

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

**DC No. -IIPI/DC/11/2019-20**

**ORDER**

This order disposes of the Show Cause Notice dated 12<sup>th</sup> May, 2021 (SCN) issued to Mr Venkata Sivakumar, (Respondent) R/o 10/11, Dr. Subbarayan Nagar Main Road, Kodambakkam, Chennai, Tamil Nadu -600024. Respondent is a professional member of the Indian Institute of Insolvency Professionals of ICAI (IIPI) and Registered with IBBI with Registration No – (IBBI/IPA-001/IP-P00184/2017-18/10852). The GRC committee of IIPI observed that respondent have accepted part payment of his ‘assignment fee’ in cash out of total fee of Rs 1,00,000/- agreed by him, to work in the capacity of IRP of CD for initial period of 30 days.

2. The DC considered the reference made by Grievance Committee and reviewed the records to issue Show Cause Notice (SCN). The SCN was issued for alleged contravention of the following provisions of the Code and circular issued by IBBI:

- I. Section 208 (2) (a) of the Code requires that an Insolvency Professional (IP) “to take reasonable care and diligence while performing his duties.”
- II. Section 208 (2) (e) of the Code requires an Insolvency Professional (IP) “to perform his functions in such a manner and subject to such conditions as may be specified.”
- III. Violation of circular of IBBI dated 16th January 2018 on “Fees payable to an insolvency professional and to other professionals appointed by an insolvency professional” as per which an insolvency professional shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees, and such fees shall be paid to his bank account.

3. A summary of contravention alleged in the SCN, and thereupon the findings of the DC are as under:

3.1 **Contravention:** In terms of the IBBI circular N0. IP/005/2018 dated 16<sup>th</sup> January 2018 respondent accepted part payment of his ‘assignment fee’ in cash out of total fee of Rs 1,00,000/- agreed, to work in the capacity of IRP of CD for initial period of 30 days.

3.2 **Finding:** Considering the reply submitted by respondent and facts of the case, DC observed that though the act of the respondent is in transgression of circular issued under the Code; however the amount received in cash (Rs.50,000) was small and the same was duly accounted for by him in his books of accounts. Moreover, cash was accepted by him

was at the insistence of Financial Creditor (complainant in the present matter). Also, no mala fide intention seems to be proved. Hence, DC decided to take a lenient view on the matter and disposed of the matter without any adverse order.

4. 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 decides the respondent as not guilty in view of the facts mentioned hereinabove. However, DC advises Mr Venkata Sivakumar to be diligent in future and follow all regulations, circulars, and guidelines in letter and spirit. Accordingly, the case is disposed of.
5. This order shall come into force from the date of its issue. A copy of this order shall be forwarded to IBBI.

**Date: 16/06/2021**

**Place: Delhi**

**CERTIFIED TRUE COPY**

**Sd/-**

**Mr. Satish Marathe, (Chairman)**

**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.