

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Disciplinary Committee)

No. IBBI/DC/275/2025

4th March 2025

ORDER

This Order disposes of the Show Cause Notice (SCN) No. IBBI/C/2023/01009/852/149 dated April 10, 2024, issued to Mr. Lingumgunta Venkata Shyam Sundar (herein referred as “Mr. Sundar/IP/Liquidator”) who is a Professional Member of the ICSI Institute of Insolvency Professionals and an Insolvency Professional registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-002/IP-N00262/2017-18/10775.

1. Background

- 1.1. The National Company Law Tribunal, Chennai Bench (AA) had admitted the application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) for initiating corporate insolvency resolution process (CIRP) of Uniply Industries Ltd. (Corporate Debtor/ CD) was initiated vide its order dated 04.10.2021 and appointed Mr. Sundar as Interim Resolution Professional (IRP) who was later confirmed as Resolution Professional (RP). Subsequently, the AA vide its order dated 03.05.2023 ordered liquidation of the CD and appointed Mr. Sundar as the liquidator.
- 1.2. The Board in the exercise of its powers under Section 218 of the Code, read with Regulations 7(1) and 7(2) of Insolvency and Bankruptcy Board of India (Inspection and Investigation), Regulations, 2017 (Inspection and Investigation Regulations), appointed an Investigating Authority (IA) to investigate the conduct of Mr. Sundar in the CIRP/Liquidation of the CD. The IA served the notice upon Mr. Sundar on 07.11.2023 and Mr. Sundar submitted his reply vide emails dated 20.11.2023 and 11.12.2023. Further, additional clarifications were sought from Mr. Sundar vide e-mails dated 09.02.2024 and 22.02.2024 and Mr. Sundar responded to the same vide e-mails dated 15.02.2024 and 22.02.2024. After considering the reply, the IA submitted the Investigation Report (IR) to the Board.
- 1.3. Based on the findings in the IR, the Board formed a prima facie view that Mr. Sundar had contravened provisions of the Code and Regulations made thereunder and issued SCN to Mr. Sundar on 10.04.2024. The reply of Mr. Sundar to the SCN was received on 24.04.2024.
- 1.4. The Board referred the SCN, the response of Mr. Sundar to the SCN and other material available on record to the Disciplinary Committee (DC) for disposal of the SCN in accordance with the Code and Regulations made thereunder. Mr. Sundar availed an opportunity of personal hearing before the DC on 12.02.2025 through virtual mode and provided additional submissions.

2. Alleged Contraventions, Submissions of IP and Findings

The contraventions alleged in the SCN, submissions by the IP and findings of the DC are summarized as follows:

2.1. Non-filing of claim on behalf of Uniply Industries Limited to Uniply Decor Limited

- 2.1.1. It was observed that brand “UNIPLY” (Brand) was owned by the CD and the said Brand was licensed to Uniply Decor Limited vide a Trademark License Agreement dated 01.10.2017, to use the Licensed Mark/Brand for a period of 10 years for a total consideration of Rs.75,00,00,000 payable on a quarterly basis. However, no payments were received by the CD against the same and hence the Agreement was terminated by Mr. Sundar on 10.03.2023. It was also noted that Uniply Decor Limited was also admitted into CIRP vide order dated 11.03.2022. In response to the IA queries vide email dated 22.02.2024, Mr. Sundar replied that the agreement between CD and Uniply Decor Limited was unilaterally terminated due to non-payment of earlier dues.
- 2.1.2. Mr. Sundar mentioned that Uniply Decor Limited had submitted its claims to the CD as a Financial Creditor as well as an Operational Creditor. It was noted that the claim form submitted by Uniply Decor in the capacity of the FC was Rs.119,00,00,000/- and in the capacity of the OC was Rs.35,43,85,897/- and both claims were admitted in full. It was also observed that Mr. Sundar did not submit any claim before Uniply Decor Limited.
- 2.1.3. Mr. Sundar submitted that the claim submitted by Uniply Decor limited in the capacity of OC was submitted after adjusting debits and credits with the CD. However, the IA did not observe any calculation sheet attached with claim for evidencing the adjustment of cross claims between CD and Uniply Decor Limited regarding any unpaid royalty toward CD. As IP/Liquidator, it was the duty of Mr. Sundar to collate, and verify the claim submitted before him and file any claim on behalf of CD, if any.
- 2.1.4. In view of the above, the Board was of the prima-facie view that Mr. Sundar had contravened Section 208(a) of the Code, Regulation 7(2) (h) of IBBI (Insolvency Professional Regulation, 2016 (IP Regulations) read with Clauses 2, 14 of the Code of Conduct as Specified in the First Schedule of IP Regulations (Code of Conduct).

