

# INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

## (Disciplinary Committee)

No. IBBI/DC/299/2025

11 December 2025

### ORDER

This Order disposes of the Show Cause Notice (SCN) No. IBBI/C/2024/01070/977/404 dated 19.03.2025, issued to Mr. Amresh Shukla, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) with Registration No. IBBI/IPA-001/IP-P00120/2017-18/10255 and a Professional Member of the Indian Institute of Insolvency Professionals of ICAI.

#### 1. Background

- 1.1. The corporate insolvency resolution process (CIRP) of Girdharilal Sugar and Allied Industries Limited (CD) commenced *vide* order of the National Company Law Tribunal, Indore Bench (AA) dated 17.08.2021 on an application filed by Hira International Limited under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code). The Committee of Creditors (CoC) received two resolution plans and rejected both of them. Thereafter, the CoC passed resolution for liquidation of the corporate debtor as per Section 33 of the Code. The AA *vide* order dated 05.08.2022 ordered CD into liquidation and appointed Mr. Amresh Shukla as Liquidator
- 1.2. The Board received a complaint against Mr. Amresh Shukla with regard to his assignment as Liquidator in the CIRP of the CD. The Board examined the allegations in the above complaint *vis-à-vis* reply of Mr. Amresh Shukla and based on such examination; the Board formed a *prima facie* opinion that Mr. Amresh Shukla has contravened provisions of the Code and Regulations made thereunder and issued SCN to Mr. Amresh Shukla on 19.03.2025. Mr. Amresh Shukla submitted his reply to the SCN on 22.04.2025.
- 1.3. The SCN and its response by Mr. Amresh Shukla were referred to the Disciplinary Committee (DC) for disposal. Mr. Amresh Shukla availed the opportunity of personal hearing before the DC through virtual mode on 21.10.2025 wherein he appeared along with his legal counsel Mr. GP Madaan. Mr. Amresh Shukla also submitted his additional written submissions on 31.10.2025. The DC has considered the SCN, the reply to SCN, oral and written submissions of Mr. Amresh Shukla, and proceeds to dispose of the SCN.

#### 2. Alleged Contravention, submissions of Mr. Amresh Shukla and findings of the DC.

##### 2.1. Preliminary objections.

###### (a) Delay in filing of complaint.

2.1.1 Mr. Amresh Shukla submitted that the Complaint dated 09.02.2024, is barred by limitation and liable to be dismissed under Regulation 3(4) of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017, which mandates that a complaint be filed within 45 days of the occurrence of the cause of action. The cause of action, arising from the alleged action of the Liquidator to proceed with private sale of the CD, occurred approximately 399 days prior to the filing of the Complaint. The Complainant, fully aware of these events as evidenced by its filing of IA No. 6 of 2023 before the AA, has unjustifiably delayed raising these grievances, relying on the pretext of an NCLT judgment dated 25.01.2024, to revive stale allegations.

2.1.2 He submitted that no sufficient cause has been demonstrated to condone this inordinate delay, as required under the proviso to Regulation 3(4) of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017. Furthermore, this delay has prejudiced the Noticee by complicating the ongoing liquidation process of the CD. Thus, the Complaint is not maintainable, and the SCN dated 19.03.2025, deserves to be recalled on this ground alone.

#### **Observations of the DC.**

2.1.3 Mr. Amresh Shukla has submitted that the complaint dated 09.02.2024 was filed approximately 399 days after the alleged cause of action and is therefore barred by limitation. The DC observes that Section 218(1) of the Code as quoted below is unambiguously clear:

*“Where the Board, on receipt of a complaint under section 217 or has reasonable grounds to believe that any insolvency professional agency or insolvency professional or an information utility has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the insolvency professional agency or insolvency professional or an information utility.”*

Thus, the order of the investigation was as per the provision of the Code. After resolution of the technical issue, hearing on contraventions and related issues commenced, and same is detailed in succeeding paras:

2.1.4 Further, Regulation 3(4) of IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017 requires a complaint to be filed within 45 days from the occurrence of the cause of action, but the regulation does not restrict the Board from examining continuing or recurring contraventions, nor does it bar complaints where the material facts come to light subsequently through judicial or quasi-judicial proceedings. In the present case, the allegations in the complaint pertain to the conduct of Mr. Amresh Shukla as Liquidator during the liquidation process of the CD-1, including issuance of notice, convening of SCC meetings, and sale-related decisions matters that are continuing in nature and whose full

implications came to light only upon the pronouncement of the AA's order dated 25.01.2024. These findings crystallized the factual basis which the complainant relied upon. Therefore, the DC cannot dismiss the complaint on limitation.

**(b) Disposal of similar subject matter.**

2.1.5 He further submitted that the Complainant had previously filed a similar Complaint bearing reference no. 48424/2023/COMPLAINT-IBBI which was ultimately dismissed being incorrect. Pertinently, the present Complaint basis which the SCN is issued by the Board, marks as the second attempt of the Complainant to mislead this Board in taking an action and thereby tarnish his image.

**Observations of the DC.**

2.1.6 The DC observes that this argument is misplaced. The dismissal of an earlier complaint does not bar the filing of a subsequent complaint where new, material, arise subsequently. While replying to the earlier complaint, Mr. Amresh Shukla, himself brought out that matter is sub-judice before the AA. Now those issues have been adjudicated and further decided in appeal before the AA and the NCLAT respectively, hence the complaint has been examined afresh in light of all such orders, and such examination has led to this SCN. Thus, there is no second attempt as alleged herein.

**Contravention-I**

**2.2. Failure to conduct auction in transparent manner.**

2.2.1 Regulation 33(1) of the IBBI (Liquidation Process) Regulations, 2016 (Liquidation Regulations) provides that the liquidator shall ordinarily sell the assets of the CD through an auction in the manner specified in Schedule I of Liquidation Regulation. Further, Clause 9 of Schedule I provides that an auction shall be transparent, and the highest bid at any given point shall be visible to the other bidders.

2.2.2 It is observed by the Board that as per the E-auction process document dated 09.11.2022 issued by Mr. Amresh Shukla, the eligibility condition was specified as under:-

*“An E-Auction Process Applicant shall not be eligible to submit a bid for purchase of assets of the Company if he falls under ineligibility criteria as set out in Section 29A of the IBC (as amended from time to time)”*

2.2.3 Apart from the above, no other specific eligibility criteria was provided in the auction process document. However, the document contained the following disclaimer: -

*“Further, it should be noted that at any stage of the E-Auction process, the liquidator may*

*ask for any documents from the prospective bidders to evaluate their eligibility. The liquidator, at his discretion may disqualify the prospective bidder for non-submission of the requested documents.”*

2.2.4 In the reply submitted by Mr. Amresh Shukla before the NCLAT, he stated that subsequent to the publication of the E-auction notice, eight entities/ individuals had shown their interest in the sale process, however, only four had submitted their bid application as under: -

- a. Samyak International Limited
- b. Umang Enterprises
- c. Crown Steels
- d. Labhanshi Agritech Private Limited

2.2.5 The first three bidders were found to be ineligible to participate in the sale process for reasons of carrying out business activities separate, distinct and altogether different than that of the CD. Further, the bid of Labhanshi Agritech was held ineligible on account of its failure to provide evidence in support of availability of liquid funds to take over the affairs of the CD as a going concern.

2.2.6 It is further observed by the Board that no requirement other than eligibility under Section 29A, was mentioned in the E-auction process document. However, the bidders were declared ineligible on the basis of conditions other than that mentioned in the auction process document.

2.2.7 Mr. Amresh Shukla submitted before the AA that as per the general clause in the process document, he is empowered to ask for any documents from the prospective bidders for evaluating the eligibility of the bidders and to disqualify the prospective bidder in case of non-submission of the requested documents. The AA observed that this general clause does not in any manner allow the liquidator to add any new eligibility condition. It only empowers the liquidator to ask for any documents to ascertain the eligibility of the bidder and not to add any additional eligibility conditions. In this regard, the AA *vide* order dated 25.01.2024 had also observed as under: -

*“The conditions on which all the bidders were declared disqualified was not mentioned in the process document.”*

2.2.8 In view of the above, the Board held *prima facie* view that Mr. Amresh Shukla has failed to conduct the auction process in a transparent manner and hence his actions violated Section 208(2)(a) and (e) of the Code, Regulation 7(2)(a) of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations), Regulation 33(1) of Liquidation Regulations read with Clause 9 of Schedule I (Mode of Sale) under Liquidation Regulations.

