IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH, COURT NO. II

KOLKATA

I.A. (I.B.) No. 1542/KB/2025

IN

C.P. (I.B.) No. 130/KB/2022

An application under Section 60(5) of the Insolvency and Bankruptcy Code of India, 2016, read Regulation 31A(11) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 along with Rule 11 of the National Company Law Tribunal Rules, 2016.

IN THE MATTER OF:

THE STAKEHOLDERS CONSULTATION COMMITTEE OF SHREE MAHALAXMI CORPORATION PRIVATE LIMITED, through the **State Bank of India,** corporate centre at State Bank Bhawan, Madam Cama Road, Mumbai - 400021.

...Applicant

Verses

MR. DEBDAS CHAKRABORTY, liquidator of Shree Mahalaxmi Corporation Private Limited, Registration No. IBBI/IPA-001/IP-P01749/2019-2020/12758, having office at 8, Binay Bala Mukherjee Lane, Uttarpara, Hooghly – 712258.

...Respondent

IN THE NATIONAL COMPANY LAW TRIBUNAL
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KOLKATA

I.A. (I.B.) No. 1542/KB/2025
IN
C.P. (I.B.) No. 130/KB/2022

CORAM: Mr. Labh Singh, Member (Judicial)

Ms. Rekha Kantilal Shah, Member (Technical)

Present:

Mr. Riyanshu Agarwal, Adv.] For the Liquidator

Mr. Debdas Chakraborty, liquidator]

Date of Pronouncement:14.10.2026

O R D E R

Labh Singh, Member (Judicial)

1. This present Interlocutory Application has been filed by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2018 (for short 'the Code') seeking directions to replace the Respondent Liquidator for the ongoing liquidation of Shree Mahalaxmi Corporation Private Limited, the Corporate Debtor.

2. The Applicant is the Stakeholders Consultation Committee (hereinafter being referred to as 'SCC') of the Corporate Debtor, represented by one of the members, the State Bank of India. The Corporate Insolvency Resolution Process (for short 'CIRP') was initiated against the Corporate Debtor by this Tribunal in **C.P. (I.B.) 130/KB/2022**, vide an order

dated 23.02.2024. A copy of the dated 23.02.2024 is annexed as **Annexure A.**

3. The Respondent, Mr. Debdas Chakraborty, is the present Liquidator for the ongoing liquidation of Shree Mahalaxmi Corporation Private Limited, appointed by this Tribunal vide an order dated 20.06.2025 while considering the Circular No. 12011/214/2023-IBBI/840, dated 18.07.2023, issued by the Insolvency and Bankruptcy Board of India. A copy of the order dated 20.06.2025 is annexed as **Annexure B.**

4. It is submitted that on 16.09.2025, the SCC held its 2nd meeting where it resolved, by a unanimous decision backed by 100% voting by the members of the SCC, to replace the Respondent by Mr. Vijender Sharma, Registration No. IBBI/IPA-003/IP-N00003/2016-2017/10022. It is also stated that the resolution was noted by the Liquidator and the same would be put up before this Tribunal for consideration and directions. The relevant portion of the Minutes of the SCC Meeting dated 16.09.2025, a copy of the same is annexed as **Annexure D,** is reproduced below:

> *"ITEM NO.10: PROPOSAL FOR REPLACEMENT OF THE EXISTING LIQUIDATOR AND NOMINATION OF A NEW LIQUIDATOR: The representative of State Bank of*

India (SBI), a member of the Stakeholders' Consultation Committee (SCC), ***proposed that a common Liquidator would be appropriate for the holistic and effective resolution of the liquidation proceedings of the Corporate Debtor.*** *And hence, the current Liquidator, Mr. Debdas Chakraborty, appointed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench - II, be replaced.*

.....

"RESOLVED THAT the Stakeholders' Consultation Committee (SCC) of Shree Mahalaxmi Corporation Private Limited, hereby recommends the replacement of the current Liquidator, Mr. Debdas Chakraborty (Reg. No. IBBI/IPA-001/IP-P01794/2019-20/12758), appointed by the Hon'ble NCLT, Kolkata Bench - II, and proposes the appointment of Mr. Vijender Sharma, Insolvency Professional (Reg. No. IBBI/IPA-003/IP-N00003/2016-2017/10022), as the new Liquidator for the Corporate Debtor."

"FURTHER RESOLVED THAT this proposal is approved by 100% of the voting share of the SCC members present and voting."

"FURTHER RESOLVED THAT the State Bank of India, one of the members of the Consultation Committee be and is hereby authorized to place this resolution, along with all necessary supporting documents, before the Hon'ble National Company Law Tribunal, Kolkata Bench, for appropriate orders in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016." The proposal was unanimously approved by 100% of the Committee Members present and voting. The Liquidator noted the resolution and it has been decided in the meeting that the proposal, for replacement of liquidator before the Hon'ble NCLT Kolkata Bench shall be moved by State Bank of India for its consideration and appropriate directions, as the appointment or replacement of a liquidator is subject to the approval of the Adjudicating Authority under the provisions of the Insolvency and Bankruptcy Code, 2016."

5. It is submitted that the proposed liquidator has submitted his written consent in Form AA along with this Authorisation of Assignment ('AFA'). The copies of the consent form and AFA are annexed as **Annexure E**.

6. It has also been submitted that the proposed liquidator is the present liquidator for two other companies, namely, Shree Padmavati Metaliks Private Limited and Ambay Coke Industries Private Limited, which were floated by the erstwhile Promoters and Directors of the Corporate Debtor. It is submitted that there were several cross transactions between the three companies and due to the erstwhile Promoters and Directors being the same, they were running and operating as the same group companies.