Submissions by the IP

- 2.1.5. Mr. Sundar submitted that Uniply Decor Limited had submitted a claim as a Financial Creditor on 22.03.2022 and as an Operational Creditor on 06.04.2022, totalling a claim amount of Rs. 119,00,00,000/- and Rs. 35,43,85,897/- respectively. These claim amounts were derived from the outstanding dues from Uniply Industries Limited (CD), as reflected in the audited balance sheet of Uniply Decor Limited, as on 31.03.2021. These figures represented the net outstanding due after adjusting debits and credits as of the same date. The decision to base the claim as on 31st March 2021 on a net basis was the decision of the Resolution Professional of Uniply Decor Limited.
- 2.1.6. As the claim was submitted on a net outstanding basis, the claim was also approved on a net outstanding basis. Having approved the claim on a net outstanding basis, Mr. Sundar did not have any basis to submit any claim in the CIRP of Uniply Decor Limited as the amount payable to Uniply Industries Limited had already been adjusted and reduced in the claim submitted by Uniply Decor Limited. Had the claim been submitted by Uniply Decor Limited without setting off, Mr. Sundar would have filed a claim with Uniply Decor Limited.

- 2.1.7. Since the Resolution Professional of Uniply Decor Limited had based the claims on the audited financials as on 31st March 2021, Mr. Sundar agreed to this approach as it was deemed beneficial to the interests of all stakeholders and was more logical as it was based on the audited financial statements. Additionally, an alternate approach would have relied on unreliable and unaudited financials.
- 2.1.8. Mr. Sundar as the Liquidator had determined that there was no need to file a claim since the claim filed by Uniply Decor Limited was submitted and admitted on a net outstanding basis. However, if the IBBI requires a calculation based on the available documents, Mr. Sundar was prepared to engage with the directions of the IBBI to adjust the claim accordingly.
- 2.1.9. Mr. Sundar submitted that the Liquidator had to act in the interest of the stakeholders, based on the available information and without the benefit of hindsight. Mr. Sundar further mentioned that as on the date of admission of the claim, the Insolvency Professional had not received the books of accounts and tally backup, and the application filed on 8th February 2022 under Section 19(2) of the Code with the AA was still pending.
- 2.1.10. Mr. Sundar submitted that he was constrained by the non-availability of data but had worked with required care and diligence and in the best interest of the stakeholders of the CD based on available data. Mr. Sundar submitted that he was also willing to engage with IBBI in case any adjustments are required to be made.
- 2.1.11. Mr. Sundar stated that as the claim was submitted and admitted on the basis of the Annual Report, he deemed that the preparation of a calculation sheet was not necessary as such a sheet would merely be a reproduction of the details provided in the audited financials. The cut-off for the submission of the claim was taken as on 31st March 2021 by the RP of Uniply Decor Limited which was accepted as this data was authentic and undisputed. The information/tally back-up as on the date of commencement of CIRP was not available.
- 2.1.12. With respect to non-adjustment of unpaid royalty towards CD, Mr. Sundar had submitted that:
- “As per Page no. 104 of the Annual Report of Uniply Decor Limited, the royalty was adjusted till 31st March 2020 and for the year ended, 31st March 2021, the royalty amount was mentioned as NIL value for reasons unknown. The table mentioned in the Annual Report in Page no.104 is as under:*

b) Transactions with related parties				
	Name of the Related Party	Nature of Transaction	31-Mar-21	30-March-20
	<i>M/s. Uniply Industries Limited</i>	Sales/Project		254,679,577
		Interest Income		119,000,000
		Rental Income		600,000
		Purchases		
		Purchase of Fixed Assets		
		Rent Expenses		2,752,800
		Royalty Expenses		75,000,000
		Purchase of Equity Share of Shalivahana Wind Energy		292,000
		Repayment of Receivable	150,912,925	
		Receivable at the end	354,385,897	505,298,822
		Intercorporate Deposit Receivable	1,190,000,000	1,190,000,000

