

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**AT CHENNAI**  
**(APPELLATE JURISDICTION)**

**Company Appeal (AT) (CH) (Ins) No.152/2023**  
**(IA No.502/2023)**

**In the matter of:**

**V. Nagarajan**

**Resolution Professional now as  
Liquidation of M/s. Cethar Limited**

New No. 29, Kavarai Street,  
West Mambalam, Chennai – 600 033

**... Appellant**

**V**

**ICICI Bank Ltd.**

**Represented by its Manager,**  
Having its Registered Office at  
No. 1, Cenetoph Road,  
Teynampet, Chennai – 600 018

**... Respondent**

**Present :**

For Appellant : Mr. Santhosh, Advocate

For Respondent : Mr. E. Om Prakash, Senior Advocate  
For M/s. Shivakumar & Suresh, Advocates

**J U D G M E N T**  
**(Hybrid Mode)**

**Per : Justice Sharad Kumar Sharma, Member (Judicial):**

1. A very vital issue had came up for consideration before this Appellate Tribunal in the shape of the instant Company Appeal, from the impugned order. That is in relation to the restrictions which are being imposed against the Counsel representing the cause of the Appellant, owing to fact that the Advocate Mr. R. Subramaniam, who was representing the cause of the

Appellant, was himself was a Judgment Debtor and had a conflicting interest, was rendered non-suited to represent the cause of the Appellant as a Professional.

The Liquidator had filed various Interlocutory Applications in the proceedings through Mr. R. Subramaniam, the Ld. Counsel, who was engaged by him.

2. An issue for consideration came up which is that, the Counsel representing the Liquidator, did not comply with the provisions contained under Regulation 7(3) of IBBI (Liquidation Process) Regulations, 2016, which prescribes for that a Professional appointed or proposed to be appointed under sub-regulation(1) to assist the liquidator in discharge of his duties, obligations and functions upon the payment of remuneration, which constitutes to be the part of the liquidation costs, shall disclose the existence and the details of the pecuniary and personal relationship, with any of the Stakeholders or the concerned Corporate Debtor, as soon as he becomes aware of it, to the Liquidator.

3. The said obligation cast by the provisions contained under sub-regulation (3) of Regulation 7 of IBBI Regulations, 2016, was not discharged by Mr. R. Subramaniam, the Learned Counsel who was representing the Liquidator ever since 2018 and who was later on found to be having a conflicting interest. Hence, the issue, that cropped up for consideration was,

that in view of the aforesaid legal embargo, whether Mr. R. Subramaniam, who has been representing the Liquidator ever since 2018 in the matters connected with the Respondent Company, can still continue to be the counsel and whether his having been the counsel for such a long time creates a right for him to still continue, despite of the divulgence of fact that he has not complied with the provisions contained under Regulation 7 (1) to be read with sub-regulation(3) of Regulation 7 of IBBI (Liquidation Process), Regulations, 2016.

4. Because of the abovesaid revelations, an application was preferred by the Liquidator, being MA / 261 / IB / 2019, wherein the direction was sought for, that since the Counsel for the Liquidator had disclosed his relationship with the ICICI Bank and the Liquidator has reported the information with the IBBI, the required disclosure by the Counsel for the Liquidator and his relationship with the Respondent was required to be taken into consideration for the purposes of continuance as the Counsel for the Liquidator.

5. The supporting Affidavit, which was filed in support of MA / 261 / IB / 2019, in the Affidavit the Liquidator submitted that, the Counsel had in 2017 itself disclosed his relationship with multiple Banks all relating to the matters of 2008-2009 and the fact that before he was the Managing Director too of number of other such Companies and was not in practice as an Advocate. Similarly, Affidavits had been filed by the Liquidator in other

Miscellaneous Applications also being MA / 350 / IB / 2019 and MA / 4 / 2018.

6. The Ld. Tribunal after considering the propriety of the additional affidavit filed by the Liquidator, wherein it was an admitted case that Mr. R. Subramaniam, the Counsel representing the Liquidator himself, had informed that, he had various claims as against him, by about 12 Banks, ever since 2009-2010, and all related to him, having been set up as a Guarantor of the Company, of which he was also then the Managing Director, held by virtue of the impugned order that, Mr. R. Subramaniam, since being a Professional, had not divulged the facts as necessarily contemplated under Regulation 7 (3) of IBBI (Liquidation Process) Regulations, 2016, and hence was not competent to represent the cause of the Liquidator as a Professional. But, be that as it may, also for the purposes of representing the cause of a litigant as an Advocate Professional, one has had to be a Registered Counsel with the Bar Council of the respective State.