### 2.3. Submissions by Mr. Amresh Shukla.

2.3.1 Mr. Amresh Shukla submitted that in compliance with Regulation 31A of the Liquidation Regulations, Mr. Amresh Shukla constituted the Stakeholders' Consultation Committee (SCC) and convened the 1<sup>st</sup> SCC meeting on 26.09.2022. The composition of the SCC was as follows:

S. No	Particulars of the Member	Status	Stake in the SCC
1.	Canara Bank Limited	Sole Secured Financial Creditor	35.59%
2.	Swan Finance Limited	Financial Creditor	3.69%
3.	Oyster Exim Private Limited	Financial Creditor	
4.	Anand Joshi	Representative of the Employees	1.18%
5.	Radheshyam Jaiswal	Representative of the Workers	0.48%
6.	Commercial Tax Department	Representative of the Operational Creditors	34.82%
7.	Krishna Milk Products	Representative of the Operational Creditors	24.24%

2.3.2 During the 2<sup>nd</sup> SCC meeting held on 05.11.2022, the SCC, in its commercial wisdom, recommended attempting the sale of the CD as a going concern, in accordance with Regulation 32(e) of the Liquidation Regulations, and further advised setting the reserve price at the liquidation value of the CD, i.e., Rs. 13.44 crores. The relevant excerpt of the 2<sup>nd</sup> SCC Meeting is reproduced below: -

*“6. To discuss, deliberate and advise liquidator in the matter related to sale of assets of the Corporate Debtor under regulation 32, including manner of sale, prebid qualifications, reserve price, marketing strategy an auction process.*

*Liquidator informed to the SCC that pursuant to Regulation 31A(1)(b) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, the stakeholders consultation committee is to give advice to the liquidator in the matter related to sale of assets of the Corporate Debtor under regulation 32, including manner of sale, pre-bid qualifications, reserve price, marketing strategy an auction process. The prime assets of the Corporate Debtor are Land, Building and Plant and Machinery located at Dewas.*

*The agenda item was discussed and deliberated in the meeting and after that SCC advised to the liquidator with 100% majority of the members present in this physical meeting as follows:*

*a. Liquidator should first try to sale the Corporate Debtor or its business as a going concern.*

- b. Liquidator should keep the Liquidation Value as a Reserve Price.*
- c. Liquidator should keep EMD @ 10% of the reserve price.*
- d. Liquidator should ask for the incremental bidding amount in multiple of 1000000/- (Rupees Ten Lakhs only).*
- e. Anyone who can run the Corporate Debtor as a going concern should be eligible to participate in the bidding process.*
- f. Liquidator should publish the sale notice in news papers of Indore, upload on a designated website of the IBBI, information may be given on social media and that liquidator should start functioning of the corporate debtor's website by paying required amount and upload the sale notice on it.*
- g. Liquidator may choose any e-auction platform available in the market. ”*

2.3.3 Pursuant to this recommendation, a public notice was issued on 09.11.2022 inviting bids for the auction sale of the CD as a going concern and conduct the e-auction on 07.12.2022. Eight individuals/entities expressed interest in the sale process, however, only four submitted bid applications, namely:

- A. Samyak International Limited;
- B. Umang Enterprises;
- C. Crown Steels; and
- D. Labanshi Agritech Private Limited (a sister concern of the Complainant)

2.3.4 Following the same, concerns were raised by the only secured financial creditor, Canara Bank, in the Consultation Meeting on 26.11.2022. The minutes of the said Consultation Meeting were subsequently shared with all SCC Members. The relevant excerpt of the Consultation Meeting reproduced herein below:

*“Agenda discussed*

*I. The agenda item, eligibility of prospective buyers for sale of corporate debtor as a going concern, is discussed and deliberated and after that the following facts emerges and the decision taken/advise given by the secured financial creditors, as follows:-*

*1. Liquidator informed that 8 persons have shown their interest on e-auction published namely Ambika Milk & Milk Products, Chinar Steels, Samyak International Limited, Umang Enterprises, Crown Steels, Aamir Vora, Pawanshree Food International Pvt. Ltd. and Labhanshi Agritech Private Limited.*

2. Out of 8 Samyak International Limited, Umang Enterprises, Crown Steels and Labhanshi Agritech Private Limited have submitted their bid application forms but no one have submitted the evidence of sources of liquid fund available to meet the reserve price.

3. Samyak International Limited, Umang Enterprises and Crown Steels are not in manufacturing/turnaround activity. Umang and Crown steels are into trading of old and sic units and dismantling of old plant and machinery.

4. Labhanshi Agritech Private Limited has not submitted the evidence of having liquid fund to infuse in taking over the stressed assets and making it going concern. No plan of action given. Labhanshi Agritech has taken over the assets of the Premier Proteins Limited, a sister concern of the corporate debtor, the transfer of the assets took place post start of CIRP process of the corporate debtor. The transfer have been done by the suspended management of the Girdharilal Sugar And Allied Industries Limited. Secured Financial Creditors found that there is previous connection/dealings between the suspended management and Labhanshi Agritech Private Limited that creates concern. Labhanshi Agritech Private Limited also claims the assets of PPL as their assets by filing IA with honourable NCLT.

5. In the light of above none of the interested parties found to be eligible as a qualified bidder for sale of the Girdharilal Sugar And Allied Industries Limited as a going concern.”

2.3.5 The Secured Creditor, i.e., Canara Bank, in its commercial wisdom, rejected all 4 (four) bid applications received. The bid applications submitted by Samyak International Limited, Umang Enterprises, and Crown Steels were rejected as they are engaged in trading old and sick units and dismantling old plant and machinery. The bid application submitted by Labhanshi Agritech Private Limited (a sister concern of the Complainant) was rejected, *inter alia*, as it was incomplete, and the prospective buyer failed to submit evidence of liquid funds to infuse in taking over the stressed assets and making it a going concern, or any plan of action. The decision was, *inter alia*, based on: -

- A. Prior association with the suspended management;
- B. Inadequate disclosure of funding sources
- C. Claims over assets of a related entity kept within the premises of the CD (IA No.185/2022, i.e., an application filed by Labhanshi Agritech Private Limited claiming assets lying on the land of the CD);
- D. Concerns recorded by the sole Secured Financial Creditor, Canara Bank, in the 3<sup>rd</sup> meeting.

2.3.6 He submitted that the decision to disqualify the bidders was taken by the in consultation with the Secured Creditor and not unilaterally by the Liquidator. The net worth certificates submitted by the Labhanshi Agritech Private Limited were discredited by their own Chartered Accountant, CA Mukesh Vijayvargiya, who confirmed *via* email dated 31.01.2023 that the certificates were issued upon personal request and not meant for bidding

purposes. Furthermore, asking for proof of funds could not be assumed as additional eligibility rather it should be seen as additional documents requested to prove his eligibility under section 29A. Mr. Amresh Shukla submitted that he was having information from the market, but not the evidence, and it was suspicious to him that the Labhanshi Multitrade Private Limited and Labhanshi Agritech Private Limited as well as its director, Mr. Anoop Singhal, are going through financial difficulties. Thus, additional information/documents were sought, for the SCC's confidence in the proposal. Advise of the SCC in 2<sup>nd</sup> meeting of SCC at point no. 6(e) that *“Any one who can run the corporate debtor as a going concern should be eligible to participate in the bidding process.”* is also taken into consideration.

2.3.7 Furthermore, the Labhanshi Agritech Private Limited was found financially distressed and has admitted being in a financial crisis before the AA in a Section 7 application bearing CP (IB) 63 (MP) / 2024, filed against it on 06.03.2025. Additionally, its director, Mr. Anoop Singhal, has filed for personal insolvency under Section 94 of the Code bearing CP (IB) 11 (MP) / 2025.