From the above it may be noted that, the royalty is also included in the table above. However, the reason for mentioning the value as NIL is not provided. This may be because of various reasons including:

The parties may have agreed that no billing would happen for that particular year for reasons unknown.

Any other reasons not known to the Insolvency Professional."

- 2.1.13. Mr. Sundar submitted that he could not make any claim to Uniply Decor Limited and also admitted the claim on net basis. It is not out of place to mention that as per Section 36(4)(e) of the Code, the liquidation estate does not include any asset which could be subject to set-off on account of mutual dealings between the corporate debtor and any creditor.

Analysis and Findings of the DC

- 2.1.14. The DC observes that the brand "UNIPLY" was owned by the CD, and that the rights to use the brand were licensed to Uniply Decor Limited through a Trademark License Agreement dated 01.10.2017 (the "Agreement"). The license was granted for a period of 10 years, with a total royalty consideration of Rs.75,00,00,000/- payable on a quarterly basis. The DC notes the submission of Mr. Sundar that no payments were made by Uniply Decor Limited, and Mr. Sundar terminated the Agreement on 10.03.2023. It is also noted that Uniply Decor Limited also went into CIRP vide the AA's order dated 11.03.2022.
- 2.1.15. The DC observes that the CD was admitted into the CIRP on 04.10.2021 and ordered for liquidation on 03.05.2023. Mr. Sundar has submitted that Uniply Decor Limited submitted a claim as a Financial Creditor on 22.03.2022 and as an Operational Creditor on 06.04.2022, totalling a claim amount of Rs. 119,00,00,000/- and Rs. 35,43,85,897/- respectively. The DC notes the submission of Mr. Sundar that due to the adjustment of debits and credits in Uniply Decor Limited's claim, he did not submit any claim in the CIRP of Uniply Decor Limited. Since the claim was submitted on a net outstanding basis, it was also approved on the net outstanding basis. Mr. Sundar submitted that as the claim had already been adjusted and reduced in the claim submitted by Uniply Decor Limited, he did not have any basis to submit any claim in the CIRP of Uniply Decor Limited. Mr. Sundar stated that he had accepted the approach of Resolution Professional of Uniply Decor Limited who had submitted the claim based on the audited financial statements as on 31st March 2021.
- 2.1.16. It is pertinent to mention that unlike Regulation 29 of the Liquidation Regulations, which allows for mutual set-off during liquidation, there is no corresponding provision for set-off during the CIRP. In the matter of Bharti Airtel Limited and Another vs. Vijaykumar V. Iyer and Others [Civil Appeal Nos. 3088 & 3089 of 2020], the Hon'ble Supreme Court *inter alia* observed that:

"12. At the outset we should record, that there is a difference between the Corporate Insolvency Resolution Process and the liquidation process of the IBC. The Corporate Insolvency Resolution Process focuses on and fosters rehabilitation, revival and resolution of the corporate debtor, whereas the liquidation process focuses on the constellation of assets of the company in liquidation, and distribution and payment to the creditors from the liquidation estate in terms of the order of preference set out in the insolvency statute.

13. Unlike the provisions of the Companies Act, 1956 or the Companies Act, 2013, IBC in the case of Corporate Insolvency Resolution Process does not give the indebted creditors the right to set-off against the corporate debtor...

Regulation 29 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 provides for mutual credits and setoff and reads:

"29. Mutual credits and set-off.— Where there are mutual dealings between the corporate debtor and another party, the sums due from one party shall be set off against the sums due from the other to arrive at the net amount payable to the corporate debtor or to the other party."

