

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi - 110001

F. No. IPE-13011/1/2019-IBBI

17th March, 2020

ORDER

In the matter of de-recognition of Almondz Insolvency Resolutions Services Private Limited as an Insolvency Professional Entity under regulation 14 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

The Insolvency and Bankruptcy Board of India ("Board") granted a certificate of recognition *vide* number IBBI/IPE/0049 under Regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 ("the Regulations") on 21st November, 2017 to Almondz Insolvency Resolutions Services Private Limited ("*Almondz IPE*"), situated at 2nd Floor, 3 Scindia House, Janpath, New Delhi-110001.

2. As per regulation 13(2)(a) of the Regulations, such recognition of the insolvency professional entity ("*IPE*") shall be subject to the condition that it shall at all times continue to satisfy the requirements under regulation 12 of the said Regulations.

3. The Board, on perusal of the material available on record, observed that *Almondz IPE* did not comply with regulation 12(1)(a) and 12(1)(c) of the Regulations. Observing such non-compliances, it had issued a letter dated 27th February, 2019 and directed *Almondz IPE* to make necessary compliance on or before 31st March, 2019.

4. *Almondz IPE* while furnishing its response to the Board on 15th March, 2019 with respect to non-compliance with regulation 12(1)(a) of the Regulations, expressed its inability to amend the object clause in the memorandum of association in line with the regulations, as it felt that the same would restrict its scope of work. On perusal of the submission, the Board did not agree, as it was not in compliance with the said regulation. In respect of non-compliance with clause regulation 12(1)(c), *Almondz IPE* contended that the majority of 'equity shares' are held by insolvency professionals (IPs), who are its directors. However, the Board did not find this submission in order, as it was found that the majority of *Almondz IPE*'s 'shares' are not held by IPs.

5. In the light of above, the *prima facie* opinion, that sufficient cause exists for *Almondz IPE* to be de-recognized under regulation 14 of the Regulations, was communicated *vide* letter dated 12th July, 2019, and, an opportunity was also given to explain why it ought not to be de-recognized.

6. In another compliance of regulation 12(1)(e) of the Regulations, *Almondz IPE* submitted Form F of the Regulations to the Board intimating about the change in composition of its Board. However, on perusal of the same, the Board found that majority of directors were not IPs, thereby, *Almondz IPE* was also *prima facie* found to be non-compliant with regulation 12(1)(e).

7. In response to aforesaid notice dated 12th July, 2019, the *Almondz IPE* availed an opportunity for hearing *in person* and was represented by its directors on 5th November, 2019. During the personal hearing, they were asked to make submissions regarding issue of non-compliances with clauses (a), (c) and (e) of sub-regulation (1) of regulation 12 of the

Regulations. The directors did not contradict the fact of such non-compliances but requested for more time upto 30th December, 2019 for making the required compliances, which was since granted.

8. Post personal hearing, Almondz *IPE* furnished Form H of the Regulations on 11th December 2019 and Form F of the Regulations on 11th December 2019, 7th January 2020 and 20th February 2020. On perusal of the aforesaid submissions, the compliance with clause (e) of sub-regulation (1) of regulation 12 of the Regulations was found to be in order. However, the Board noted that it has failed to provide any documentary evidence to demonstrate its compliance with clauses (a) and (c) of sub-regulation (1) of regulation 12.

9. The Board, after examining the aforesaid submissions and material available on record, found that *Almondz IPE* did not comply with clause (a) of sub-regulation (1) of regulation 12 and clause (c) of sub-regulation (1) of regulation 12 of the Regulations, therefore, is of the opinion that sufficient cause exists for its de-recognition. In exercise of its power under regulation 14 of the said Regulations, the Board hereby de-recognises Almondz Insolvency Resolutions Services Private Limited as an IPE from the date of issue of this order.

10. Consequently, Almondz Insolvency Resolutions Services Private Limited is hereby directed to forthwith:

- (a) surrender its original certificate of recognition to the Board;
- (b) inform the concerned Registrar of Companies about its de-recognition; and
- (c) inform the interim resolution professional/resolution professional/liquidator/bankruptcy trustee, as the case may be, for all the processes it is associated with as an Insolvency Professional Entity about its derecognition from the date of issue of this order.

11. Notwithstanding the de-recognition, Almondz Insolvency Resolutions Services Private Limited shall be jointly and severally liable for all acts or omissions, if any, of its directors or partners as insolvency professionals committed during such directorship or partnership as the case may be, under sub-regulation (3) of regulation 13 of the Regulations.

- Sd -
(Pawan K. Kumar)
Executive Director
Insolvency and Bankruptcy Board of India

CC: RoC – Delhi: For information and necessary action please.