

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
(Disciplinary Committee)

No. IBBI/DC/295/2025

23 September 2025

ORDER

This Order disposes of the Show Cause Notice (SCN) No. COMP-11012/105/2024-IBBI/936/283 dated 27.02.2025 issued to Mr. Shivkumar Madanlal Baser, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P01263/2018-2019/12064 and a Professional Member of the Institute of the Chartered Accountants of India ICAI (IIIP-ICAI).

1. Background

- 1.1 The Corporate Insolvency Resolution Process (CIRP) of Ila Metals Private Limited (Corporate Debtor/CD) was initiated *vide* Order dated 08.02.2023 by the NCLT, Ahmedabad Bench (AA) on an application filed by Somani Multibiz Private limited under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) and Mr. Shivkumar Madanlal Baser was appointed as the Interim Resolution Professional (IRP) to conduct the CIRP and later he was confirmed as the Resolution Professional (RP).
- 1.2 The Board took note of the Order of the AA dated 08.07.2024, wherein adverse observations were made against the conduct of Mr. Shivkumar Madanlal Baser. The Board sought the response of Mr. Shivkumar Madanlal Baser, which was provided by Mr. Shivkumar Madanlal Baser on 09.10.2024 to the Board.
- 1.3 The Board examined the observations made in the order of the AA *vis a vis* the reply of Mr. Shivkumar Madanlal Baser and based on such examination, the Board formed a *prima facie* view that Mr. Shivkumar Madanlal Baser had contravened the provisions of the Code, and the Regulations made thereunder and issued an SCN to Mr. Shivkumar Madanlal Baser on 27.02.2025. The reply of Mr. Shivkumar Madanlal Baser to the SCN was received by the Board on 30.03.2025.
- 1.4 The SCN and the reply of Mr. Shivkumar Madanlal Baser to the SCN were referred to the Disciplinary Committee (DC) for disposal. Mr. Shivkumar Madanlal Baser availed an opportunity of personal hearing before the DC on 16.07.2025 through virtual mode.

2. Alleged Contraventions, Submissions of Mr. Shivkumar Madanlal Baser, Analysis and Findings of the DC.

The contraventions alleged in the SCN, oral and written submissions by Mr. Shivkumar Madanlal Baser and analysis and findings of the DC are summarized in the following paragraphs:

Contravention-I

2.1 Failure to seek extension of CIRP

- 2.1.1 Section 12 of the Code provides that the CIRP shall be completed within a period of 180 days from the date of admission of the application to initiate such process, and that the RP shall file an application to the AA to extend the period of the CIRP beyond 180 days, if instructed to do so by a resolution passed at a meeting of the Committee of Creditors (CoC) by a vote of sixty-six per cent of the voting shares.
- 2.1.2 The CIRP commenced in the present matter on 08.02.2023. The period of 180 days expired on 07.08.2023. It was observed by the Board that Mr. Shivkumar Madanlal Baser did not initiate any action towards the extension of the CIRP.
- 2.1.3 As per the records available to the Board, Mr. Shivkumar Madanlal Baser did not place any agenda before the CoC seeking extension of the CIRP. Mr. Shivkumar Madanlal Baser continued with the process for more than 300 days without filing any application before the AA for extension of the CIRP. In this regard, the AA in its order dated 08.07.2024 observed the following:
- “The Applicant did not seek any extension for the CIRP after the expiry of 180 days of the CIRP and continued with the CIRP.*
- The Applicant did not file the application seeking extension of the CIRP nor take any approval from the CoC for the same.”*
- 2.1.4 In view of the above, the Board held the *prima facie* view that Mr. Shivkumar Madanlal Baser had contravened Sections 12, 208(2)(a) and 208(2)(e) of the Code and Regulations 7(2)(a) and (h) of the IBBI (Insolvency Professional Regulations), 2016 (IP Regulations) read with Clauses 13 and 14 of the Code of Conduct specified in First Schedule to IP Regulations.