The title of the Liquidation Regulations states that they shall apply to the process under Chapter III Part II of the IBC. In other words, the Liquidation Regulations are not applicable to Chapter II Part II of the IBC, which relates to the Corporate Insolvency Resolution Process."

- 2.1.17. The DC finds that since the set-off of claims during the CIRP is not allowed, it was the duty of Mr. Sundar to file the claim of the CD during the CIRP in the Uniply Decor Limited (undergoing the CIRP then). Thus, the submission of Mr. Sundar for accepting the approach of the RP of Uniply Decor Limited on set-off basis cannot be accepted. Further, the DC notes that Mr. Sundar has submitted that the claim of Uniply Decor Limited was based on the audited financial statements of Uniply Decor Limited as on 31st March 2021. So, the set off is till 31st March 2021 (as confirmed by Mr. Sundar). Resultantly, this set-off would not have taken in account the dues accrued to the CD post the said Financial Statement (FS) of Uniply Decor Limited. The DC notes the submission of Mr. Sundar that *"the royalty was adjusted till 31st March 2020 and for the year ended, 31st March 2021, the royalty amount was mentioned as NIL value for reasons unknown."* Thus, the claim of the CD for usage of brand pertaining to the period post 31st March 2020 till the date of commencement of CIRP of the Uniply Decor Limited i.e. 11.03.2022 had not been accounted for while verification of claim by Mr. Sundar. The DC further notes that despite Mr. Sundar's lack of clarity on the non-adjustment of the royalty amount for the year ended March 31, 2021, and the fact that Uniply Decor Limited is a related party of the CD and an auditor's adverse opinion on its financial statements, he did not seek any clarification regarding the claim submitted by the RP of Uniply Decor Limited.
- 2.1.18. The DC further observes that the AA had approved the resolution plan of Uniply Decor Limited on 30.09.2023. The claim for the use of the "Uniply" brand by Uniply Decor Limited, after the commencement of its CIRP on 11.03.2022 till the termination of the contract by Mr. Sundar on 10.03.2023, would have been classified as the CIRP cost in the CIRP of Uniply Decor Limited. Such costs would have been prioritized for payment. However, this claim was neither submitted by Mr. Sundar nor was considered in the set-off. Similarly, during the liquidation process, while set-off is permitted, any claims arising after 31st March 2020 for the usage of brand would have remained outside the set-off.
- 2.1.19. Hence, the DC finds that Mr. Sundar had failed to perform his duty by non-filing the claim of the CD in the Uniply Decor Limited (undergoing the CIRP then). This could cause loss to the CD. The DC holds that Mr. Sundar had contravened Section 208(a) of the Code, Regulation 7(2)(h) of IBBI (Insolvency Professional Regulation, 2016 (IP Regulations) read with Clauses 2 and 14 of the Code of Conduct as Specified in the First Schedule of IP Regulations (Code of Conduct).

2.2. Misleading statement regarding valuation of the Brand Uniply

- 2.2.1. It was observed that Mr. Sundar had submitted before the IA that *"In regard to the Brand Uniply, it is submitted that the brand "Uniply" has been valued by the Registered Valuers appointed during the period of CIRP as well as Liquidation and no value for the said brand was determined."* However, upon perusal of valuation report for both CIRP period as well as of liquidation period, it was observed that valuers had not provided any valuation for the brand "Uniply". Hence it was observed that Mr. Sundar had made a misleading statement before the IA by stating that the said Brand had already been considered for valuation by the valuers during valuation.
- 2.2.2. It was further noted from the minutes of the SCC meeting that discussions were carried out regarding monetisation of brand value and the SCC in the discussions with Mr. Sundar had arbitrarily decided the value of the brand for initiating auction process. Accordingly, it was observed that Mr. Sundar was negligent with regard to the valuation of the assets of the CD.
- 2.2.3. In view of the above, the Board was of the prima-facie view that Mr. Sundar had contravened Section 208(a) of the Code, Regulation 7(2)(h) of IBBI (Insolvency Professionals), Regulations 2016 (IP Regulations) read with Clause 2, 12, 14 of the Code of Conduct as specified in the First Schedule of IP Regulations (Code of Conduct).