2.3.8 Additionally, the E-Auction Process Information Document itself included disclaimers and clauses (e.g., Points 13 and 14 on Page 3; Clause F on Page 14–15) that expressly allowed the Liquidator to seek additional documents and even disqualify bidders at his discretion, if justified. This discretion was not exercised arbitrarily but in consultation with SCC and in the interest of value maximization. The said clauses are reproduced herein below

*“13. This E-Auction Process Information Document is neither an agreement nor an offer by the Liquidator to the Prospective Bidders or any other person. The objective of this E-Auction Process Information Document is to provide interested parties with information that may be useful to them in making their bids. It may be noted that the assumptions, assessments, statements and information contained in the E-Auction Process Information Document may Not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own due-diligence, investigations and analysis and should also check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this E-Auction Process Information Document and may get independent advice from appropriate sources.*

*14. Information provided in this E-Auction Process Information Document to the Bidder(s) has been collected and collated from several sources. The information given by no means claims to be an exhaustive account of statutory requirements and should not be regarded as complete. The Liquidator accepts no liability or responsibility for the authenticity, accuracy or otherwise for any statement or information contained in the E-Auction Process Information Document.*

...

*F. DOCUMENTS REQUIRED TO BE SUBMITTED TO ASCERTAIN ELIGIBILITY OF THE BIDDER*

*Therefore, the E-Auction Process Applicant or the Bidder would need to submit the following forms, documents and authorizations as part of the Auction Plan by the bidder(s):*

- 1. Ownership Structure and Composition of the E-Auction Applicant / Bidder, Proof of Identity, Permanent Address Proof, Current Address Proof, PAN card, Valid e-mail ID, Landline and Mobile Phone number.*
- 2. Authorization to the Signatory (in case the bidder is a legal entity).*
- 3. Affidavit and Undertaking by the E-Auction Process Applicant (through Authorized Signatory, in case the bidder is a legal entity). The Format for the Affidavit and Undertaking is attached vide Annexure I.*
- 4. An eligible bidder will need to submit the duly filled, signed and stamped Bid Application Form attached vide Annexure II, and duly filled, signed and stamped Declaration by Bidders attached vide Annexure III.*
- 5. Confidentiality undertaking will need to be submitted duly filled, signed, and stamped as per Annexure VI attached.*

*Please note that only the eligible bidders will gain access to documentation, additional information required for due diligence, after due submission of the required bid form and declaration form. Further, if needed, the site visits for only the eligible bidders may also be coordinated by the Liquidator.*

*Further, it should be noted that at any stage of the E-Auction process, the liquidator may ask for any documents from the prospective bidders to evaluate their eligibility.*

*The liquidator, at his discretion may disqualify the prospective bidder for non-submission of the requested documents.”*

2.3.9 Further, Index given at page no 4 of e-auction process document, provides for Bid Application Form from page no. 34 to 39. At point no. 6, 12, 16, 17, 18 and 21 of the Terms and Conditions, following are mentioned:

*“6. Liquidator has right to demand documents from bidder for the process and in case the documents are not provided, the liquidator may disqualify the bid.*

*12. The Liquidator is not bound to accept the highest offer and has the absolute right to accept or reject any or all offer(s) or adjourn/postpone/cancel the E-Auction or withdraw any property or portion thereof from the auction proceedings at any stage without assigning any reason there for. \*\*\* \*\**

*16. The decision of the Liquidator on declaration of Successful Bidder shall be final and binding on all the Bidders. \*\*\* \*\**

*17. The Liquidator reserves right to cancel the bid if the same is less than the price known to the Stake holders Consultation Committee, apart from his other rights. \*\*\* \*\**

*18. The Liquidator reserves right to cancel the bid, apart from his other rights. \*\*\* \*\**

*21. The Liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor's related parties and buyers, or the creditors and the buyer”*

2.3.10 Since none of the 4 (four) bidders qualified, further process of auction not proceed with, thus there is no question of visibility of highest bid to all the bidders.

2.3.11 Schedule I, specifically Part 1 of the Liquidations Regulations, addresses the mode of sale. Sub-clause 11A of Part 1 of Schedule I states:

*“Where the Liquidator rejects the highest bid in an auction process, he shall intimate the reasons for such rejection to the highest bidder and mention it in the next progress report.”*

Combined with Section 36(2), which asserts that *“The Liquidator shall hold the liquidation estate as a fiduciary for the benefit of all the creditors,”* it empowers the Liquidator to reject the highest bid by providing reasons. In compliance with these provisions, the Liquidator, via email dated 26.11.2022, informed Labhanshi Agritech Private Limited of the decision made by the SCC.

2.3.12 He further submitted that he acted to ensure that the sale process was not reduced to a mere formality, where, despite completion, the proceeds to be realized in favor of the creditors of the CD would be indefinitely delayed under the pretext of awaiting payment from the successful bidder. Such a delay, in the event of non-receipt of sale consideration, would have rendered the entire process futile and liable to be declared null and void.

2.3.13 Consequently, in the 4<sup>th</sup> SCC Meeting held on 29.11.2022 (attended by the representative of Canara Bank Limited), the members advised proceeding with a private sale of the CD as a going concern at a value above the reserve price of Rs. 13.44 crores. The relevant discussion and resolution are reproduced below:

*“3. To discuss about way forward in liquidation process*

*After discussions on the above agenda items, the Liquidator seeks suggestions from the Stakeholders and discuss the way forward in the Liquidation Process of the Corporate Debtor. The agenda item was discussed and deliberated in the meeting and after that SCC advised to the liquidator, that he must take every steps for sale of the corporate debtor under*

*private sale/treaty at a price above the reserve price of last failed e-auction, i.e. Rs. 13,44,40,584/- as early as possible, once buyer found at a price above Rs. 134440584/- he should proceed to sale the corporate debtor and should not wait for longer period in search of more buyers so that early realisation of funds from sale of the corporate debtor can be done, with 100% majority of the members present in this physical meeting.”*

2.3.14 Mr. Amresh Shukla submitted that the private sale process was conducted in compliance with Regulation 33 of the IBBI (Liquidation Process) Regulations, 2016, as applicable on 29.11.2022. Under Regulation 33(2)(c), the liquidator is permitted to sell the assets of the CD by means of private sale when the sale is made at a price higher than the reserve price of a failed auction, which is the case here, as the sale was concluded at a value higher than the last failed e-auction reserve price of Rs. 13.44 crores. Since the sale was not made to any related party of the CD, the liquidator, or any professional appointed by him, no prior approval of the AA was required under the proviso to Regulation 33(2). Hence, the private sale process was fully compliant with the applicable regulatory framework.

2.3.15 In furtherance of the SCC’s direction, public advertisements for private sale were issued on 30.11.2022. On 30.11.2022 apart from public advertisement, Mr. Amresh Shukla informed all the participant of failed e-auction about their ineligibility and further asked them to participate in private sale. The following email sent to them:

*“1st-auction failed since no one found eligible for sale of Girdharilal Sugar and Allied Industries as a going concern.*

*Now Girdharilal Sugar and Allied Industries Limited is available for sale under private sale/treaty as decided by the SCC in its meeting dated 29.11.2022.*

*You are requested to please send your final price over email to the liquidator at [cirp.girdharilal@gmail.com](mailto:cirp.girdharilal@gmail.com), if interested.*

2.3.16 Mr. Amresh Shukla had conducted another SCC Meeting on 12.12.2022, in which Canara Bank (Sole Secured Creditor) informed that certain buyers are approaching it, and they have already given their EOI and one of them is ready to enhance its offer to Rs. 14.70 Crores with a promise to give a sum of Rs. 7.50 Crores in the month of December 2022 and part of that within 2/3 days. Private sale of the CD was discussed and deliberated and after that it was advised by Canara Bank, that in private sale the liquidator should give preference to the buyer who made maximum upfront amount in the month of December 2022 and minimum time period, i.e. one month, for the remaining amount of the agreed price.

