



IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Through Hybrid Mode)

Item No.3

IA (LIQ)/Progress Report/55/2026, IA (LIQ) (Progress Report)/38/2026, IA(IBC)/313/2026 in CP(IB)/33/7/AMR/2021 (Liquidation Approved)

IN THE MATTER OF:

State Bank of India	...	Petitioner/ Financial Creditor
	Versus	
IND TOB International Pvt Ltd	...	Respondent/ Corporate Debtor

Under Section: 7, 60(5) of IBC, 2016
Reg: 15, 44 (2) of the IBBI Regulations 2016
Rule: 11 of the NCLT Rules, 2016

Order delivered on 08.09.2026

CORAM:

SHRI KISHORE VEMULAPALLI, HON'BLE MEMBER (JUDICIAL)
SHRI UMESH KUMAR SHUKLA, HON'BLE MEMBER (TECHNICAL)

PRESENT:

In **IA (LIQ) Progress Report)/55/2026, IA (IBC)/313/2026**
 For the Applicant : Ms. Aishwarya Chevuturi, Adv.
 For the Liquidator : Mr. Kasi Srinivas
 In **IA (LIQ) Progress Report)/38/2026**
 For the Applicant : Mr. Kasi Srinivas

ORDER

IA (LIQ) Progress Report)/38/2026:

During the course of hearing dated 04.08.2026, it was observed that the 13th Progress Report for quarter ending June, 2026 filed in this IA was not in the prescribed form i.e. Form-C. It was further noted from the previous Progress Reports filed by the Liquidator, that the Minutes of various SCC Meetings (1st, 2nd, 4th, 5th, 8th, 9th, 11th, 13th, 18th, 19th) held during the quarter of the relevant progress reports have not been enclosed with the respective progress reports. The Liquidator sought and



was granted time to file the said Progress Report in the prescribed Form-C along with Minutes of the above SCC Meetings.

Pursuant to the order dated 04.08.2026, the Liquidator has filed an Application, being IA (LIQ) Progress Report)/55/2026, along with the requisite Form-C and the relevant Minutes, and therefore, the purpose for which the present Application was filed, no longer survives.

Accordingly, IA (LIQ) Progress Report)/38/2026 is disposed of as having become infructuous.

IA (LIQ) Progress Report)/55/2026:

Pursuant to the order dated 04.08.2026 passed in IA (LIQ) Progress Report)/38/2026, the present Application has been filed by the Liquidator vide Diary No. 1619 dated 24.08.2026, under Regulation 15 of the IBBI (Liquidation Process) Regulations, 2016 read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 and Rule 11 of the NCLT Rules, 2016, seeking to take on record the 13th Progress Report of the liquidation process for the quarter ending June 2026.

2. We have perused the Progress Report filed in the prescribed Form-C. It is noted therefrom that no sale of any asset of the Corporate Debtor has taken place during the quarter under consideration and that all the assets of the Corporate Debtor continue to remain unrealised, since the liquidation commencement date, however, liquidation expenses of Rs.7.63 Lakh during the quarter and cumulative liquidation expenses of



Rs.117.68 Lakh up to the end of the quarter have been incurred. The relevant extracts of the Form-C are reproduced below:

5	Property remained to be sold and realised [15(2)(b)(v)]	All the assets of the Corporate Debtor remain to be sold and realised. Three liquidation auctions were conducted and failed. Accordingly, the Liquidator issued the 4th Auction Notice on 10.01.2026 and scheduled the e-auction on 31.01.2026. The said IA was heard on 04.02.2026 and this Hon'ble Tribunal granted stay of the auction process in IA(IBC)/52/2026; the IA was disposed of on 03.06.2026. It was further decided in the 21st SCC Meeting held on 08.01.2026 that the securities and financial assets of the Corporate Debtor may not be put up for auction, as they do not contain any realisable value.
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G. Liquidation account status:

Data of the respective quarter (Regulation 15(3)(a)):