Submissions by the IP

- 2.2.4. Mr. Sundar submitted that the show cause notice had been issued due to miscommunication. The IA had assumed that the registered valuers had not valued the said brand since the same was not forming part of the valuation report. However, the Liquidator was aware that the registered valuers had not assigned any value based on the discussions which the Liquidator had with the valuers. The Liquidator had much before the auction sent a specific mail on 25.01.2024 to the valuers to confirm the brand value, stating the following: *"Pursuant to the valuation report received, we request you to confirm whether any value is ascertained for the brand UNIPLY. If so, we request you to share the same with us. "*
- 2.2.5. Mr. Sundar submitted that the replies received from the valuers were as under-
1. Mr. K Swaroop - "UNIPLY as a brand value cannot be determined and possible the value would be close to zero as the company is not into business from last many years and being in liquidation."
 2. Mr. Viswanathan Rajagopalan - "Confirming that there is no value ascertained for the Brand UNIPLY."
- 2.2.6. Mr. Sundar further submitted that the Stakeholders Consultation Committee (SCC) had unanimously approved a value of Rs.5 crore as the base price of brand for the auction. The decision was unanimous, and that the commercial wisdom of the SCC had to be respected. With respect to the valuation undertaken during the CIRP Period, Mr. Sundar, then the RP, had appointed registered valuers and had provided the valuers with a list of all agreements along with the crux of the said agreements that were available, which included the Trademark License Agreement. The crux of the Trademark License Agreement as provided in the list of agreements shared with the valuers vide email dated 11th March 2022 read as under: *"Licensor owns the trade name "Uniply" and the same has been permitted to be used by the Licensee for a period of 10 years for a royalty of Rs. 75 crores and payable on quarterly basis"* Further,

the valuation report received from Mr. Vaidyanathan Ramachandran, one of the valuers during the CIRP period, specifically mentions the Trademark License agreement in S. No. 21 in Page No. 44 of the report.

2.2.7. The Trademark License Agreement had also been considered during the valuation of the assets. Mr. Sundar submitted that he had reasons to believe that the valuers had taken into consideration all agreements shared, including the Trademark License Agreement and the final report was given after considering the same. It may be noted that a consolidated list of all agreements including the Trademark License Agreement was shared with the valuers on 11th March 2022 and the final report from the valuers was received on 12th September 2022 and 20th October 2022 respectively. Hence the statement made by him (Mr. Sundar) with respect to valuation of the trademark during CIRP, was logical and in good faith. It may also be noted that the valuation of trademark for the purpose of the CIRP would be in the nature of receivables and for the purpose of liquidation would be an intangible asset.

2.2.8. Further, the SCC did not arbitrarily fix the minimum reserve price for the first auction of the Brand Uniply at Rs.5,00,00,000/- but instead based their decision on the interest received from the potential resolution applicant who had earlier expressed their interest in acquiring the CD as a going concern during the CIRP period. This has been clearly documented in the minutes of the SCC meeting. The first auction of Brand Uniply was held on 20th March 2024 wherein the brand was sold to the successful bidder at Rs. 8,75,00,000/-. However, the successful bidder did not make the payment towards the balance sale consideration over and above the Earnest Money Deposit (EMD) deposited by the said bidder with the said EMD having been forfeited. The Brand Uniply is still remaining unsold as on the date of this letter inspite of four further auction processes being undertaken by the Liquidator. The minimum reserve price for the latest auction of Brand Uniply which was scheduled to be held on 10th February 2025 was fixed at Rs. 3,24,00,000/-. The said auction also failed as no interest was received from any prospective bidder. However, a potential bidder has orally expressed interest in acquiring the Brand for a value of Rs. 3,00,00,000. Mr. Sundar had no intent to not disclose the correct information or provide wrong information.