2.3.17 He further submitted that on 12.12.2022, Canara Bank sought an update from the Mr. Amresh Shukla on the liquidation process of the CD. The email is reproduced herein below:

*“Please update the position of Bidders received till date by tomorrow. As we all know that we have certain bidders who are approaching Bank. These bidders have already made EOI to you and are ready to improve the offer. The offer made by them are lucrative and these can be approached for final negotiation. We urge you to take a call and finalise the same by tomorrow. Since we have certain promising buyers, delaying the process would make no sense and will keep the bank's recovery at prejudice. Any further delay shall not be tolerable as it may discourage the existing prospective bidders and they may lose the interest. We urge you to finalise the matter by tomorrow.”*

2.3.18 Subsequently, on 13.12.2022 at 6:59 PM, Canara Bank marking all SCC Members, emailed:

*“With reference to our trailing mail dated 12/12/2022 where we solicit the liquidator to finalize deal by negotiation with the existing bidders by today. In this backdrop, kindly inform us on the priority basis, whether any deal has been finalized by the liquidator or not till the time.”*

2.3.19 On 13.12.2022 at 8:44 PM, Canara Bank sent email to Liquidator and all SCC members requesting that the SCC meeting be called on 14.12.2022 at 4:30 PM. Canara Bank, holding more than 33% voting share and being the only beneficiary to the sale proceeds, wrote:

*“With reference to captioned subject, we request you to call the meeting of Stakeholders Consultation Committee on 14/12/2022 at 04:30 PM on the following agendas:*

*1. Liquidator shall apprise about received bids and status thereof to SCC.*

*2. Following bidders - M/s Labhanshi Multi-trade Pvt. Limited and New Engicon Pvt. Limited have informed us that they are in contact with liquidator and they made us understand that they are ready to improve their offer in the meeting with SCC members along with liquidator. In this backdrop, liquidator shall invite these bidders for negotiation and finalization of deal in favour of the bidder to whom SCC and liquidator finds suitable in SCC meeting. Liquidator may also invite any other bidder with whom his discussion is ongoing.*

*3. Discussion on delay on ongoing liquidation process and reasons for delay in negotiation process as we have already certain bidders.*

*4. Any other agendas which committee finds suitable in the meeting.”*

2.3.20 On receipt of this request, the Liquidator emailed all SCC members on 14.12.2022 at 8:54 AM, informing them about the urgent meeting, in view of Regulation 31A(6), which mandates that the Liquidator shall mandatorily convene the meeting if requested by members holding at least 33% of the total voting rights. The email read:

*“All the members of SCC are requested to please join the urgent meeting called at the request of secured financial creditor, Canara Bank. A Secured Financial Creditor is requested to please ask for a final offer from the parties who are approaching them and inform. Meeting will be held at Canara Bank Circle Office, Near AIIMS, Saket Nagar, Bhopal at 04:30 PM today.”*

2.3.21 Thereafter, Canara Bank, on 14.12.2022 at 10:38 AM, emailed New Engicon and the Labanshi Agritech Private Limited which is reproduced below: -

*“With respect to captioned subject, we understand that you have submitted your expression of interest for the purchase of assets of corporate debtor in private treaty under liquidation on process. In this respect, we request you to kindly submit your final offer with your terms and conditions along with upfront amount at spot, and payment schedule for remaining amount till 25/12/2022 and thereare (upfront amount at spot shall not be less than 25% of final offer/bid amount) by today itself at 12:00 PM to liquidator and mark copy to us. Today SCC mee ng is called on at 04:30 PM at Canara Bank Circle Office Saket Nagar Bhopal, if you are willing to join the mee ng for presentation of your final offer/bid, same may be a ended through physical/audio-visual means by contacting liquidator and informing us. Further it is clarified that bidder who has quick repayment schedule shall be preferred in case there is no substantial difference in final bid/offer amount on the discretion of liquidator with consulting the SCC members.”*

2.3.22 Subsequently, during the 6th SCC Meeting held on 14.12.2022, offers from multiple interested parties were evaluated through negotiations. The relevant bids, along with their payment terms, were deliberated upon and M/s Radheshyam Dairy was declared as the highest bidder (H1) with a bid of Rs. 15.91 crores.

2.3.23 In view of the divergence between the decision of the Liquidator and the recommendation of the SCC, and in strict adherence to Regulation 31A(10) of the Liquidation Regulations, Mr. Amresh Shukla filed IA No. 273 of 2022 before the AA, seeking appropriate directions. In the same matter, Labhanshi Multitrade Private Limited preferred IA No. 6 of 2023 seeking a stay on the private sale process authorised by the SCC. IA No. 6 of 2023 bears allegations materially identical to the Complaint on which the SCN has been issued.

2.3.24 He further submitted that *vide* Order dated 25.01.2024, the AA dismissed IA No. 273 of 2022 and allowed IA No. 6 of 2023, directing the Liquidator to conduct inter-se bidding between Labhanshi Multitrade Private Limited and M/s Radheshyam Dairy. Admittedly, while passing the aforesaid order, the AA also made certain disparaging observations against the Liquidator, which are duly challenged before the NCLAT in CA (AT) (Ins.) No. 547 of 2024. In continuation of the foregoing, the following Appeals are pending before the NCLAT, concerning the same subject matter:

A. Labhanshi Multitrade Pvt. Ltd. v. Amresh Shukla and Ors. - CA (AT) (Ins) 392/2024

- B. Labhanshi Multitrade Pvt. Ltd. v. Amresh Shukla and Ors- CA (AT) (Ins) 393/2024  
C. Amresh Shukla v. Canara Bank and Ors.- CA (AT) (Ins) 574/2024

- 2.3.25 Subsequently, Mr. Amresh Shukla *vide* email dated 03.06.2025, submitted that the NCLAT, *vide* order dated 20.05.2025 in Company Appeal (AT) (Ins.) Nos. 392 & 393 of 2024, has disposed off the appeal and allowed the appellant (Labhanshi Multitrade Pvt. Ltd.) to withdraw the appeals with liberty to seek appropriate relief before the AA. Thus, the appeal, which questioned the conduct of the liquidator and sought removal of Mr. Amresh Shukla, was thus not adjudicated on merits and has been disposed of. Further, the stay on steps pursuant to the Order dated 25.01.2024, passed by AA, as granted by the NCLAT *vide* Order dated 23.02.2024, also stood vacated. Further, the SCC in its 10<sup>th</sup> meeting held on 31.05.2025, conducted in compliance with the order dated 25.01.2024 passed by the AA, declared Mr. Tilak Narayan Purohit, Proprietor of Radheshyam Dairy, as the successful bidder/buyer at a final bid price of Rs. 15,95,91,000/- (which is Rs. 4,91,000/- above the reserve price of Rs. 15,91,00,000/-), as Labhanshi Multitrade Private Limited, after the 8th round of negotiations, opted to withdraw/back-out from the bidding process.
- 2.3.26 He submitted that full payment has been duly made by Radheshyam Dairy, the successful bidder/buyer. The sale proceeds have been distributed among the stakeholders in accordance with the provisions of the Code and Liquidation Regulations. The original title deeds and documents, as received from Canara Bank, have been handed over to Mr. Tilak Narayan Purohit, proprietor of Radheshyam Dairy. The sale certificate has been executed, physical possession of the assets has been delivered, and the possession letter along with the Panchnama has been duly completed.
- 2.3.27 Mr. Amresh Shukla has also placed on record an affidavit of Mr. Anup Singhal, Authorised representative of Labanshi Multitrade Private Limited wherein it was stated that due to some erroneous interpretation of the provisions of the Code and regulations made thereunder as well as some grave misunderstanding of the orders of the AA, M/s Labhanshi Multitrade Private Limited also preferred an appeal against the order of the AA before NCLAT. However, after realising the series of mistakes the appeal filed before the NCLAT has been withdrawn. Consequently, the NCLAT has *vide* order dated 20.05.2025 has disposed of the appeal. *Vide* order dated 20.05.2025 the NCLAT, was pleased to dispose of the aforesaid appeal with liberty to move an appropriate application before the AA for removal of Mr. Amresh Shukla as liquidator. M/s Labhanshi Multitrade Private Limited confirms that it has not moved any such application before the AA and the view taken by the Liquidator in the private sale of the Corporate Debtor, while contrary to the interests of M/s Labhanshi Multitrade Private Limited was for maximization of value of the CD and in line with the provisions of the Code. The conduct of the Liquidator cannot be considered biased or malafide. In light of the foregoing, M/s Labhanshi Multitrade Private Limited withdraw all allegations raised by them against Mr. Amresh Shukla in all the proceedings relating to the liquidation of the CD.

