

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

DC No. - IIIPI/DC/04/2018-19

ORDER

- 1.0** In the matter of SCN issued to Mr. Kapil Goel (Respondent) under Clause 15(2) 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).
- 2.0** This order disposes of the Show Cause Notice dated 15th March, 2019 (SCN) issued to the respondent, 205. Narang House 21, KG Marg, New Delhi – 110001. 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-P00625/2017-2018/11081. The Disciplinary Committee (DC) of IIIPI issued SCN to the Respondent, based on the order passed by the IBBI in respect of incorporation of a Limited Liability Partnership (LLP) in the name of “IBBI Insolvency Practitioners LLP” on 8th November 2017. Respondent replied to the SCN vide letter dated 5th April 2019. An opportunity for personal hearing was provided to respondent on 23rd October 2019 by IIIPI. Accordingly, he appeared before the DC and made oral submissions.
- 3.0** Brief of the Case is that respondent has incorporated an LLP under the name of “IBBI Insolvency Professionals LLP” bearing LLPIN: AAL-0778 which was duly approved by the Ministry of Corporate Affairs (MCA) and the Certificate of Incorporation was issued on 08-11-2017. IBBI is a Statutory Authority and its name cannot be used randomly by anyone and in any manner whatsoever. This is in contravention of the provisions of the Regulation 7 (2) (a) and 7 (2) (b) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 and clause 24 of the Code of Conduct.
- 3.1** Wherein the respondent reiterated that the name of LLP was taken inadvertently and hence when it came to his knowledge that IBBI has some objections, he took immediate steps to get the same rectified. Respondent has also submitted that he neither applied for PAN number, nor opened a bank account, nor accepted any receipts and did not even accept any assignment under the name of said LLP.
- 3.2** Committee noted that there is a contravention of clause 24 of the Code of Conduct. Use of the name of IBBI, including in a LLP, is misleading as this is bound to give a wrong impression to the stakeholders and to the general public at large that LLP has been incorporated by the IBBI or it is associated with the IBBI, in any manner. Further, on perusal of the Form 1 i.e. application for reservation or change in name, submitted by Respondent to RoC, it is noted that at point 14 of the said form respondent has mentioned the word IBBI is the short abbreviation of his wife, daughter, himself and sister (indu, baby, bablu and Irin) which are more of nick name rather than legally recognized name which even can't be considered to form an abbreviation of “IBBI”.

4.0 The Disciplinary Committee took note of the fact that the LLP under reference has since been dissolved w.e.f 15-05-2019. The Committee further noted that respondent did not handle any assignment under the name of said LLP. Moreover, IBBI vide its order dated 06-09-2018 had directed respondent not to take any new assignments till the dissolution of the said LLP which was complied with by him, apart from suspending his registration as an Insolvency Professional for 3 months.

5.0 The Disciplinary Committee, 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(B) is of the view that the matter did not warrant further enhanced penalty and issues a 'reprimand' to him and counselled respondent to desist from any action in future that would bring disrepute to the profession.

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

Date: 17th December, 2019

Place: Delhi

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Sd/-

Shri Ashok Haldia, Chairman

Dr. S.P. Narang, Member

CA. Atul Kumar Gupta, Member

Copy to:

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