Analysis and Findings of the DC

2.2.9. The DC notes that Mr. Sundar had submitted to the IA that: *“Upon appointment of the registered valuers, both in CIRP and Liquidation, available information was submitted to the Registered Valuers and the Valuation Reports were submitted to the IP and the Liquidation Values are as below:*

Name of the Registered Valuer	Appointment during	IBBI Registration Number	Liquidation Value (in Rs.)
Vaidyanathan Ramachandran	CIRP	IBBI/RV/03/2018/10049	0/Not determinable
Viswanathan Rajagopalan	CIRP	IBBI/RV/07/2020/13416	0/Not determinable
Kollupalli Swaroop	Liquidation	IBBI/RV/07/2020/13343	0/Not determinable
Viswanathan Rajagopalan	Liquidation	IBBI/RV/07/2020/13416	7,83,65,700

2.2.10. The DC further notes that the following scope of work mentioned in the valuation report dated 12th September 2022 submitted by Sh. Vaidyanathan Ramachandran during the CIRP:

“Scope of Work:

Scope of the work, as per my engagement letter dated 20th Nov 2021 with the IRP, is to estimate the Fair Value and the Liquidation Value of the following Financial Assets of the Corporate Debtor as on Insolvency Commencement Date (04.10.2021) in accordance with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Regulations as below:

	Book Value as on 4 th Oct 2021 (in INR)
Current assets	
(i) Trade receivables	2,72,15,15,107.00
(c) Other current assets	43,70,48,817.00
(ii) Cash and cash equivalents	1,06,15,631.00
Sub-Total	3,16,91,79,555.00
Non-Current Assets	
(i) Investments	1,72,79,22,555.00
(f) Other non-current assets	67,13,05,816.00
(ii) Other financial Assets	4,03,61,30,038.00
Sub-Total	6,43,53,58,409.00
Total Book Value	9,60,45,37,964.00

2.2.11. With regard to valuation, Sh. Vaidyanathan Ramachandran had stated the *“Fair and Liquidation Value of the current and non-currents assets, as per scope of the valuation exercise; while value of certain assets are NOT determinable while certain assets are valued at zero, which stands the tests of reasonability and defensibility, as detailed in this valuation report (‘report’).*

2.2.12. Further, the scope of work mentioned in the valuation report dated 20th October 2022 submitted by Sh. Viswanathan Rajagopalan as *“The Scope and purpose of this valuation engagement is to recommend the value of the Financial Assets of the Company as on the Valuation Date to the Insolvency Professional”* and with regard to valuation, it is mentioned that *“The value of the Financial Assets of the Company as recommended through this valuation report as on the Valuation date is Rs. NIL”.*

2.2.13. Upon reviewing the valuation reports submitted by Sh. Vaidyanathan Ramachandran and Sh. Viswanathan Rajagopalan during the CIRP, the DC observes that no specific valuation for the brand 'Uniply' had been provided. Sh. Vaidyanathan Ramachandran was appointed during the CIRP has stated that the valuation of intangibles (including brand 'Uniply') was not clear in the scope offered to him and accepted by him. Consequently, the valuation of the brand 'Uniply' was not made by him as it was not in the scope of the valuation assignment/exercise. Further, for assigning nil value to the brand 'Uniply' during CIRP, another valuer Sh. Viswanathan Rajagopalan had submitted that the Trademark Licence agreement was cancelled. However, the DC observes that such agreement was cancelled on 10.03.2023 i.e. after the closure of CIRP process on 03.02.2023. Thus, this justification cannot be attributed for valuation during the CIRP period.