2.3.28 The NCLAT in CA(Ins) 547 of 2024 filed by Mr. Amresh Shukla, expunged the remarks made by AA in its order dated 25.01.2024 vide order dated 28.07.2025. The relevant extract of the aforesaid order is reproduced below: -

*“Considering the facts viz the Corporate’s property is now sold, Respondent No.9 has no objection to such sale, hence, there is no use to retain adverse remarks against the liquidator. The remarks against him as are in paras 12, 13 and 15 of the impugned order are thus expunged. The appeal is disposed in terms of the above. Pending applications are also closed.”*

2.3.29 He further submitted that as per Section 233 of the IBC, no suit, prosecution or other legal proceeding shall lie against the RP in respect of any action taken in good faith under the Code or the Rules and Regulations made thereunder. The actions were based on available records, and in strict adherence to the regulatory timelines. Therefore, even assuming but without admitting, that an error of judgment is alleged, the protection of Section 233 would apply. He submitted that his conduct has been bona fide, transparent, and in full compliance with the provisions of the Code and the IBBI (Liquidation Process) Regulations, 2016. All actions were taken in consultation with stakeholders and aimed at achieving value maximisation in a time-bound manner. The process was carried out with due diligence, resulting in successful sale of the assets and maximisation of value without causing any loss to any stakeholder.

2.3.30 He submitted that issues raised in the complaint, on the basis of which the SCN was issued, have already been duly adjudicated upon by the NCLAT after examining the same set of facts and allegations, has exonerated Mr. Amresh Shukla and given a clean chit, thereby holding that no irregularity or violation was committed in the discharge of his duties. Once the matter has attained finality before the judicial forum, the same issues cannot be reopened or re-adjudicated. Accordingly, the initiation or continuation of disciplinary proceedings on identical grounds would amount to a parallel adjudication of issues already settled by a competent appellate authority. In view of the above, Mr. Amresh Shukla prayed that a lenient view be taken in the matter.

#### **2.4. Analysis and Findings of the DC**

2.4.1 The DC observes that the ‘Index’ of the EOI Process Document dated 09.11.2022 specifically provides ‘Eligibility’ at serial number E. The said heading ‘Eligibility’ states that *“An E-Auction Process Applicant shall not be eligible to submit a bid for purchase of assets of the Company if he falls under ineligibility criteria as set out in Section 29A of the IBC (as amended from time to time)”* It further reproduces Section 29A of the Code.

2.4.2 Under heading ‘Documents required to be submitted to ascertain eligibility of the bidder’ at serial number F starts as

*“Therefore, the E-Auction Process Applicant or the Bidder would need to submit the following forms, documents and authorizations as part of the Auction Plan by the bidder(s):*

- 1. Ownership Structure and Composition of the E-Auction Applicant / Bidder, Proof of Identity, Permanent Address Proof, Current Address Proof, PAN card, Valid e-mail ID, Landline and Mobile Phone number.*
- 2. Authorization to the Signatory (in case the bidder is a legal entity).*
- 3. Affidavit and Undertaking by the E-Auction Process Applicant (through Authorized Signatory, in case the bidder is a legal entity). The Format for the Affidavit and Undertaking is attached vide Annexure I.*
- 4. An eligible bidder will need to submit the duly filled, signed and stamped Bid Application Form attached vide Annexure II, and duly filled, signed and stamped Declaration by Bidders attached vide Annexure III.*
- 5. Confidentiality undertaking will need to be submitted duly filled, signed, and stamped as per Annexure VI attached.*

*Please note that only the eligible bidders will gain access to documentation, additional information required for due diligence, after due submission of the required bid form and declaration form. Further, if needed, the site visits for only the eligible bidders may also be coordinated by the Liquidator.*

*Further, it should be noted that at any stage of the E-Auction process, the liquidator may ask for any documents from the prospective bidders to evaluate their eligibility.*

*The liquidator, at his discretion may disqualify the prospective bidder for non-submission of the requested documents.”*

The DC has also perused the annexures forming part of the eligibility documents which is required to be submitted by the bidders, the details of which are as under: –

Annexure I: Affidavit and Undertaking – This is an undertaking by the bidder confirming that he is not disqualified under Section 29A of the Code.

Annexure II: Bid Application Form – This is a KYC form containing essential details of the bidder.

Annexure III: Declaration by Bidders – This is an undertaking wherein the bidder agrees to the terms and conditions of the bid and affirms that all information furnished is true and correct.

Annexure IV: Confidentiality Undertaking – This undertaking ensures that the bidder shall not disclose any material or confidential information to any third party

2.4.3 A combined reading of the above clauses reflects that only condition specified for being eligible to bid is that bidder be eligible under Section 29A. All the documents as well as annexures which have is required to be submitted are also of the nature which verify the eligibility condition. They are not of the nature which check for any other eligibility condition. Further, the declaration in respect of eligibility is also with reference to section 29A eligibility only.

2.4.4 The DC notes the submissions regarding various condition in ‘Terms and Conditions of E-auction’ as provided under Bid Application Form annexed as Annexure-II of the EOI Process Document.

*“6. Liquidator has right to demand documents from bidder for the process and in case the documents are not provided, the liquidator may disqualify the bid.*

*12. The Liquidator is not bound to accept the highest offer and has the absolute right to accept or reject any or all offer(s) or adjourn/postpone/cancel the E-Auction or withdraw any property or portion thereof from the auction proceedings at any stage without assigning any reason there for. \*\*\* \*\*\* \*\*\**

*16. The decision of the Liquidator on declaration of Successful Bidder shall be final and binding on all the Bidders. \*\*\* \*\*\* \*\*\**

*17. The Liquidator reserves right to cancel the bid if the same is less than the price known to the Stake holders Consultation Committee, apart from his other rights. \*\*\* \*\*\* \*\*\**

*18. The Liquidator reserves right to cancel the bid, apart from his other rights. \*\*\* \*\*\* \*\*\**

*21. The Liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor's related parties and buyers, or the creditors and the buyer”*

2.4.5 The DC notes that several clauses in the EOI Process Document purport to confer wide, unilateral and absolute discretion upon the Liquidator to accept, reject, cancel, or otherwise invalidate bids without reference to the statutory safeguards embedded in the Liquidation Regulations. The manner of conducting the sale process, is circumscribed by the Code and the Liquidation Regulations, including the procedural requirements laid down in Schedule I. For example, Clause (11A) of Schedule I of the Liquidation Process Regulations, which provides that where the liquidator rejects the highest bid in an auction process, he shall intimate the reasons for such rejection to the highest bidder and mention it in the next progress report. This regulatory requirement makes it clear that rejection of a bid, even the highest bid, must be reasoned, transparent, and formally recorded. Therefore, any clause in the EOI Process Document suggesting that the Liquidator may cancel or reject a bid

“without assigning reasons” or at his “absolute discretion” is directly contrary to the statutory framework. Further Clause 12 states that “On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within ninety days or such period as mentioned in the auction notice under clause 3, of the date of such demand.” Thus the above provision also mandates that the highest bidder shall be invited. Any digression from the above procedure cannot be left to the whim and fancies of any liquidator. Thus, the clauses extracted from the EOI Process Document relied by Mr. Amresh Shukla already go beyond the regulatory framework, as they allow rejection or cancellation of bids without assigning reasons and without any linkage to the parameters prescribed in law. Such unfettered discretion is inconsistent with the principles of transparency, fairness and accountability that govern liquidation sales.

2.4.6 The Liquidator must ensure that all terms of sale, eligibility conditions, and grounds for rejection strictly emanate from the regulatory scheme. Here, the DC accordingly cautions Mr. Amresh Shukla to refrain from incorporating terms that expand or confer discretion inconsistent with Schedule I or the Liquidation Regulations, as such clauses undermines the integrity of the liquidation process.

2.4.7 Regarding, the basis of decision for rejecting the bids such as bidder not being in manufacturing/turnaround activity, not submitting the evidence of having liquid fund, etc were not provided in the EOI Process Document. The DC observes that the disclaimer allowing the liquidator to seek “any documents to evaluate eligibility” cannot be construed as permitting the introduction of new eligibility criteria. The said clauses have to confine themselves to check the eligibility criterion given in the EOI Process Document and cannot be construed to expand the scope of eligibility beyond what is expressly mentioned in the EOI Process Document.

2.4.8 The DC notes that all eligibility conditions and criteria must be explicitly set out in the auction process document and made known to all prospective bidders prior to commencement of bidding. Any criteria derived from SCC discussions but not incorporated in the published process document may lead to uncertainty and opens up scope for excess discretion which is undesirable for a transparent process.. The DC notes that the Liquidator has argued that all four bidders were rejected based on concerns expressed by the sole secured creditor in the consultation meeting. However, the liquidator is required to present the correct factual position and explain correct legal position to the secured creditors or other members of the SCC in reaching a right decision.

