

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

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

10th January, 2020

ORDER

In the matter of de-recognition of Dawn Resolution LLP as an Insolvency Professional Entity under regulation 14 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

Dawn Resolution LLP (“**Dawn IPE**”), situated at D-3, Flat No. 3465, Vasant Kunj, New Delhi-110070, was granted certificate of recognition *vide* number IBBI/IPE/0081 under Regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (“**the Regulations**”) on 18th September, 2018 by the Insolvency and Bankruptcy Board of India (“**Board**”).

2. As per clause (a) of sub-regulation (2) of regulation 13 of the Regulations, the recognition of insolvency professional entity (“**IPE**”) shall be subject to the condition that it shall at all times continue to satisfy the requirements under regulation 12, which stipulates the criteria for eligibility of recognition as an IPE.

3. Board, on perusal of the material available on record, observed that Dawn IPE did not comply with clause (a) of sub-regulation (1) of regulation 12 of the Regulations. Regarding such non-compliance, Board *vide* letter dated 27th February, 2019, directed Dawn IPE to make necessary compliance on or before 31st March, 2019.

4. Since, no response was received, thereafter, following the due process, the *prima facie* opinion that sufficient cause exists for the Dawn IPE to be derecognized under regulation 14 of the Regulations was communicated *vide* letter dated 12th July, 2019 to it, and, an opportunity was also given to it to explain as to why Dawn IPE ought not to be derecognized, while also allowing for hearing in person, by indicating the same in the written submission of the aforesaid explanation.

5. Dawn IPE, *vide* its letter dated 13th July, 2019 intimated that its net worth has fallen below one crore rupees with effect from 9th July, 2019. Further, *vide* its another letter dated 26th July, 2019, which was in response to the Board’s letter dated 27th February, 2019, submitted reply, wherein it was found that it had complied with clause (a) of sub-regulation (1) of regulation 12 of the Regulations. However, it has, *inter alia*, intimated that its net worth has fallen below one crore rupees as required under clause (b) of sub-regulation (1) of regulation 12 of the Regulations and itself requested to derecognise on such non-compliance.

6. Besides this, upon perusal of the material available on record, the Board observed that Dawn IPE did not comply with clause (ca) of sub-regulation (2) of regulation 13 of the Regulations for the year ending on 31st March 2019. Consequently, on such non-compliance, the Board

issued a communication dated 29th October, 2019, seeking explanation within 15 days of receipt of said communication as to why Dawn IPE ought not to be derecognized under regulation 14 of the Regulations also, while providing an opportunity for hearing in person. Dawn IPE did not avail the opportunity for hearing in person, however, *vide* letter dated 14th November 2019, submitted that it has made compliance with clause (a) of sub-regulation (1) of regulation 12 and clause (ca) of sub-regulation (2) of regulation 13 of the Regulations. However, Dawn IPE reiterated its continued non-compliance with clause (b) of sub-regulation (1) of regulation 12 of the Regulations and requested to derecognize it accordingly.

7. The Board after examination, found that Dawn IPE did not comply with clause (b) of sub-regulation (1) of regulation 12 which is also admitted by it and is of the opinion that sufficient cause exists for its de-recognition. Therefore, in exercise of its power under regulation 14 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 de-recognises Dawn Resolution LLP as an IPE from the date of issue of this order.

8. Consequently, Dawn Resolution LLP 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, 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.

9. Notwithstanding the de-recognition, Dawn Resolution LLP shall be jointly and severally liable for all acts or omissions, if any, of its partners as insolvency professionals committed during such partnership, under sub-regulation (3) of regulation 13 of the Regulations.

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

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