

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

No. IBBI/DC/105/2022  
14<sup>th</sup> June, 2022

**Order**

**In the matter of Mr. Venkata Suryanarayanarao Nagulapati, Insolvency Professional (IP) under section 220 of the Insolvency and Bankruptcy Code, 2016 read with regulation 11 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.**

This Order disposes of the Show Cause Notice (SCN) No. COMP-11011/52/2020-IBBI/520/3502 dated 05<sup>th</sup> May 2022 issued to Mr. Venkata Suryanarayanarao Nagulapati, R/o H-41, Mahindra Park, Narayan Nagar, LBS Marg, Ghatkopar West, Mumbai City, Maharashtra 400086, who is a Professional Member of Indian Institute of Insolvency Professionals of ICAI (IIP-ICAI) and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI) with Registration No. IBBI/IPA-001/IP-P00534/2017-18/10959.

**1. Background**

- 1.1. The Hon'ble NCLT, Mumbai Bench, Mumbai (AA) vide order dated 16<sup>th</sup> April 2018 admitted the application under section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) for initiating Corporate Insolvency Resolution Process (CIRP) of M/s. Shrid Metal Technologies Pvt. Ltd (CD). The AA appointed Mr. Venkata Suryanarayanarao Nagulapati as an Insolvency Resolution Professional (IRP) and who was later confirmed as the Resolution professional (RP).
- 1.2. The IBBI, in exercise its powers conferred under Regulation 11 of IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations), issued the SCN to Mr. Venkata Suryanarayanarao Nagulapati on 05<sup>th</sup> May 2022 providing him 21 days to submit his response to the same. Mr. Venkata did not reply to the SCN.
- 1.3. The IBBI referred the SCN to the Disciplinary Committee (DC) for disposal of the SCN in accordance with the Code and Regulations made thereunder. The DC provided an opportunity of virtual personal hearing to Mr. Venkata on 08<sup>th</sup> June 2022 wherein Mr. Venkata Nagulapati did not appear.

**2. Alleged Contravention**

- 2.1. The IBBI received a complaint under the IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 (GCHP Regulations) against Mr. Venkata Nagulapati in the matter of the Shrid Metal Technologies Private Limited (CD). In compliance with regulation 7(1) of GCHP Regulations, various emails were sent to Mr. Venkata Nagulapati on 21<sup>st</sup> July 2020, 18<sup>th</sup> August 2020, 26<sup>th</sup> August 2020, 08<sup>th</sup> October 2020, 20<sup>th</sup> October 2020, 07<sup>th</sup> December 2020, 15<sup>th</sup> December 2020, 22<sup>nd</sup> December 2020, 05<sup>th</sup> January 2021, 11<sup>th</sup> January 2021, 10<sup>th</sup> February 2021, 25<sup>th</sup> August 2021, 08<sup>th</sup> September 2021, 20<sup>th</sup>

October 2021, and 26<sup>th</sup> October 2021 to seek his comments, information, and record on the said complaint. However, Mr. Venkata Nagulapati did not provide any specific response except email dated 10<sup>th</sup> February 2021 wherein he took stand that he had already informed status over telephone to various officials of the Board. He further submitted in the said email that he was 70 years old and during pandemic, he got stuck in his village and no employee was attending his office located in Mumbai.

2.2. Subsequently, the IBBI vide its letter dated 08<sup>th</sup> February 2022 provided an opportunity to Mr. Venkata Nagulapati to explain his aforesaid conduct of non-cooperation. However, he did not respond to the said letter also. Thereafter, a reminder email dated 23<sup>rd</sup> February 2022 was sent seeking response on the said letter, however no response was received from his end. Show cause notice dated 05<sup>th</sup> May 2022 was issued to Mr. Venkata Nagulapati providing him 21 days to submit his response to same. However, no response has been received from him till date. In view of the above, it is alleged that said conduct of Mr. Venkata Nagulapati is *prima-facie* not in consonance with section 208(2)(a) and 208(2)(e) of the Code read with regulation 7(2) of GCHP Regulation and regulation 7(2)(a) and 7(2)(h) of IP Regulations, clause 19 of the Code of Conduct prescribed under IP Regulations.

### 3. Analysis & Findings

- 3.1. Section 208(2)(a) and 208(2)(e) of the Code requires an IP to take reasonable care and diligence while performing his duties and perform his functions in such manner and subject to such conditions as specified. Regulation 7(2) of GCHP Regulation requires an IP to submit the information and records sought by the IBBI within fifteen days. Regulation 7(2)(a) and 7(2)(h) of IP Regulations requires an IP to abide by the Code, rules, regulations and guidelines thereunder. Further, clause 19 of Code of Conduct also mandates an IP to provide all information and records as may be required by the IBBI. The DC notes that Mr. Venkata Nagulapati did not respond to the emails sent to him seeking his comments on the afore-stated complaint except one email dated 10<sup>th</sup> February 2021, wherein Mr. Venkata Nagulapati, *inter alia*, stated that he was 70 years old man, and the complainant should have raised the issues before the Hon'ble NCLT and thus, the matter may be closed.
- 3.2. The DC also found that Indian Institute of Insolvency Professionals of ICAI (IPA) of which Mr. Venkata Nagulapati is a member, has informed to the IBBI vide email dated 31<sup>st</sup> May, 2022 that they have received surrender application from Mr. Venkata Nagulapati
- 3.3. The DC notes that Mr. Venkata neither submitted response to the complaint nor replied to the SCN and when the Board provided him an opportunity to explain his conduct of non-cooperation, he did not respond to the said letter as well. Hence, the DC finds that Mr. Venkata Nagulapati has contravened the section 208(2)(a) and 208(2)(e) of the Code read with regulation 7(2) of GCHP Regulation and regulation 7(2)(a) and 7(2)(h) of IP Regulations and clause 19 of the Code of Conduct.

#### 4. Order

- 4.1. In view of the above, the DC finds that Mr. Venkata Nagulapati has contravened the section 208(2)(a) and 208(2)(e) of the Code read with regulation 7(2) of GCHP Regulation and regulation 7(2)(a) and 7(2)(h) of IP Regulations, clause 19 of the Code of Conduct. However, considering the facts that Venkata Nagulapati has attained the age of more than 70 years and not eligible to get Authorisation for Assignment (AFA) and Mr. Venkata Nagulapati has filed surrender application to his IPA, the DC is of the view that no fruitful purpose would be served by passing any adverse order against Mr. Venkata Nagulapati. Hence, DC disposes of the SCN without any direction.
- 4.2. A copy of this order shall be forwarded to the Indian Institute of Insolvency Professional of ICAI where Mr. Venkata Nagulapati is enrolled as a member.
- 4.3. 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.
- 4.4. Accordingly, the show cause notice is disposed of.

-sd-  
(Ravi Mital)  
Chairperson, IBBI

Dated: 14<sup>th</sup> June, 2022  
Place: New Delhi