2.4.9 Since the rejections of the bidders were not based on section 29A issues and the considerations on which bids were rejected such as nature of business activity, market intelligence, or absence of a business plan, none of which were a part of the auction process requirements, the DC observes that checking for eligibility beyond section 29A in terms of possession of adequate liquid fund or capability to run the business of the CD were not in

accordance with the process documents issued. By checking eligibility beyond these documents, Mr. Amresh Shukla acted in an arbitrary manner and exercised discretion which is beyond the bounds of the process.

2.4.10 The DC further noted that an affidavit was placed on record by Mr. Amresh Shukla of Labhanshi Multitrade Private Limited in which it is stated that complainant has now withdrawn all the allegations against the IP. However, the DC notes that withdrawal of allegations by one stakeholder does not extinguish the statutory responsibility of the DC to independently assess the conduct of the Liquidator under the Code and Regulations made thereunder. The role of the DC is not to adjudicate inter-se disputes between stakeholders, but to evaluate whether the Liquidator has complied with the obligations imposed by the Code upon the IP. The jurisdiction of the DC is regulatory in nature and cannot be ousted or curtailed merely because a stakeholder has chosen to withdraw its grievance for reasons personal to it. The DC is required to look into a contravention from a wider perspective and its implications on the IBC ecosystem if such conduct becomes common place. In view of the above, the DC hold the contravention.

### **Contravention-II**

#### **2.5. Failure to serve notice of meetings to SCC members.**

2.5.1 Regulation 32B of Liquidation Regulations provides that

*“Save as otherwise provided under Chapter III of Part II of the Code and these Regulations, the provisions of regulations 18 to 26 of Chapter VI and Chapter VII of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall apply mutatis mutandis to meetings of the consultation committee under liquidation proceedings”.*

2.5.2 Regulation 19 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) provides for calling for a meeting of the committee by giving not less than five days’ notice in writing to every participant and that the committee may reduce the notice period from five days to such other period of not less than twenty-four hours, as it deems fit.

2.5.3 It was observed by the Board that the 6<sup>th</sup> SCC meeting was convened on 14.12.2022 without ensuring notice to the stakeholders, adequately in advance. The notice for the meeting was issued with a notice period of less than 24 hours. In this regard, the AA *vide* order dated 25.01.2024 observed as under:-

*“On a careful consideration of the facts as stated hereinabove we note that the liquidator has conducted the process in consultation with only one SCC member namely Canara Bank. The meetings were conducted by giving a very short notice to the other members. The result was that the other members could not take part into any of such meetings....We note that for*

*the final meeting which was held on 14.12.2022 for negotiation with the bidders, the notices to the members of the SCCs were issued on that day morning itself by email at 8:45, am... ”*

2.5.4 It is further observed by the Board that Mr. Amresh Shukla failed to provide copies of the notices sent to SCC members for the SCC meetings despite specific request for the same by the Board. Mr. Amresh Shukla in his response submitted that the notices with respect to the SCC meetings were issued to all members of the SCC from time to time barring only one meeting called by the secured FC having more than 33% voting share. However, Mr. Amresh Shukla did not provide the copies of the notices issued to the SCC members.

2.5.5 In view of the above, the Board held *prima facie* view that Mr. Amresh Shukla has failed to serve adequate notice on all members of the SCC for various SCC meetings and hence his actions violated Section 208(2)(a) and (e) of the Code, Regulation 7(2)(a) and 7(2)(h) of the IP Regulations, Regulation 32B of Liquidation Regulations read with Clauses 15 and 19 of the Code of Conduct specified in IP Regulations.

## 2.6. Submissions by Mr. Amresh Shukla.

2.6.1 Mr. Amresh Shukla submitted that he has convened a total of nine meetings during the liquidation process. The Liquidator has served notices in all the cases where the advice of the SCC needs to be taken as per Regulation 31A(1) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The details of the meeting are as under: -

S. No	Date of Meeting	Notice to SCC	Minutes of meeting when served	Attended By
1.	26.09.2022	-	28.09.2022	Canara Bank
2.	05.11.2022	31.10.2022	31.11.2022	Canara Bank
3.	26.11.2022	-	27.11.2022	Canara Bank
4.	29.11.2022	27.11.2022	01.12.2022	Canara Bank
5.	12.12.2022	-	13.12.2022	Canara Bank
6.	14.12.2022	14.12.2022	16.12.2022	Canara Bank and Labhanshi Multitrade Pvt Ltd
7.	25.01.2023	22.01.2023	31.01.2023	Canara Bank
8.	19.07.2023	15.07.2023	21.07.2023	Canara Bank and Commercial Tax Department
9.	09.02.2024	29.01.2024	11.02.2024	Canara Bank, Ouster Exim Pvt Ltd Vertex Investments Pvt Ltd. and Commercial Tax Department.

- 2.6.2 Section 35(2) of the Code empowers the Liquidator to consult stakeholders entitled to distribution under Section 53. It clearly states that such consultation is not binding, and the records of such consultation must be made available to other stakeholders not consulted. Regulation 31A(6) of the Liquidation Regulations mandates that the first SCC meeting be held within seven days from the liquidation commencement date, and subsequent meetings may be convened by the Liquidator on his own volition or upon request by members holding at least 33% of the total voting rights.
- 2.6.3 He submitted that in full compliance with the above provisions the SCC was constituted on 26.09.2022 and the first meeting of the SCC was convened within the stipulated timeframe before constitution of SCC with the CoC members. Notices for most SCC meetings were sent via email well in advance of each meeting, save and except the 6<sup>th</sup> SCC meeting convened on 14.12.2022 on the explicit request of Canara Bank, which holds more than 33% of the voting share. The Liquidator complied with the statutory mandate and notified all SCC members for all other meetings. Further, minutes of all meetings were circulated to all members and uploaded in accordance with regulatory requirements. Pertinently, none of the members of the SCC ever objected to the meetings convened by the Liquidator and/or the conduct of the Liquidator while dispensing his duties. He further submitted that except for Canara Bank, no other SCC members attended the meetings.
- 2.6.4 He submitted that 6<sup>th</sup> SCC meeting were urgently requested by Canara Bank holding over 33% voting share by not only giving agenda and date of meeting but time of meeting too, email for this urgent request is sent by both Canara Bank and then by the liquidator to all the SCC members.
- 2.6.5 In light of the above, Mr. Amresh Shukla submitted that no action ought to be initiated under Section 220(2) of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017, as there has been no contravention of the provisions of the Code or the regulations framed there under. The liquidation process conducted by him was duly adjudicated by the AA. While the AA passed directions for conducting an inter-se bidding between the parties, it did not set aside the decision of the Liquidator or the commercial judgment of the SCC in declaring M/s Radheshyam Dairy as the H1 bidder. On the contrary, the AA, while upholding the principles of value maximization and procedural finality, sought only to ensure a fair conclusion to the liquidation process. The SCN itself refers to pleadings currently pending before the Hon'ble NCLAT, thereby acknowledging that the subject matter is sub judice.
- 2.6.6 Mr. Amresh Shukla successfully maximized the value of CD by reaching a consideration of Rs. 15.91 crores, which exceeds the liquidation value of Rs. 13.44 crores. The successful bidder was identified and declared on the 131st day from the commencement of the liquidation process, thereby demonstrating his commitment to conducting the process in an efficient and time-bound manner. He submitted that irrespective of the outcome of the

pending appeals before the NCLAT, the value of the CD is unlikely to fall below Rs. 15.91 crores. At all times, he has discharged his duties strictly in accordance with the provisions of the Code and the regulations framed thereunder, without deriving any personal benefit or compromising the integrity of the process. He submitted that he had acted independently, impartially, and in good faith, in furtherance of the objective of value maximization as enshrined in the preamble to the Code, and in the best interests of all stakeholders.