2.2 Submissions by Mr. Shivkumar Madanlal Baser.

- 2.2.1 Mr. Shivkumar Madanlal Baser submitted that the lapse in not seeking an extension was purely a procedural oversight rather than an act of negligence or intentional disregard for the provisions of the Code. At no point, fraudulent intent or personal gain was involved. He submitted that the actions were guided by a genuine albeit mistaken belief that the process could continue with the approval of the CoC, given their ongoing engagement and the absence of objections. He submitted that the failure in seeking an extension did not result in any financial loss to the stakeholders. The CD had no substantial assets, and the CoC had already expressed its intent to liquidate the entity. As such, the ultimate resolution of the process of liquidation remained unaffected by this procedural lapse.
- 2.2.2 He further submitted that upon realizing the oversight, he took immediate corrective steps to ensure compliance. He consulted senior professionals to gain clarity on the procedural requirements and implemented strict adherence to filing timelines for all future cases. These corrective measures were undertaken proactively, even before any formal intervention by the Board. Given the absence of malafide intent, the lack of harm to stakeholders, and proactive

corrective measures, he requested the Board to consider this as a minor procedural deviation that warrants a lenient approach.

- 2.2.3 He submitted that there are certain IBBI Disciplinary Committee orders, such as in the matters of *Mr. Umesh Poddar* and *Mr. Rajagurusami Maheswaran*, where a lenient view was taken considering factors like genuine errors, absence of malafide intent, corrective actions taken, or first-time violations. He requested the Board to consider his explanations, the case laws cited, and the mitigating factors while disposing of the SCN.

2.3 Analysis and findings of the DC.

- 2.3.1 The DC notes that Section 12 of the Code provides as follows: -

“12. Time-limit for completion of insolvency resolution process. –

(1) Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of sixty-six per cent. of the voting shares.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that corporate insolvency resolution process cannot be completed within one hundred and eighty days, it may by order extend the duration of such process beyond one hundred and eighty days by such further period as it thinks fit, but not exceeding ninety days:

Provided that any extension of the period of corporate insolvency resolution process under this section shall not be granted more than once:

Provided further that the corporate insolvency resolution process shall mandatorily be completed within a period of three hundred and thirty days from the insolvency commencement date, including any extension of the period of corporate insolvency resolution process granted under this section and the time taken in legal proceedings in relation to such resolution process of the corporate debtor:

.....”

- 2.3.2 Thus, as per Section 12 of the Code, the CIRP is required to be completed within 180 days from the date of admission of the application. Where required, the RP must seek an extension of the CIRP period by filing an application before the AA, provided that the CoC, with at least 66% voting share, has passed a resolution to that effect.

- 2.3.3 In the present matter, the CIRP commenced on 08.02.2023 and the initial period of 180 days expired on 07.08.2023. There is no record of any steps taken by Mr. Shivkumar Madanlal Baser to seek an extension of the CIRP beyond the stipulated period, nor placement of any agenda before the CoC to seek approval for such extension. The DC notes that despite the

expiry of the statutory CIRP period, Mr. Shivkumar Madanlal Baser continued to conduct the CIRP for over 300 days without obtaining the approval of the CoC. The AA, in its order dated 08.07.2024, also observed that the RP neither filed an application for extension nor did he secure the CoC's approval for the same, and proceeded with the CIRP in contravention of the provisions of the Code.

2.3.4 The RP is duty-bound to ensure compliance with the provisions of the Code and Regulations made thereunder, and any continuation of the CIRP beyond the prescribed period without following due process amounts to a serious lapse in the professional conduct. While the DC takes note of the RP's submissions, it is of the view that statutory timelines under the Code cannot be bypassed based on erroneous assumptions. . It is also observed that there is no approval of CoC as averred to, by Mr. Shivkumar Madanlal Baser. Furthermore, the DC notes that Mr. Shivkumar Madanlal Baser has accepted this lapse.

2.3.5 Mr. Shivkumar Madanlal Baser relied on few cases decided by the DC, wherein considerate view had been taken. It is to be noted that each and every SCN is disposed of based on the facts of the respective case and in the totality of the conduct of an IP in discharging his duties and facts and circumstances.

