

**Indian Institute of Insolvency Professionals of ICAI
(Disciplinary Committee)**

DC. No. - IIIPI/DC/43/2021-22

ORDER

In the matter of Mr. Vijendra Jain (Respondent) under Clause 15(1) of the Disciplinary Policy of IIIPI read with Clause 24(1)(c) of IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, (2016).

- 1.0** This order disposes of the Show Cause Notice (SCN) dated 17-12-2021 issued to the respondent Mr. Vijendra Kumar Jain 401/402, Sai Trishul, Raviraj Oberoi Complex, Off New Link Road, Andheri West, Mumbai, Maharashtra -400053. Respondent is a professional member of the Indian Institute of Insolvency Professionals of ICAI, and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (Board) with Registration No IBBI/IPA-001/IP-P00721/2017-2018/11253. The Disciplinary Committee of IIIPI (DC) issued SCN to respondent, based on the reference received from the Grievance Redressal Committee pertaining to assignment handled by him as Resolution Professional (RP) in **Sri Adhikari Brothers Television Network** (Corporate Debtor). Respondent submitted his contention to the SCN vide letter dated 27-12-2021.
- 2.0** The allegation against the respondent was, that in the matter of Sri Adhikari Brothers Television Network Limited, respondent during the 14th CoC meeting held on 29-12-2020, discussed the resolution plan submitted by one of the Resolution Applicant, namely Pen India Limited. After discussing the entire Resolution Plan submitted by Pen India Limited and comparing the same with the Resolution Plan submitted by ex-management, respondent for the first time disclosed and represented to the members of the CoC the fact that one of the directors of Pen India Limited, namely, Mr. Tilak Raj Bajalia, is a director in Kanchansobha Finance Private Limited wherein respondent is the founder and Chairman.
- 3.0** Respondent in this regard submitted, that the fact that Mr. Tilak Bajalia is an independent director in Pen India (RA) came to his notice only after the notice of 14th CoC meeting was sent on 26th December 2020, in the process of performance of detailed due diligence of the Resolution Plans. Accordingly, he ensured that he disclose the same to the CoC members, as soon as it came to his notice, even though, there is no conflict of interest.
- 4.0** Respondent further submitted that he exercised extreme caution in performing his engagements and accordingly he even sought a legal opinion with an independent reputed Law Firm, Little and Co. not only on eligibility of Resolution Applicant, Pen India Ltd to participate in CIR Process, but also on his eligibility to continue as Resolution Professional of the Corporate Debtor.
- 5.0** Respondent also submitted that CoC took a view that there is no conflict of interest, based on independent directorship of Mr. Bajalia in Pen India and KFPL and COC's legal counsel has written on the issue to the suspended management through their letter dated May 26, 2021, in which it was clarified that there is no conflict of interest.
- 6.0** It was further submitted by the respondent that the complainant had filed an application before the Hon'ble Adjudicating Authority, with identical averments pursuant to which the Hon'ble Adjudicating Authority vide order dated 16-12-2021 dismissed the said application.
- 7.0** In respect of the allegation, DC notes that Mr Tilak Raj Bajalia is an independent director on the board of Pen India (Resolution Applicant) and is also an independent director of Kanchansobha Finance Private Limited (KFPL), wherein the respondent was just a shareholder. Further, Mr Bajalia is neither an employee

of KFPL nor of PEN India and is not a relative of the respondent. Mr Bajalia is only paid sitting fees for attending board meetings of KFPL and thus DC finds no conflict of interest between the respondent and Mr Tilak Bajalia.

- 8.0** Further, DC notes the submission of the respondent that knowledge of Mr. Tilak Bajalia being an independent director in Pen India (RA) came to his notice only after the notice of 14th CoC meeting was sent on 26th December 2020, while performing detailed due diligence of the Resolution Plans. Accordingly, he disclosed the same to the CoC members, as soon as it came to his notice, even though, there is no conflict of interest.
- 9.0** DC also took note of the fact that the complainant had raised the identical allegation before the CoC through various emails, and before the NCLT through *IA 1721/2021 in CP 4374(I&B)MB/2018*. Pursuant to the emails of the complainant, CoC through their legal counsel (Ms Radhika Raman) rejected the allegation/contentions raised by the complainant, vide letter dated 26-05-2021. Further, NCLT vide order dated 16-12-2021 dismissed the said IA.
- 10.0** On perusal of the documents available on record, DC finds no malafide intention on the part of the respondent. Also, DC finds no reason to believe that respondent intentionally concealed the information, with any ill intent or with motive to achieve any undue gain for himself or his associated parties.
- 11.0** Accordingly, in exercise of the powers conferred under Regulation 24(1) (c) of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 read with clause 15(1) of the Disciplinary Policy of IIIPI, DC hereby pronounces respondent as not guilty. However, DC advises the respondent to exercise due caution and be more careful while handling any assignments. Accordingly, the show cause notice is disposed of.
- 12.0** This order shall come into force from the date of its issue.
- 13.0** A copy of this order shall be forwarded to the Insolvency and Bankruptcy Board of India.

Date: 16-03-2022

Place: Delhi

CERTIFIED TRUE COPY

Sd/-

Mr. Satish Marathe, (Chairman)
CA. (Dr.) Debashis Mitra (Member)
Mr. Satpal Narang, (Member)
CA. Rahul Madan, (Member)

Copy to:

1. Insolvency and Bankruptcy Board of India.
2. Indian Institute of Insolvency Professionals of ICAI- Members Record.