2.6.7 Mr. Amresh Shukla failed to provide a copy of the notice of the 6th SCC Meeting held on 14.12.2022 to the IA and the DC despite specific request during personal hearing. Therefore, the DC, *vide* email dated 05.12.2025, requested him to furnish the said notice, in response to which he, *vide* email dated 08.12.2025, submitted as under: –: -

- I. On 13.12.2022, Canara Bank, the sole secured financial creditor, expressly requested that a meeting be convened on an urgent basis on 14.12.2022 at 4:30 PM. In compliance with Regulation 31A(6) of the Liquidation Regulations, Mr. Amresh Shukla submitted that after the request, he was duty-bound to convene the meeting. Canara Bank circulated this request by email to the Liquidator as well as to all the other SCC members, along with the proposed agenda. None of the SCC members raised any objection, and thus all members had clear notice and knowledge of the proposed meeting.
- II. The date and time for the aforesaid SCC meeting were communicated by Canara Bank itself in its email dated 13.12.2022. It is also relevant that Canara Bank was the only SCC member who attended all the SCC meetings.
- III. Pursuant to the e-mail of Canara Bank, which was circulated to all the SCC Members, Mr. Amresh Shukla, again on 14.12.2022 at 8:54 AM sent an e-mail to all the SCC Members requesting them to attend the meeting scheduled for 14.12.2022 at 4:30 PM; Although all the members of SCC were already aware through the communications sent by Canara Bank.
- IV. Except for this specific meeting, convened solely at the urgent request of the only secured financial creditor, all other SCC meetings were convened with due advance notice to all members. The notice was not intended to bypass any provision of the IB Code/ Regulation but to facilitate the timely liquidation of the assets of the Corporate Debtor in a transparent manner.
- V. The said SCC meeting was convened only for discussion and negotiation and did not involve any agenda item requiring voting or mandatory presence of all SCC members. Mr. Amresh Shukla ensured compliance with all applicable regulatory requirements.
- VI. The Examination Note appended with the SCN records as follows:

*“The urgent meeting of the 6th SCC was also conducted in haste on the instance of Canara Bank which on 13.12.2022 asked the liquidator to call the meeting on 14.12.2022.”*

VII. This supports Mr. Shukla’s consistent position that the notice was entirely a consequence of the urgent request made by Canara Bank, Sole Secured Financial Creditor.

VIII. Adverse observations of AA have been expunged by the NCLAT. The NCLAT, *vide* order dated 28.07.2025, expunged the adverse observations made by AA in the order dated 25.01.2024. The NCLAT held:

*“Considering the facts, viz., the Corporate Debtor’s property is now sold, and Respondent No. 9 has no objection to such sale, there is no reason to retain adverse remarks against the Liquidator... the remarks... are thus expunged.”*

IX. Accordingly, the foundation on which the SCN references the NCLT order no longer survives

2.6.8 In light of the above factual and legal position, the notice for the 6<sup>th</sup> SCC meeting was neither intentional nor a lapse on the part of the Liquidator, but an unavoidable consequence of the pressing demand of the Sole secured financial creditor to convene the meeting. The e-mail of the said sole secured financial creditor was marked to all the members of the SCC. Further, Mr. Amresh Shukla, while discharging his statutory duties also requested all the SCC members to attend the meeting. Though both the e-mails, one by the Sole Secured Financial creditor and another by Mr. Amresh Shukla, may not be in the form of a proper notice, however, the same were deemed to be notice of the SCC Meeting containing the date and time of the said SCC meeting along with the agenda and items to be deliberated upon at the meeting. In view of the above, it is requested that a fair and lenient view be taken, and the SCN be disposed of accordingly.

## **2.7. Analysis and Findings of the DC**

2.7.1 The core issue in the present matter pertains to the convening of the 6<sup>th</sup> SCC meeting. The DC notes that Regulation 32B of the Liquidation Regulations read with Regulation 19 of the CIRP Regulations requires a minimum five-day notice for meetings, which may be reduced to not less than 24 hours. In the present case, the SCC meetings were conducted without even giving 24 hours’ notice, resulting in the inability of certain members to participate effectively. Mr. Amresh Shukla admitted during personal hearing that no formal notice was issued to the SCC members.

2.7.2 The timeline of events as under: -

Date	Event
<p>12.12.2022 @ 11:00 P.M</p>	<p>Another email sent by Canara bank to Liquidator asking Liquidator to provide updated position regarding the bidders received till date. It was stated that certain bidders who have already submitted EOIs are approaching the Bank and are willing to enhance their offers, which appear lucrative and suitable for final negotiation. It was urged that the process be finalised by tomorrow, as any further delay may prejudice the Bank’s recovery and discourage the prospective bidders.</p> <p>Relevant extract is as under</p> <p><i>“Please update the position of Bidders received till date by tomorrow. As we all know that we have certain bidders who are approaching Bank. These bidders have already made EOI to you and are ready to improve the offer. The offer made by them are lucrative and these can be approached for final negotiation. We urge you to take a call and finalise the same by tomorrow. Since we have certain promising buyers, delaying the process would make no sense and will keep the bank's recovery at prejudice. Any further delay shall not be tolerable as it may discourage the existing prospective bidders, and they may lose the interest. We urge you to finalise the matter by tomorrow”</i></p>
<p>13.12.2022 @ 06:59 P.M</p>	<p>Another email sent by Canara bank to Liquidator asking whether any deal has been finalized by the liquidator or not.</p> <p>Relevant extract is as under: -</p> <p><i>“With reference to our trailing mail dated 12/12/2022 where we solicit the liquidator to finalize deal by negotiation with the existing bidders by today. In this backdrop, kindly inform us on the priority basis, whether any deal has been finalized by the liquidator or not till the time.”</i></p>
<p>13.12.2022 @ 08:44 P.M</p>	<p>Another email sent by Canara bank to Liquidator on same date with the subject line <i>“Request to Call on the SCC Meeting on 14/12/2022 at 04:30 PM”</i> requesting Liquidator to call the meeting of SCC on 14.12.2022 at 04:30 P.M and copy was marked to all the other SCC Members.</p> <p>Relevant extract is as under: -</p> <p><i>“With reference to captioned subject, we request you to call the meeting of Stakeholders Consultation Committee on 14/12/2022at 04:30 PM on the following agendas:-</i></p>

	<p>1. Liquidator shall apprise about received bids and status thereof to SCC.</p> <p>2. Following bidders - M/s Labhanshi Multi-trade Pvt. Limited and New Engicon Pvt. Limited have informed us that they are in contact with liquidator and they made us understand that they are ready to improve their offer in the meeting with SCC members along with liquidator. In this backdrop, liquidator shall invite these bidders for negotiation and finalization of deal in favour of the bidder to whom SCC and liquidator finds suitable in SCC meeting. Liquidator may also invite any other bidder with whom his discussion is ongoing.</p> <p>3. Discussion on delay on ongoing liquidation process and reasons for delay in negotiation process as we have already certain bidders.</p> <p>4. Any other agendas which committee finds suitable in the meeting.”</p>
14.12.2022 @ 08:54 A.M	<p>The Liquidator emailed to Canara Bank and copy was marked to all the other SCC Members requesting them to join the urgent meeting called and requested by Canara Bank</p> <p>Relevant extract is as under: -</p> <p><i>“All the members of SCC are requested to please join the urgent meeting called at the request of secured financial creditor, Canara Bank.</i></p> <p><i>A Secured Financial Creditor is requested to please ask for a final offer from the parties who are approaching them and inform. Meeting will be held at Canara Bank Circle Office, Near AIIMS, Saket Nagat, Bhopal at 04:30 PM today.”</i></p>
14.12.2022 @ 04:30 P.M	6 <sup>th</sup> SCC Meeting of SCC was held.

2.7.3 The above timeline clearly reflects that the process was conducted in a hurried manner. Beginning late in the night on 12.12.2022, Canara Bank repeatedly urged the Liquidator to update the bidder status and to finalise negotiations on an urgent basis. On 13.12.2022, further emails were issued pressing for confirmation on finalisation of bids and calling upon the Liquidator to convene an SCC meeting on 14.12.2022 at 4:30 PM. The Liquidator, acting on these communications, circulated an email on the morning of 14.12.2022 requesting SCC members to attend the urgent meeting the same day. The 6<sup>th</sup> SCC meeting was thereafter held on 14.12.2022. This timeline demonstrates that the SCC meeting was convened with extremely short notice, leaving limited scope for participation by all stakeholders, and shows

that no formal notice was issued. Mr. Amresh Shukla also admitted that no formal notice was issued.