2.3.6 Thus, failure to seek an extension as mandated under Section 12 of the Code reflects gross negligence on the part of the RP and is dereliction of the duties assigned under the Code. Therefore, the DC holds the contravention.

Contravention-II

2.4 Delay in filing liquidation application with the AA.

2.4.1 Section 33(2) of the Code provides that where the RP, at any time during the CIRP but before confirmation of resolution plan, intimates the AA of the decision of the CoC to liquidate the CD, the AA shall pass a liquidation order. The provision also provides an explanation that the CoC may take the decision to liquidate the CD, at any time after its constitution and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum (IM).

2.4.2 In the present matter, the CoC comprised of only one member i.e. M/s Somani Multibiz Private Limited. The CoC in its 3rd meeting held on 18.05.2023 expressed its intent to proceed directly with the liquidation as there was no asset with the CD. Further, the CoC in the 4th and 5th meeting again informed Mr. Shivkumar Madanlal Baser to go for the liquidation / dissolution of the CD. Despite the clear provisions in the Code allowing for liquidation before the preparation of the IM, Mr. Shivkumar Madanlal Baser decided to seek legal advice on the matter. However, Mr. Shivkumar Madanlal Baser did not place any legal opinion before the CoC in any of the subsequent meetings, leading to delay in the process. It was noted that the resolution for liquidation / dissolution of the CD was passed in the 9th CoC meeting held on 28.12.2023.

2.4.3 The Board further noted that Mr. Shivkumar Madanlal Baser filed the liquidation application with the AA on 10.06.2024 i.e. after a delay of more than a year from the date of the 3rd CoC meeting wherein the CoC expressed its intent to liquidate the CD. Hence, it was observed that

Mr. Shivkumar Madanlal Baser caused undue delay in filing the liquidation application. In response, Mr. Shivkumar Madanlal Baser stated that he sent letters dated 06.09.2023, 06.10.2023, 16.11.2023, and 31.12.2023 to the CoC member requesting reimbursement of the CIRP costs incurred. It was further stated that the CoC member made a payment of Rs.50,000/- (Rupees fifty thousand only) on 12.03.2024 into the CD's account for filing and proceeding with the liquidation application.

- 2.4.4 Mr. Shivkumar Madanlal Baser's reply was examined by the Board, and it was noted that Mr. Shivkumar Madanlal Baser took another 3 months (approx.) in filing the application. Further, as regards the issue of non-payment of CIRP costs by the CoC, Mr. Shivkumar Madanlal Baser could have sought the intervention of the AA. In this regard, the AA had also observed the following:

"It is seen that the Applicant blamed CoC for the delay in filing of the Liquidation Application. The Applicant stated that due to non-payment of the IRP costs he was not able to file for the liquidation application but it cannot be considered a ground for late filing of the liquidation application. The Applicant could have come before this Tribunal if there was such an issue but the Applicant chose not to do so."

- 2.4.5 In view of the above, the Board held the *prima facie* view that Mr. Shivkumar Madanlal Baser had contravened Sections 208(2)(a) and 208(2)(e) of the Code and Regulations 7(2)(a) and (h) of IP Regulations read with Clauses 13 and 14 of the Code of Conduct specified in First Schedule to IP Regulations.

2.5 Submissions by Mr. Shivkumar Madanlal Baser.

- 2.5.1 Mr. Shivkumar Madanlal Baser submitted that the delay was due to the indecision of the CoC, which comprised solely of M/s Somani Multibiz Private Limited, who played a significant role in the delay concerning the appropriate course of action for the CD. Given that the CD had no assets or ongoing business operations, the CoC repeatedly expressed uncertainty regarding whether to proceed with liquidation or opt for direct dissolution. The CoC member initially expressed their intent to liquidate the CD during the third meeting held on 18.05.2023. In the 3rd CoC meeting held on 18.05.2023, the sole CoC member (M/s Somani Multibiz Limited) explicitly rejected the resolution to publish Form-G for inviting Expression of Interest (EOI) and instead proposed liquidation, citing the absence of assets and to avoid additional costs/delays. Relevant extract of minutes of the 3rd CoC meeting is reproduced herein below:

"Authorized Representative of M/s. Somani Multibiz Private Limited was of the view that they can directly go for Liquidation as there are no assets with the Corporate Debtor and publishing Form G will consume additional time and costs."