Particulars of receipts & payments during the current quarter, i.e., 01.04.2026 to 30.06.2026		
Opening Balance as on 01.04.2026: Rs. 17,77,685.61		
I	Particulars of Receipt	Amount in INR
1	Contribution received towards liquidation cost	15,50,000.00
	Total	15,50,000.00
II	Particulars of Payment	Amount in INR
1	Back Office support services (K-Source)	2,36,000.00
2	Professional fee – Sri Deepak Bhattacharjee	50,000.00
3	Professional fee – Sri C. Ganapati	29,500.00
4	Professional fee – Sri P. L. Narasimha Rao	5,000.00
5	Liquidator's fee and other liquidation process costs	2,00,000.00
6	Insurance of Factory Sheds	2,42,515.00
	Total	7,63,015.00
Closing Balance as on 30.06.2026: Rs. 25,64,670.61		



Data of cumulative receipts and payments from the Liquidation Commencement Date to the date of this Progress Report (Regulation 15(3)(b)):

Particulars of receipts & payments from LCD to the date of the report		
Opening Balance as on the Liquidation Commencement Date: Nil		
I	Particulars of Receipt	Amount in INR
1	Rental receipts and monies received from the Creditors towards liquidation cost	1,43,33,123.28
	Total	1,43,33,123.28
II	Particulars of Payment	Amount in INR
1	Liquidation process costs, comprising the Liquidator's fee, back office support charges, professional and valuation fee, publication and auction expenses, statutory dues and other incidental expenses	1,17,68,452.67
	Total	1,17,68,452.67
Closing Balance as on 30.06.2026: Rs. 25,64,670.61		

3. It is observed from the details of liquidation cost that it also includes amount towards the Liquidator's fee calculated @ Rs.2 Lakh per month. The amount of Liquidator fee from the date of his appointment 27.03.2023 till the quarter ending June, 2026, to which this Progress Report relates, works out to more than Rs.78 lakh. It was submitted by the Liquidator that he is lawfully entitled for his fee @ Rs.2 Lakhs per month, as the same was fixed by Stakeholders Consultation Committee (SCC) in its 1st meeting held on 10.04.2023, which the competent authority to fix his fees.

4. However, on perusal of the records, it was observed that this Adjudicating Authority had already determined the fees of the Liquidator in its Order dated 27.03.2023 in C.P. (IB) No. 33/7/AMR/2021, vide which



the Corporate Debtor was ordered to be liquidated and the Applicant was appointed as the Liquidator. In the said order, this Adjudicating Authority had specifically dealt with the remuneration/ fee payable to the Liquidator in paragraph 4(h), which provides for the fee entitlement of the Liquidator in terms of Section 34(8) of the Code. The Para 4 (h) of the aforesaid order is extracted as below:

h) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34 (8) of the Code.

5. Section 34(8) of the Code, prescribes that the Liquidator shall charge the fees in such proportion to the value of the liquidation estate assets as may be specified by the Board. Section 34(8) of the Code, is extracted below:.

34. Appointment of liquidator and fee to be paid.—

(8) An insolvency professional proposed to be appointed as a liquidator shall charge such fee for the conduct of the liquidation proceedings and in such proportion to the value of the liquidation estate assets, as may be specified by the Board.

6. It is noted that IBBI has specified the fees of the liquidator in proportion to the value of assets in Regulation 4(2)(b) of the IBBI (Liquidation Process) Regulations, 2016, which prescribes that the liquidator shall be entitled to a fees as a percentage of the amount realised net of other liquidation costs, and of the amount distributed, for the balance period of liquidation, as under:



Amount of Realisation / Distribution (In rupees)	Percentage of fee on the amount realised / distributed		
	in the first six months	in the next six months	thereafter
Amount of Realisation (exclusive of liquidation costs)			
On the first 1 crore	5.00	3.75	1.88
On the next 9 crore	3.75	2.80	1.41
On the next 40 crore	2.50	1.88	0.94
On the next 50 crore	1.25	0.94	0.51
On further sums realized	0.25	0.19	0.10
Amount Distributed to Stakeholders			
On the first 1 crore	2.50	1.88	0.94
On the next 9 crore	1.88	1.40	0.71
On the next 40 crore	1.25	0.94	0.47
On the next 50 crore	0.63	0.48	0.25
On further sums distributed	0.13	0.10	0.05