7. But as far as Mr. R. Subramaniam is concerned, an issue came up for consideration before this Appellate Tribunal in the instant Company Appeal itself, which was considered by this Appellate Tribunal by an order that was passed on 22.09.2023, whereby a direction was issued to the IBBI Board, to take a call upon as to, whether at all the Insolvency Professional, has breached any of the Regulations of the IBBI and further to determine as to

whether Mr. R. Subramaniam, the Ld. Advocate, has any locus standi or a Professional right to represent in the instant Company Appeal, for the Appellant, who is the Liquidator. But, however, this controversy had been subsequently laid to rest because, the license to practice as an Advocate of Mr. R. Subramaniam, who earlier represented the cause of Mr. V. Nagarajan, the Liquidator, has already been suspended by the Bar Council. In that eventuality, once his license has been suspended, he cannot represent the cause of the Appellant, as his Counsel.

8. Besides the above embargo, the issue of whether Mr. R. Subramaniam, could have represented the Appellant in view of having not complied with the provisions of Regulation 7(3) of the IBBI (Liquidation Process) Regulations, since being an exclusive issue engages consideration in the instant Company Appeal.

9. As of now, his license has been suspended and he has also been convicted in various criminal cases which disentitles him to act as a Professional in any judicial proceedings. The particulars of the criminal cases and the decisions thereof are detailed hereunder. It is seen that availing of services of Mr. R. Subramaniam by the Appellant as a professional advocate would not be permissible in the eyes of law, owing to the fact that Mr. R. Subramaniam had faced the criminal trial before a Special Judge, Chennai in CC No. 0000006 / 2020 and in those proceedings he has been

found to be guilty and had been convicted and the following observations has been made in the Judgment of Conviction dated 20.11.2023:

*43. In this case all the accused companies are convicted and punished as stated above. It is found that the accused A4 Subramanain and other accused floated more than 80 companies. This finding is only based on the records seized by the EOW. There may be even more companies available. A4 Subramanainan diverted the deposit amount into accused companies and non accused companies floated by him. Hence the Investigation Officer and the Competent Authority / DRO, Chennai are directed to take steps U/s. TNPID Act to attach the properties of all accused companies and non accused companies and the properties of promoter, partner, director, manager or member of the said Financial Establishments and Companies for settlement to all the depositors without deviating and obeying any order passed by Honourable High Court of Madras in Company Jurisdiction / or other Jurisdiction.*

*44) This Court passed the above said orders obeying and in line with the orders passed by Honourable High Court of Madras in Company Jurisdiction / or other Jurisdiction to avoid multiplicity of Criminal Proceedings before this court since the Criminal Case is ended today.*

***Nature of Disposal : Conviction***

***Disposal Date : 20-11-2023 SPECIAL JUDGE (TNPID COURT)''***

Owing to the fact that now Mr. R. Subramaniam, has been judicially determined to be a convict, the Professional Services of Mr. R. Subramaniam, cannot be availed by the Appellant to represent his cause in the judicial proceedings.

10. This aspect has to be looked into from yet another perspective. Under the Advocates Act of 1971, there are certain disqualifications which disentitle a Law Graduate, from being enrolled as an Advocate on a State roll as contemplated under Section 24A of the Advocates Act of 1971. It

provides that if a person who seeking to be registered as an Advocate is convicted of an offence, in that eventuality, he would be dis-entitled to be even enrolled as an Advocate. If this be the intention of law, where induction of a Law Graduate or an Individual as a Professional is being held to be disqualified because of his conviction, in that eventuality, a Professional who after his Registration is determined as to be a convict in a criminal offence, as the case at hand, that he would be disentitled to represent the cause of the Appellant and this will apply in full in the instant case. The reason behind it is that, when induction due to conviction is barred under law, then quite obviously the continuance as a Professional after conviction would obviously be barred by the logical inference of Section 24A of the Advocates Act of 1971.

11. Thus, the impugned order prohibiting him to represent the cause of the Appellant during the period of suspension of his license to act as a Professional cannot be said to be bad in the eyes of law and that too, more particularly when Mr. R. Subramaniam who was having a conflicting interest is an issue which had been decided by the Ld. Tribunal.

12. In the instant Company Appeal too, which was preferred through Mr. R. Subramaniam, who is the then Counsel with regard to which the Appellant had filed a Memo on 20.11.2025 admitting the fact that, the license of Mr. R. Subramaniam has been suspended by the Bar Council of

Telangana, and his right to practice has been withdrawn by the Registering Body. Hence, he cannot act as a Professional, it is because of that reason too the new Counsel has been sought to be inducted in the Company Appeals.

13. But, since, in the present Company Appeal, the only limited issue was with regards to continuance of Mr. R. Subramaniam, as a Counsel, the case at hand does not need much elaborate reference because, of the subsequent suspension of license of Mr. R. Subramaniam. Accordingly, the decision taken by the Tribunal, which is under challenge in the instant Company Appeal in the light of sub-regulation (3) of Regulation 7 of the IBBI (Liquidation Process) Regulations, 2016, is absolutely justified. Thus, the Company Appeal (AT) (CH) (INS) No. 152 / 2023 lacks merit and the same is accordingly dismissed.

All connected pending Interlocutory Applications, if any, would stand closed.

**[Justice Sharad Kumar Sharma]**  
**Member (Judicial)**

**[Jatindranath Swain]**  
**Member (Technical)**

24/04/2026  
SR/MS/AK