed of with caution to Mr. Srinivasan Karthigeyan for being more careful in future while handling CIRPs. In case, such repetitive instances are noticed in future, the matter will be treated as wilful negligence and action will be taken accordingly.
- 4.5. The Adjudication Division of the IBBI is directed to keep this Order in active record as negative points against him warranting continuous vigil, and follow other cases being handled by him to deter him from making such mistakes.

- 4.6. A copy of this order shall be forwarded to the Indian Institute of Insolvency Professionals of ICAI where Mr. Srinivasan Karthigeyan is enrolled as a member.
- 4.7. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.
- 4.8. Accordingly, the show cause notice is disposed of.

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(Sudhaker Shukla)  
Whole Time Member, IBBI

Dated: 21<sup>st</sup> June, 2022  
Place: New Delhi