7. In view of the above discussion, the Liquidator in the present case, is entitled to the fee as per the above table.
8. We are of the considered view that once this Adjudicating Authority in the liquidation order, had determined the Liquidator's fee in terms of Section 34(8) of the Code, the same is binding on the liquidator and SCC. The SCC, being subject to the Code, the Liquidation Regulations and the Orders of this Adjudicating Authority, cannot subsequently alter or override the fee, so determined.
9. The mere fact that the SCC recorded a decision regarding payment of Rs.2 Lakhs per month cannot, by itself, be treated as an independent source of entitlement, where such payment is inconsistent with the subsisting order of this Adjudicating Authority. The Liquidator cannot derive any entitlement for remuneration from a subsequent SCC



resolution, which has the effect of altering the financial direction already contained in the liquidation order.

10. In the present case, since the liquidation order dated 27.03.2023 had already dealt with and determined the Liquidator's fee, the subsequent fixation of a monthly fee of Rs.2 Lakhs by the SCC cannot override or enlarge the entitlement already determined by this Adjudicating Authority. Accordingly, the Liquidator is not entitled to claim or retain any amount in excess of the fee permitted by this Adjudicatory Authority Order.

11. It is further relevant that the Progress Report itself records that no asset of the Corporate Debtor has been sold or realised since liquidation commencement date. Since no asset of the Corporate Debtor has been realised and no amount has been distributed during the liquidation process, the Liquidator's fee, when computed in terms of Section 34(8) of the Code, read with Regulation 4(2)(b) of the IBBI (Liquidation Process) Regulations, 2016, works out to NIL. Consequently, any amount drawn or received by the liquidator towards the Liquidator's fee, on the basis of the monthly fee of Rs.2 Lakhs, is liable to be refunded to the liquidation estate.

12. It is noted that the Progress Report, although required to be provided, does not contain the break-up of the cumulative liquidation cost and there is no details available of the fee towards which the Liquidator has drawn the fees. However, he is liable to be refund the amount which he has drawn as fees to the liquidation estate immediately.



13. On perusal of the minutes of the 1st meeting of SCC relied by the Liquidator, it is observed that the Liquidator did not disclose the fact that his fee had already been determined by this Adjudicating Authority in its Order dated 27.03.2023. Rather, he submitted that since his fee was not determined by the Committee of Creditors, the SCC is required to fix his fee and further that pursuant to the amendment with effect from 13.09.2022, his minimum entitlement of fee would be Rs.2 lakh per month. The relevant extracts of the above minutes are reproduced below:

Item No. 1:

To fix the Fee of the Liquidator

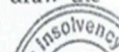
As per regulation 4 (1A), where no fee has been fixed under sub regulation (1), the consultation committee may fix the fee of the Liquidator in the first meeting. In case it is not covered under 1(A), the Liquidator shall be entitled to a fee.

(a) From 13.09.2022 after the amendments, the minimum fee of the Resolution Professional under CIRP is as under

Table-1: Minimum Fixed Fee Structure	Quantum of Claims Admitted Minimum Fee Per Month (Rs. Lakh)
(i) Less than or equal to Rs. 50 crores	1.00
(ii) More than Rs.50 crore but less than or equal to Rs.500 crore	2.00
(iii) More than Rs.500 crore but less than or equal to Rs.2,500 crore	3.00
(iv) More than Rs.2,500 crore but less than or equal to Rs.10,000 crore	4.00
(v) More than Rs.10,000 crore	5.00

Therefore, the fee of the liquidator may be fixed at Rs 2.00 lakhs per month till the dissolution or compromise, whichever is earlier. Further the support services fee may be fixed at Rs. 50,000/- per month exclusive of GST.

