

ICSI Institute of Insolvency Professionals

(Disciplinary Committee)

ICSI IIP/DC/ 10/2020

7th September, 2020

ORDER

(Under Part II of Disciplinary Policy read with Clause 24(1)(a) of Bye Laws of ICSI Institute of Insolvency Professionals)

1. Background

1.1 This order disposes of the Show Cause Notice dated 22nd July, 2020 (SCN) issued to Mr. Pritpal Singh Dua, 5, Sant Isher Singh Nagar, Pakhowal Road ,Ludhiana,Punjab, a professional member of ICSI Institute of Insolvency Professionals (ICSI IIP) and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (Board) with Registration No. IBBI/IPA-002/IP-N00256/2017-18/10770.

1.2 In the matter of '*I V Share and Stock Brokers Limited*' ("assignment"), Mr. Pritpal Singh Dua was appointed as the Voluntary Liquidator on 20th February, 2020 and accordingly public announcement was also made on 20th February, 2020. However, it was observed by the Secretariat that the assignment was undertaken by Mr. Pritpal Singh Dua without holding valid Authorisation for Assignment.

1.3 ICSI IIP in exercise of its powers conferred under Bye Law 23 of the Bye Laws ICSI Institute of Insolvency Professionals, Part III of the Disciplinary Policy of ICSI Institute of Insolvency Professionals (ICSI IIP) and based on information available on record, issued a show cause notice to Mr. Pritpal Singh Dua on 22.07.2020.

1.4 Mr. Pritpal Singh Dua filed his reply to the Show Cause Notice on 5th August, 2020.

1.5 The Disciplinary Committee (DC) has considered the SCN, the reply to SCN, other material available on record and proceeds to dispose of the SCN in accordance with the Code and Regulations made thereunder.

2. Alleged Contravention

Mr. Pritpal Singh Dua was appointed as the Voluntary Liquidator on 20th February, 2020 and accordingly public announcement was also made on 20th February, 2020, without obtaining Authorization for Assignment, whereas Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016 provides :

Regulation 7A of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016

“An insolvency professional shall not accept or undertake an assignment after 31st December, 2019 unless he holds a valid authorisation for assignment on the date of such acceptance or commencement of such assignment, as the case may be:

Provided that provisions of this regulation shall not apply to an assignment which an insolvency professional is undertaking as on-

- a) 31st December, 2019; or*
- b) the date of expiry of his authorisation for assignment.”*

3. Reply and Observations

3.1 The matter was placed before the Disciplinary Committee of ICSI IIP for further consideration.

3.2 Mr Pritpal Singh Dua in his reply extended apologies and quoted the order of IBBI wherein it is mentioned that the ‘insolvency regime is very new in India and is at its infancy, The profession of IP is in a stage in which IPs are striving to learn.’

3.2 The Disciplinary Committee observed that Mr. Pritpal Singh Dua accepted the assignment on 13th February, 2020, which is in violation of Regulation 7(A) of IBBI (Insolvency Professionals) Regulations, 2016.

4. Order

4.1 On perusal of documents and information on record, the Disciplinary Committee is of the view that the date of commencement of assignment was 20th February, 2020 and the date of acceptance was 13th February, 2020 which was after 31st December 2019. Mr. Pritpal Singh Dua has contravened Regulation 7(A) of IBBI (Insolvency Professionals) Regulations, 2016.

4.2 In view of the above, the DC hereby warns Mr. Pritpal Singh Dua to be extremely careful, diligent, strictly act as per law and similar action should not be repeated. Also, imposes a penalty of Rs. 10,000/- on Mr. Pritpal Singh Dua to be deposited by a demand draft payable in favour of the ICSI Institute of Insolvency Professionals within 30 days of the issue of this order. The Agency shall in turn deposit the said penalty amount in the Insolvency and Bankruptcy Fund.

4.3 Further, the DC directs that Mr. Pritpal Singh Dua shall only accept any new assignment after depositing the penalty amount imposed and after obtaining Authorisation for Assignment in view of Regulation 12A of Bye Laws of ICSI Institute of Insolvency Professionals from the date of coming into force of this Order.

4.4 This order shall come into force from the date of its issue.

4.5 A copy of this order shall be forwarded to the Insolvency and Bankruptcy Board of India.

4.6 Accordingly, the show cause notice is disposed of.

CERTIFIED TRUE COPY

Sd/-
MR. GOPAL KRISHNA AGARWAL
(CHAIRPERSON)

Sd/-
DR. S. P NARANG
(MEMBER)

Sd/-
CS NAGENDRA RAO
(MEMBER)