- 2.5.2 He submitted that then in the 4th CoC meeting conducted on 03.07.2023, the CoC member directed the RP to explore dissolution instead of liquidation, relevant extract of 4th CoC meeting is as under: -

"The Authorised Representative of M/s Somani Multibiz Private Limited informed the CoC members that there are no assets lying with the Corporate Debtor and that publication of

Form G will only delay the CIR Process. He further informed the RP to go for the Dissolution of the Corporate Debtor."

2.5.3 He submitted that the RP, acting on the CoC's instructions, sought legal opinion to clarify the legal and procedural implications of dissolution versus liquidation, as recorded in the same meeting which is reproduced as under: -

"To which RP informed him that he will consult with the Legal Adviser and will discuss the matter in the next CoC meeting."

2.5.4 He further submitted that in the 5th CoC meeting held on 03.08.2023, the CoC's once again expressed its view in favor of dissolving the CD. Relevant extract of 5th CoC is reproduced herein below:

"The CoC member is of the view to Dissolve the company of the Corporate Debtor."

The CoC even rejected resolutions for appointing a liquidator and estimating liquidation costs, while approving a resolution for dissolution.

2.5.5 He further submitted that 6th, 7th and 8th CoC meetings were adjourned at the request of the CoC as the CoC had communicated their requirement for additional time to deliberate on the future course of action regarding the CD, as they were awaiting legal opinion and needed to evaluate financial implications. This request for adjournment was duly recorded in the minutes of the 9th CoC meeting dated 28.12.2023, which specifically noted that these meetings were postponed on the request of the sole Operational Creditor.

2.5.6 He further submitted that in the 9th CoC meeting held on 28.12.2023, the CoC after considering the legal opinion sought by the RP ultimately resolved to proceed with the liquidation, with the sole member exercising 100% voting rights in favor of the resolution. This decision brought much-needed clarity to the course of action, enabling the RP to proceed in compliance with the Code. Relevant extract of 9th CoC meeting is reproduced below

"The Resolution [for liquidation] has been approved as the sole CoC member having 100% voting rights has voted in favour of the said resolution."

2.5.7 He further submitted that as stated above, the delay in filing the liquidation application was primarily caused by the sole CoC member's indecision regarding whether to proceed with liquidation or dissolution, given that the CD had no substantial assets. To address this uncertainty, he sought legal opinion at the request of the CoC to determine the appropriate course of action. This matter was deliberated in subsequent meetings, and after careful consideration, the CoC ultimately resolved to liquidate the CD in its 9th CoC meeting on 28.12.2023. While the RP acknowledged the resulting delay, these deliberations were necessary to ensure compliance with the Code and to avoid procedural errors. Summarized timeline clearly indicating CoC's uncertainty is as under.

Date	Event
08.02.2023	CIRP commencement date
18.05.2023	3 rd CoC Meeting: OC rejects Form-G. Proposed liquidation.
03.07.2023	4 th CoC Meeting: OC directs RP to explore dissolution
03.08.2023	5 th CoC Meeting: OC approves dissolution, rejects liquidation resolutions.
Jul-Dec 2023	Adjournment of 6 th - 8 th CoC meetings as per OC's written request
28.12.2023	9 th CoC Meeting: OC finally resolves for liquidation after considering legal opinion
12.03.2024	OC releases partial CIRP cost Rs. 50,000 (Rupees fifty thousand) for liquidation application
10.06.2024	Liquidation application filed with AA
08.07.2024	AA observes delay in filing liquidation application

2.5.8 He submitted that financial constraints further exacerbated the delay, as the CoC member withheld the CIRP cost reimbursements despite repeated requests through letters dated 06.09.2023, 06.10.2023, 16.11.2023, and 31.12.2023. The partial reimbursement of Rs.50,000 (Rupees fifty thousand) was received on 12.03.2024, severely restricting his ability to proceed with the liquidation application. While he acknowledged that he could have sought the intervention of the AA at an earlier stage, his priority was to resolve the issue amicably with the CoC to avoid further delay. He submitted that his intention was never to neglect his duties rather to ensure that the process remained financially viable. As a corrective measure, he has now resolved to promptly approach the AA in the event of non-cooperation or delays by the CoC, irrespective of financial constraints.