“RESOLVE THAT the members of the SCC hereby fix the Fee of the Liquidator @ Rs. 2,00,000/- per month and the support services fee @ Rs. 50,000/- per month exclusive of GST, till the conclusion of the Liquidation/Dissolution/Compromise under section 230 of Companies Act 2013, whichever is earlier and permitting the Liquidator to draw the expenses from the funds received in the Liquidation Account.”



M/s IND TOB INTERNATIONAL PRIVATE LIMITED (Under Liquidation)

Voting of members at First Meeting of Stakeholders Consultation Committee.

Meeting : First Meeting of Stakeholders Consultation Committee.
 Day & Date : Monday, 10th April 2023
 Time : 11:00 AM
 Venue : State Bank of India, Stressed Assets Management Branch, Kacheguda, Hyderabad, Telangana

Name of the Financial Creditor	Resolutions	Voting Share	Assent	Dissent	Abstain	Name, Designation & Signature Authorised officer
State Bank of India, Stressed Asset Management Branch, Kachiguda	<u>Resolution No. 1 (Item No. B1 of the Agenda/Minutes):</u> <u>To fix the Fee of the Liquidator</u> <i>"RESOLVE THAT the members of the SCC hereby fix the Fee of the Liquidator @ Rs. 2,00,000/- per month and the support services fee @ Rs. 50,000/- per month exclusive of GST, till the conclusion of the Liquidation/Dissolution/Compromise under section 230 of Companies Act 2013, whichever is earlier and permitting the Liquidator to draw the expenses from the funds received in the Liquidation Account."</i>	100%	✓			 

14. However, we observe that the fact submitted by the Liquidator before the SCC were factually incorrect, as the aforesaid amendment is not applicable to the Liquidator and thus, the Liquidator, who hold the fiduciary position in the IBC framework, has also breached the trust, which needs to be investigated by the IBBI.

15. As a sequel to the aforesaid discussions, we hereby direct as below:

- (i) The Liquidator is directed to deposit/refund the entire amount so drawn towards his fee into the liquidation account of the Corporate Debtor within 10 days from the date of this order and file a compliance Memo before this Adjudicating Authority within 15 days from the date of this Order.



- (ii) The Liquidator is further directed not to draw any further amount towards his fee on the basis of the aforesaid monthly fixation.
- (iii) The matter is referred to the IBBI for taking a view on the conduct of the Liquidator.
- (iv) The Registry is directed to send a copy of this order to the IBBI through speed post in terms of para (iii) of the above direction.

16. List the matter for compliance of the Order on 30.09.2026.

IA (IBC)/313/2026:

The present Application is filed by the Liquidator under Regulation 44(2) of the IBBI (Liquidation Process) Regulations, 2016 seeking extension of the liquidation period by six months from 01.08.2026 to 31.01.2027.

The CoC, in its 26th Meeting held on 16.07.2026, has resolved with 100% voting to continue the liquidation process and seek the aforesaid extension. However, it is noted that more than 40 months have elapsed from the Liquidation Commencement Date and no realisation from the assets of the Corporate Debtor has been reported. In view of the statutory requirement for completion of the liquidation process in a time-bound manner and the continuing accrual of liquidation costs, an unrestricted extension as sought cannot be granted.

Having regard to the above and considering the decision of the CoC to continue the liquidation process, the liquidation period is extended



for a limited period of three months from 01.08.2026, instead of the six months sought.

During the extended period, the CoC shall endeavour to complete the liquidation process in a time-bound manner. In the event the liquidation process cannot be completed, the CoC shall take an appropriate decision regarding distribution of the unsold assets to the members in terms of Regulation 38 and the treatment of the pending suits and avoidance applications in accordance with Sections 54(1A) and 54(1B) of the IBC, 2016.

Accordingly, IA/313/2026 is partly allowed and disposed of.

**Sd/-
(UMESH KUMAR SHUKLA)
MEMBER (TECHNICAL)**

**Sd/-
(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)**

RSN (PS)