

29th September 2020

IPAICAI-COST/DC/11

### **Disciplinary Order**

**Liability on Insolvency Professional Mrs Manjula BS as a member of M/s Shrea Insolvency Professional Private Limited, for the act of taking bribe by Mr. S.K. Aggarwal who is also a member of M/s Shrea Insolvency Professional Private Limited.**

A mention was made in the meeting of the Governing Board held on 30th June, 2020 about a news which was circulated on social media a few months back wherein an IP, Mr S. K. Aggarwal being a member of the M/s Shrea Insolvency Professionals Private Limited, Insolvency Professional Entity(IPE), set up by one of the member of IPA ICAI was caught by Central Bureau of Investigation(CBI) while accepting bribe. It was suggested to take up the matter in the Disciplinary Committee Meeting to consider and advise in the matter with regard and reference to Regulation 13(3) of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016:

*"An insolvency professional entity shall be jointly and severally liable for all acts or omissions of its partners or directors as insolvency professionals committed during such partnership or directorship."*

The Members of the Committee in its meeting held on 27th July 2020 directed the Secretary of the committee to issue show cause notice after approval of the Chairman. A Show cause Notice was issued on 20<sup>th</sup> August, 2020 to Mrs Manjula BS directing to confirm on affidavit that there was no nexus in the matter wherein the Director of the M/s Shrea Insolvency Professionals Private Limited was caught taking bribe by the CBI. A reply to the Show cause Notice was received on 24<sup>th</sup> August,2020 in which Mrs Manjula BS has denied being a Director of M/s Shrea Insolvency Professionals Private Limited. A mail dated 25<sup>th</sup> August, 2020 was sent to the Committee from the Director of M/s Shrea Insolvency Professionals Private Limited confirming that Mrs Manjula BS was never a Director of the said IPE. Further, Mrs Manjula BS has undertaken on affidavit dated 7th September, 2020 that she was never directly or indirectly appointed as Director M/s Shrea Insolvency Professionals Private Limited and had no association with Mr. S.K. Aggarwal.

The Committee members deliberated the issue and based on communication received from Mrs. Manjula BS, it was concluded that no case for professional misconduct is made out against him.

***Conclusion: Considering all the facts and documents produced by Mrs. Manjula BS, no case is made out against her.***

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

**Date: 29<sup>th</sup> September 2020**

**Place: Delhi**

**CERTIFIED TRUE COPY**

S/d  
**Mr. Narendra Hooda (Chairman)**  
**Dr. Satya Pal Narang (Member)**  
**Mr. Rakesh Singh (Member)**  
**Mr. Rajendra Bose (Member)**  
**Dr. S.K. Gupta (Member)**

Copy to:

1. Insolvency and Bankruptcy Board of India.

2. Insolvency Professional Agency of Institute of Cost Accountants of India - Members  
Record