2.5.9 He further submitted that regarding the observation in the SCN that the liquidation application was filed on 10.06.2024, three months after the CoC's cost reimbursement, he submitted that this delay was due to unavoidable personal circumstances. During this period, his father was critically unwell, requiring his constant attention and care. While he deeply regretted this delay, he submitted that the Board may kindly appreciate the exceptional nature of these humanitarian circumstances, which temporarily impacted his professional commitments.

2.5.10 He further submitted that he will be committed to adhering to all regulatory mandates and ensuring the efficient execution of duties in future assignments. In light of the above explanations and the corrective actions undertaken, he requested the Board to take a lenient view in this matter.

2.6 Analysis and Findings of the DC.

2.6.1 To understand the issue in whole, the DC has perused the minutes the CoC meetings. It is noted that the CoC comprising a sole member, M/s Somani Multibiz Private Limited who had expressed its intent to liquidate the CD as early as in the 3rd CoC meeting held on 18.05.2023,

wherein the sole CoC member was of the view that they can directly go for liquidation as there are no assets of the CD. Despite the intent of the CoC, the RP failed to act on this intent. The relevant extract of 3rd CoC minutes is reproduced as under: -

“Authorized Representative of M/s. Somani Multtbiz Private Limited was of the view that they can directly go for Liquidation as there are no assets with the Corporate Debtor and publishing Form G will consume additional time and costs. The RP informed the Sole CoC member present that they can publish Form G for Invitation of Expression of Interest as it will create an opportunity to revive the Corporate Debtor and can also maximize the value realisation of Corporate Debtor to which the Authorized Representative of M/s. Somani Multibiz Private Limited intimated the RP to defer the said resolution and that he will discuss then same in the next CoC meeting after consulting the Legal Adviser. The RP took note of same.”

2.6.2 Thereafter, in the 4th COC meeting minutes held on 03.07.2023, it was recorded as under : -

“The Authorised Representative of M/s Somani Multibiz Private Limited informed the CoC members that there are no assets lying with the Corporate Debtor, and that publication of Form G will only delay the CIR Process and will lead to additional costs. He further informed the RP go for the Dissolution of the Corporate debtor. To which. RP informed him that he will consult with the Legal Advisor and will discuss the matter in the next CoC meeting”

It is pertinent to note that in the minutes of the 4th CoC meeting as reproduced above, it is clearly stated that Mr. Baser himself proposed to take the legal advice which is contrary to his submission that CoC had instructed him to take legal advice/opinion.

2.6.3 Furthermore, in the 5th CoC meeting held on 03.08.2025 the CoC member discussed that since the CD had no business or assets, sale as a going concern was not feasible, and accordingly, the CoC preferred dissolution of the CD. The relevant extract of 5th CoC meeting minutes is reproduced below: -

“The Chairman explained the provisions in connection with the Liquidation. After discussion, CoC was of the view that in case a Liquidation order is passed by the Hon’ble Tribunal, it would not be possible to sell Corporate Debtor as going concern or sell the assets of the Corporate Debtor as going concern as contemplated under Regulation 39C of the Regulations since there were no business activities with the Corporate Debtor since long and the fact that there are no assets with the Corporate. Therefore, the CoC member is of the view to Dissolve the company of the Corporate Debtor.”

2.6.4 The DC notes from the minutes of the 9th CoC meeting held on 28.12.2023 that the 6th, 7th and 8th CoC meetings were adjourned at the request of the sole CoC member. The relevant extract of the said minutes is as follows:

“Also, the RP appraised the members present that the 6 ,7 and 8 CoC meetings were postponed on the request of sole Operational Creditor and thus the minutes of the same are not there.”