7. It is further submitted that the respondent did not accept the reduced fees as proposed by the SCC. It is further stated that members of the SCC had paid the expenses, which included the Liquidator's fees in compliance with the order dated 05.12.2025 by this Tribunal. The relevant portion of the order dated 05.12.2025 is extracted below:

> *"Let the outstanding dues of the Liquidator be paid and in this regard a supplementary affidavit be filed within a period of one week."*

8. Respondents appeared in pursuance of notice issued by this Tribunal and filed its reply raising preliminary objection that the present Interlocutory Application is not maintainable in law and in facts. The present Petition has been filed in gross abuse of the process of law and the same is liable to be dismissed in limine.

9. It has been replied that at the 2nd SCC meeting, the issue of fees pertaining to the liquidator was taken up and in the same meeting, the proposal to replace the liquidator was also taken up and further, was approved without recording any grounds for replacement. Thus, this is in contravention to Regulation 31A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2019 (for short the 'Regulations').

10. It is further replied that the members of the SCC had failed to cooperate with the Respondent and thus, had impeded the process. The members are alleged to have sought numerous adjournments, failure to attend meetings and blatant inaction to deliberate on critical agenda points.

11. Heard Learned Counsel appearing on behalf of the Applicant and the Respondents. We have gone through the pleadings of the parties and documents placed on record. We have duly

appreciated the law applicable on the facts and circumstances of the present case.

12. It is pertinent to note that Regulation 31A of the IBBI(Liquidation Process) Regulation 2016 has been omitted by the IBBI (Liquidation Process) (Fourth Amendment) Regulations, 2026 vide Notification IBBI/2026-27/GN/REG151, dated 01.06.2026, w.e.f. 01.06.2026. This application was filed on 25.09.2025, and, thus, this Tribunal has the jurisdiction to adjudicate on the issue.

13. The SCC, in its 2nd Meeting held on 16.09.2025, resolved with 100% voting of the SCC members that the respondent, who is the present Liquidator, be replaced with Mr. Vijender Sharma, Insolvency Professional (Reg. No. IBBI/IPA-003/IP-N00003/2016-2017/10022), as the new Liquidator of the Corporate Debtor. The reason for replacement is that the common Liquidator would be appropriate for the holistic and effective resolution of the liquidation proceedings of the Corporate Debtor.

14. In the instant case, the Supplementary Affidavit filed by the Applicant states that two other groups companies, Shree Padmavati Metaliks Private Limited and Ambay Coke Industries Private Limited, have ongoing liquidations and the proposed

liquidator is the common liquidator. Due to various connected transactions and business between the three companies, a common liquidator will be efficient.

15. It is pertinent, at this juncture for this Tribunal to take note of Section 31A (11) of the IBBI(Liquidation Process) Regulation 2016, and the same read as under:

> *"(11) The consultation committee, after recording the reasons, may by a* ***majority vote of not less sixty-six per cent.****, propose to replace the liquidator and shall file an application, after obtaining the written consent of the proposed liquidator in Form AA of the Schedule II, before the Adjudicating Authority for replacement of the liquidator :*
>
> *Provided that where a liquidator is proposed to be replaced, he shall-*
>
> *(a) continue to work till his replacement; and*
>
> *(b) be suitably remunerated for work performed till his replacement."*

16. From a bare perusal of this regulation, the requisites for a successful change of the liquidator is that the SCC shall approve the resolution for replacement of the liquidator

with a majority not less than 66%, a valid written consent from the proposed liquidator, and shall file an application with the Adjudicating Authority.

17. It is also pertinent to note the provision of Section 34A has been inserted in IBC Code 2016 which provides for replacement of the liquidator and the same read as under:

> ***"34A. Replacement of liquidator by committee of creditors.***
>
> *(1) Where, at any time during the liquidation process, the committee of creditors is of the opinion that a liquidator appointed under section 34 or this section is required to be replaced, it may,* ***by a vote of not less than sixty-six per cent.*** *of the voting share, resolve to replace the liquidator with another insolvency professional, subject to a written consent from such proposed liquidator in such form as may be specified.*
>
> *(2) Where the committee of creditors resolves under sub-section (1) to replace a liquidator, it shall apply to the Adjudicating Authority for the appointment of the proposed liquidator, and if* ***no disciplinary proceedings are pending against him,***

the Adjudicating Authority shall, by an order, replace the liquidator appointed under section 34 or this section and appoint the proposed liquidator as the liquidator."

18. In the instant case, there is a written consent on record of the proposed liquidator and there are no pending disciplinary proceedings against him. It is also noted that the replacement proposal was approved by 100% votes of the SCC. The written consent of the proposed liquidator is annexed as **Annexure E**.

19. Accordingly, in view of our aforesaid observation and law applicable thereon, we allow the appointment of Mr. Vijender Sharma, Insolvency Professional (Reg. No. IBBI/IPA-003/IP-N00003/2016-2017/10022) as the new Liquidator for the Corporate Debtor.

20. The outgoing liquidator shall hand over the charge of the entire documents of the Corporate Debtor to the incumbent liquidator within a period of 15 from the date of this order.

21. The **I.A. (I.B) 1542/KB/2025** is **allowed** and **disposed of**.

Rekha Kantilal Shah **Labh Singh**

Member(Technical) **Member(Judicial)**