2.7.4 The DC further notes the submission of Commercial Tax Department (one of the SCC members) from the order of AA dated 25.01.2024 in IA 273/2022 that several important SCC meetings were convened in haste and were attended only by Canara Bank. It was pointed out that the notice for the SCC meeting dated 14.12.2022 at 4:30 PM was issued on the morning of the same day, thereby preventing other SCC members, including the Government Department, from attending. The relevant extract recorded in the aforesaid order is as under:

*“Learned PCA Ms. Teena Saraswat Pandey appearing for the Commercial Tax Department submitted that CTO-Indore is one of the SCC member being representative for Government Department but the various relevant SCC meeting were conducted so hurriedly that it was attended all the time only by one of the SCC members Canara Bank. She also pointed out that the notice to call for the meeting of the SCC on 14.12.2022 at 4:30 pm for negotiation with the various bidders was sent to the various members of the SCC in the morning hours on that day only and that way the various other SCC members including the Government Department were precluded from attending the meeting.”*

2.7.5 The DC notes that the issuance of a proper notice is not a mere procedural formality but an essential requirement under the Liquidation Regulations, as it ensures that all SCC members are afforded a fair and reasonable opportunity to participate in the decision-making process. The purpose of notice is to maintain transparency, enable informed deliberation, and ensure that stakeholders are not deprived of their statutory right to be heard. While the Liquidator has explained that the meeting was convened at the instance of the secured financial creditor holding more than 33% voting share, the DC observes that even in such cases the minimum mandatory notice period of 24 hours cannot be dispensed with. Since the Liquidator is the chairperson of the SCC meetings, the primary obligation to comply with the regulations, including proper issuance of notice and adherence to minimum timelines, rests solely on him. The urgency expressed by any financial creditor cannot override or dilute the statutory mandate, and the Liquidator cannot abdicate his regulatory responsibility on the basis of directions or pressure from any particular stakeholder. In the present case, the admitted failure to issue notice before holding the 6th SCC meeting constitutes a clear deviation from the procedural safeguards envisaged under the Code and Regulations.

2.7.6 Further, as per Regulation 32B of Liquidation Regulation which provides that the provisions from 18 to 26 of CIRP Regulations shall apply to meetings of consultation committee in liquidation proceedings. Therefore, the extract of Regulation 20, 21 & 23 of CIRP Regulations is as follows:

***20. Service of notice by electronic means.***

*(1) A notice by electronic means may be sent to the participants through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.*

*(2) The subject line in e-mail shall state the name of the corporate debtor, the place, if any, the time and the date on which the meeting is scheduled.*

*(3) If notice is sent in the form of a non-editable attachment to an e-mail, such attachment shall be in the Portable Document Format or in a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.*

*(4) When notice or notifications of availability of notice are sent by an e-mail, the resolution professional shall ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained as 'proof of sending'.*

*(5) The obligation of the resolution professional shall be satisfied when he transmits the e-mail and he shall not be held responsible for a failure in transmission beyond its control.*

*(6) The notice made available on the electronic link or Uniform Resource Locator shall be readable, and the recipient should be able to obtain and retain copies and the resolution professional shall give the complete Uniform Resource Locator or address of the website and full details of how to access the document or information.*

*(7) If a participant, other than a member of the committee, fails to provide or update the relevant e-mail address to the resolution professional, the non-receipt of such notice by such participant of any meeting shall not invalidate the decisions taken at such meeting.*

## **21. Contents of the notice for meeting.**

*(1) The notice shall inform the participants of the venue, the time and date of the meeting and of the option available to them to participate through video conferencing or other audio and visual means, and shall also provide all the necessary information to enable participation through video conferencing or other audio and visual means.*

*(2) The notice of the meeting shall provide that a participant may attend and vote in the meeting either in person or through an authorised representative:*

*Provided that such participant shall inform the resolution professional, in advance of the meeting, of the identity of the authorised representative who will attend and vote at the meeting on its behalf.*

*(3) The notice of the meeting shall contain the following-*

*(i) a list of the matters to be discussed at the meeting;*

(ii) a list of the issues to be voted upon at the meeting; and  
(iii) copies of all documents relevant to the matters to be discussed and the issues to be voted upon at the meeting.]

(4) The notice of the meeting shall-

(a) state the process and manner for voting by electronic means and the time schedule, including the time period during which the votes may be cast;  
(b) provide the login ID and the details of a facility for generating password and for keeping security and casting of vote in a secure manner; and  
(c) provide contact details of the person who will address the queries connected with the electronic voting.

### **23. Participation through video conferencing.**

(1) The notice convening the meetings of the committee shall provide the participants an option to attend the meeting through video conferencing or other audio and visual means in accordance with this Regulation.

(2) The resolution professional shall make necessary arrangements to ensure uninterrupted and clear video or audio and visual connection.

(3) The resolution professional shall take due and reasonable care-

(a) to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures;

(b) to ensure availability of proper video conferencing or other audio and visual equipment or facilities for providing transmission of the communications for effective participation of the participants at the meeting;

(c) to record proceedings and prepare the minutes of the meeting;

(d) to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor;

(e) to ensure that no person other than the intended participants attends or has access to the proceedings of the meeting through video conferencing or other audio and visual means; and

(f) to ensure that participants attending the meeting through audio and visual means are able to hear and see, if applicable, the other participants clearly during the course of the meeting:

*Provided that the persons, who are differently abled, may make request to the resolution professional to allow a person to accompany him at the meeting.*

(4) Where a meeting is conducted through video conferencing or other audio and visual means, the scheduled venue of the meeting as set forth in the notice convening the meeting, which shall be in India, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.

2.7.7 The DC examined the email dated 14.12.2022 sent by the Liquidator at 08:54 AM, which has been placed on record as notice for the 6<sup>th</sup> SCC meeting. A perusal of the said email shows that it merely conveyed that an “urgent meeting” was being called at the request of Canara Bank and requested members to attend the meeting at 4:30 PM on the same day. The notice does not specify the agenda items, does not contain any list of matters to be discussed or issues to be voted upon, and does not enclose any documents relevant to the meeting, as mandatorily required under Regulation 21(3). It also does not provide the option or details for participation through video conferencing as required under Regulation 21(1) read with Regulation 23, nor does it contain any information regarding the process or manner of voting. Further, the email has been addressed only to Canara Bank, with other SCC members merely marked in copy, which does not satisfy the requirement of proper service under Regulation 20. Most critically, the notice was issued only a few hours prior to the meeting, falling far short of the minimum notice period of 24 hours prescribed under Regulation 19 of the CIRP Regulations, made applicable to liquidation proceedings through Regulation 32B. Accordingly, the document placed on record cannot be regarded as a valid notice in terms of the prescribed regulatory framework, and the essential statutory requirements for convening an SCC meeting were not fulfilled. In view of the above, the DC holds the contravention.

### **3. Order.**

3.1. Though the DC holds both contraventions, it notes following mitigating factors in favour of Mr. Amresh Shukla:-

(a) The adverse remarks earlier made by the AA in order dated 25.01.2024 were subsequently expunged by the Hon’ble NCLAT in its order dated 28.07.205.

(b) Assets of the CD were sold through private sale at an amount of Rs. 15,95,91,000/- as against Rs. reserve price of 13,44,40,584/- of last failed e-auction.

(c) Even for conducting private sale, Mr. Amresh Shukla issued a public announcement dated 30.11.2022 by publishing advertisements in two newspapers—*The Times of India* and *Raj Express* and also sent emails to all prospective bidders who had participated in the first e-auction which was also observed positively by the AA in its order dated 25.01.2024. Thus ensuring transparency of the bidding process.

3.2. After considering the mitigating factors, 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 registration of Mr. Amresh Shukla (Registration No. IBBI/IPA-001/IP-P00120/2017-18/10255) for a period of six months.

3.3. This order shall come into force after 30 days from the date of issuance of this order.

3.4. A copy of this order shall be sent to the CoC/ SCC of all the corporate debtors in which Mr.

Amresh Shukla is providing his services, and the respective CoC/ SCC, as the case may be, will decide about continuation of existing assignment of Mr. Amresh Shukla.

- 3.5. A copy of this order shall be forwarded to Indian Institute of Insolvency Professionals of ICAI (IIPI) where Mr. Amresh Shukla is enrolled as a member.
- 3.6. 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.
- 3.7. Accordingly, the show cause notice is disposed of.

Dated: 11 December 2025  
Place: New Delhi

Sd/-  
(Sandip Garg)  
Whole Time Member  
Insolvency and Bankruptcy Board of India