2.6.5 Further, in the 9th CoC meeting, the CoC approved for liquidation of the CD after discussion as follows:

“The Chairman explained the provisions in connection with the Liquidation. After discussion, CoC was of the view that in case a Liquidation order is passed by the Hon’ble Tribunal, it would not be possible to sell Corporate Debtor as going concern or sell the assets of the Corporate Debtor as going concern as contemplated under Regulation 39C of the Regulations since there were no business activities with the Corporate Debtor since long and the fact that there are no assets with the Corporate. Therefore, the CoC member is of the view to Dissolve the company of the Corporate Debtor.”

2.6.6 Importantly, no copy of such legal advice/opinion has ever been brought forward or discussed in any CoC meetings and neither produced as part of the reply to the SCN, or during the personal hearing before the DC or even after giving the opportunity by the DC to make additional submissions after the personal hearing. Further, Mr. Shivkumar Madanlal Baser did not initiate process for filing application before the AA about liquidation after it was proposed by the sole CoC member in the 3rd CoC meeting nor placed any resolution for liquidation before the CoC, in consequent meetings. Thus, the delay in resolving for liquidation cannot be attributed to the CoC as alleged by Mr. Baser.

2.6.7 Further to above delay in approval of liquidation by the CoC in its 9th meeting on 28.12.2023, Mr. Shivkumar Madanlal Baser delayed filing of the liquidation application. Section 33(2) of the Code provides that the RP has to intimate the AA of the decision of the CoC to liquidate the CD.

2.6.8 Mr. Shivkumar Madanlal Baser submitted that the delay after the approval for liquidation by the CoC was due to non-receipt of CIRP cost reimbursement from the sole CoC member. However, the CoC released a payment of Rs. 50,000 (Rupees fifty thousand) on 12.03.2024. The DC notes the observation made by the AA regarding delay in filing due to non-payment of CIRP cost which is reproduced as under: -

“It is seen that the Applicant blamed CoC for the delay in filing of the Liquidation Application. The Applicant stated that due to non-payment of the IRP costs he was not able to file for the liquidation application but it cannot be considered a ground for late filing of the liquidation application. The Applicant could have come before this Tribunal if there was such an issue but the Applicant chose not to do so.”

2.6.9 Even after receiving the CIRP cost, Mr. Shivkumar Madanlal Baser still took nearly three months to file the application on 10.06.2024 stated to be on account of personal difficulties. While the DC is sympathetic to personal difficulties, such reasons cannot absolve the RP of his professional responsibility under the Code which provides a time bound process.

2.6.10 Thus, Mr. Shivkumar Madanlal Baser has failed to act with diligence and due expedition, as expected under the Code, and such conduct undermines the timeliness and integrity of the CIRP. Hence the DC holds the contravention.

3. Order.

- 3.1. In view of the foregoing discussion, the DC in exercise of the powers conferred under Section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends the registration of Mr. Shivkumar Madanlal Baser (Registration No. IBBI/IPA-001/IP-P01263/2018-2019/12064) for a period of one year.
- 3.2. This Order shall come into force on expiry of 30 days from the date of its issue.
- 3.3. A copy of this order shall be sent to the CoC/Stake Holders Consultation Committee (SCC) of all the corporate debtors in which Mr. Shivkumar Madanlal Baser is providing his services, and the respective CoC/SCC, as the case may be, will decide about continuation of existing assignment of Mr. Shivkumar Madanlal Baser.
- 3.4. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.
- 3.5. A copy of this order shall be forwarded to the Indian Institute of Insolvency Professionals of ICAI where Mr. Shivkumar Madanlal Baser is enrolled as a member.
- 3.6. Accordingly, the show cause notice is disposed of.

-sd/-

(Dr. Bhushan Kumar Sinha)

Whole Time Member

Insolvency and Bankruptcy Board of India

-sd/-

(Jayanti Prasad)

Whole Time Member

Insolvency and Bankruptcy Board of India

Dated: 23 September 2025

Place: New Delhi