- 2.2.14. During the liquidation, the DC notes that Mr. Sundar had engaged two valuers namely Sh. Kollupalli Swaroop and again Sh. Viswanathan Rajagopalan. The DC observes that no specific valuation for the brand 'Uniply' had been provided by both the valuers in their valuation report. Furthermore, the DC notes that the valuers Sh. Viswanathan Rajagopalan and Sh. Kollupalli Swaroop clarified via email to Mr. Sundar that the brand 'Uniply' was assigned a value of zero or deemed indeterminable. However, no such justification/clarification was included in the respective valuation reports. Further, the DC observes that Mr. Sundar sent emails to valuers on 25.01.2024, seeking confirmation of brand value, after the notice of investigation served to Mr. Sundar on 07.11.2023 and Mr. Sundar had previously submitted his responses through emails dated 20.11.2023 and 11.12.2023.
- 2.2.15. The DC further observes that discussions have been carried out in the SCC meetings regarding monetisation of brand value of the CD and an arbitrary amount had been arrived at during such discussions. Based on that discussion and fixing of reserve price, the auction process has been initiated by Mr. Sundar. Thus, the DC finds that if the valuation report had explicitly included the brand's valuation with due consideration, there would have been no need for the arbitrary monetization of the CD's brand value.
- 2.2.16. The DC views that during the CIRP or the liquidation, the valuation of the brand should have been shown separately and any agreement with the third party for its usage could be considered in such valuation. Furthermore, during the liquidation, once the agreement for brand usage had been cancelled, valuers should have assessed its value irrespective of the agreement. Accordingly, it was the duty of Mr. Sundar (RP/Liquidator) to explicitly state to the valuers the assets to be valued including the intangible assets. Mr. Sundar cannot be absolved of his duty merely by sending the list of agreements to the valuers. Additionally, all valuers appointed for the financial assets of the CD during CIRP/Liquidation should consult with the RP/Liquidator and ensure that all such assets, including the intangible assets (like brand, goodwill etc), are valued and shown in the valuation report appropriately. It is to be noted that this valuation plays a pivotal role in maximizing the value of assets for creditors and ensuring a fair outcome for all stakeholders. Proper valuation of a company's assets is critical to ensure fair and transparent resolution or liquidation.
- 2.2.17. In view of the forgoing discussion, the DC finds that Mr. Sundar was negligent with regard to the valuation of the assets of the CD. The DC holds that Mr. Sundar had contravened Section 208(a) of the Code, Regulation 7(2)(h) of IBBI (Insolvency Professionals), Regulations 2016 (IP Regulations) read with Clause 2, 12 and 14 of the Code of Conduct as specified in the First Schedule of IP Regulations (Code of Conduct).

3. ORDER

- 3.1. In view of the foregoing, the DC finds that Mr. Sundar had failed to file the CD's claim in the CIRP of the Uniply Decor Limited. He has also committed an error by not explicitly instructing the valuers to assess the CD's brand and state its determination in the valuation report. 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 and Regulation 11 of the IBBI (Insolvency Professionals) Regulations, 2016 hereby suspends the registration of Mr. Lingumgunta Venkata Shyam Sundar for a period of two years.

- 3.2. The DC in exercise of the powers conferred under Regulation 13(6) of the IBBI (Inspection and Investigation) Regulations, 2017, also directs Mr. Lingumgunta Venkata Shyam Sundar to discharge his pending obligations within 45 days from the date of the issuance of this Order and the Stakeholders Consultation Committee (SCC) of Uniply Industries Ltd. (CD) to recommend a new liquidator and file an appropriate application before the AA.
- 3.3. This Order shall come into force after the expiry of 30 days from the date of its issuance.
- 3.4. A copy of this order shall be forwarded to the ICSI Institute of Insolvency Professionals where Mr. Lingumgunta Venkata Shyam Sundar is enrolled as a member.
- 3.5. A copy of this order shall be sent to the Stakeholders Consultation Committee (SCC) of the Uniply Industries Ltd. (CD).
- 3.6. A copy of this order shall be sent to the Committee of Creditors (CoC) and Stakeholders Consultation Committee (SCC) of all the Corporate Debtors (other than the Uniply Industries Ltd) in which Mr. Lingumgunta Venkata Shyam Sundar is providing his services, if any and the CoC/SCC may decide whether to continue his services or not. In case, the CoC/SCC decides to discontinue his services, the CoC/SCC may file an appropriate application before the AA.
- 3.7. 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.
- 3.8. Accordingly, the show cause notice is disposed of.

Sd/-
(Jayanti Prasad)
Whole Time Member
Insolvency and Bankruptcy Board of India

Sd/-
(Ravi Mital)
Chairperson
Insolvency and Bankruptcy Board of India

Dated: 4th March 2025
Place: New Delhi