S.No.1

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
17-04-2026 AT 11:30 AM

CP(IB) No. 407/7/HDB/2019
AND
IA (IBC) 1003/2025 in CP(IB) No. 407/7/HDB/2019
u/s. 7 of IBC, 2016

IN THE MATTER OF:
ICICI Bank Ltd **…Financial Creditor**

AND

MBS Impex Pvt Ltd **…Corporate Debtor**

C O R A M:-
SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC) 1003/2025

Present: Mr. G Bhupesh, Ld. Counsel for the Applicant.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1

IA (IBC) No.1003/2025
In
CP(IB) No. 407/7/HDB/2019

Application u/s 60(5) of IBC, 2016

IN THE MATTER OF M/S MBS IMPEX PRIVATE LIMITED

Between

Mr. Santosh Bhatia
Liquidator of M/s MBS Impex Private Limited …APPLICANT/ LIQUIDATOR

VERSUS

1. M/s MBS Impex Private Limited
   Represented by Mr. Santosh Bhatia, Liquidator

2. RARE Assets Reconstruction Limited
   104-106, Gala Argos, Bs, Harikapura Tower
   Gujrat College Road, Ellisbridge, Ahmedabad – 380006

3. INVENT Assets Securitisation & Reconstruction Pvt Ltd
   Suit-B, Ground Floor, Bakhtawar Ground Floor
   225, Nariman Point, Mumbai – 400021

4. AXIS Bank Limited
   Structured Assets Group-South
   Axis House, Chennai, 1st Floor No.3
   Club House Road, Anna Salai, Chennai- 600002

5. Punjab National Bank
   Head Office, Plot No.4
   Dwaraka Sector-10
   New Delhi – 110075

6. State Bank of India (Unsecured Financial Creditor)
SBI Buildings, Bank street, Koti
Hyderabad – 500095

7. MMTC Limited (Operational Creditor)
9-1-76 to 77/1/B, 3rd Floor
S.D. Road, Secunderabad – 500003

8. Commercial Tax Department (operational Creditor)
Telangana
CT Complex, Nampally, Hyderabad - 500001

Respondents

Date of order_________

Coram

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Shri Sanjay Puri, Hon'ble Member (Technical)

Appearance:

For Applicant: Mr G. Bhupesh, Advocate

For Respondent-2: Mr. Dishit Bhattachrjee & Ms. Sanjana Proddutoori, Advocates

For Respondent-7: Ms. Ankita Sharma & Mr. Aslam Ahmed, Advocates

O R D E R

1. This Application is filed by the Liquidator of M/s MBS Impex Private Limited, seeking directions to Respondents to pay the Liquidator fees and to reimburse an amount of Rs. 26,81,850/-.

2. The Corporate Insolvency Resolution Process (CIRP) was initiated against the Corporate Debtor on 13.11.2019.

3. It is alleged that during the CIRP, the suspended Board of Directors failed to cooperate by not handing over books of accounts, statutory records, or details of assets, despite specific directions of this Tribunal in orders dated 13.10.2020 and 16.09.2022. It is further stated that although the Balance Sheet for 2018–19 reflected substantial stock, the same was not traceable at the registered office or other premises.

4. Subsequently, vide order dated 01.03.2022, the Corporate Debtor was ordered to be liquidated and the Applicant was appointed as Liquidator.

5. The Applicant submits that he has undertaken extensive steps in the conduct of the liquidation process, including tracing and securing assets, initiating proceedings against the suspended Board for non-cooperation, and addressing issues arising from non-relinquishment of security interests by Financial Creditors. In this regard:

(a) The Liquidator initiated legal proceedings against the suspended Board of Directors on account of their continued non-cooperation and failure to comply with the directions of this Tribunal. In this regard, appropriate applications were filed seeking permission to initiate criminal action as well as contempt proceedings for non-compliance with judicial orders.

(b) It is submitted that the Financial Creditors have failed to relinquish their security interests to the liquidation estate in terms of the applicable provisions of the Insolvency and Bankruptcy Code, 2016 and the relevant regulations. Despite specific directions, the secured assets were not handed over to the Liquidator, thereby compelling the Applicant to initiate appropriate legal proceedings to secure possession and enable continuation of the liquidation process.

(c) The Liquidator further submits that certain immovable properties forming part of the assets of the Corporate Debtor are subject to serious title disputes, with multiple claimants, including Government authorities, asserting rights over the same. These disputes are presently sub judice before the Hon'ble High Court and the Hon'ble Supreme Court, which has significantly impeded the Liquidator's ability to take possession, value, or realise such assets.

(d) It is also submitted that certain secured assets were found to be encumbered by orders of attachment issued by enforcement authorities, including attachment by the Enforcement Directorate under applicable laws. Such attachments have created legal impediments, preventing the Liquidator from proceeding with valuation and sale of the said assets within the liquidation framework.

(e) In order to address the aforesaid impediments, the Liquidator has taken proactive steps by initiating appropriate legal proceedings, including filing of a writ petition before the Hon'ble High Court seeking setting aside of the attachment orders and restoration of the assets to the liquidation estate, so as to enable their realisation in accordance with law.

(f) The Liquidator has also identified certain consignment letters wherein the Corporate Debtor is said to have given hyge stock of gold to one M/s Shreemukh Gold Private Limited for sale purposes. The Applicant submits that necessary steps have been initiated to investigate such transactions and to recover the value of such assets for the benefit of the stakeholders in accordance with the provisions of the Code.

(g) It is further contended that the Stakeholders' Consultation Committee has failed to fix or pay the Liquidator's fees, with only partial payments made for an initial period.

6. The Liquidator further contended that due to multiple constraints, including litigation, attachment of assets, and lack of cooperation from stakeholders, the liquidation process could not be completed within prescribed timelines, necessitating extensions granted by this Tribunal.

7. Despite substantial work undertaken in managing the liquidation process, the Applicant submits that fees have not been determined or paid in accordance with law. The Applicant further submits that he has incurred expenses amounting to Rs. 26,81,850/- from personal funds towards the liquidation process, which remain unpaid.

8. In these circumstances, the present application has been filed seeking appropriate directions for payment and reimbursement of the Liquidator's fees and expenses in accordance with the applicable provisions of law.

REPLY BY RESPONDENT NO.2

9. Respondent No. 2 submits that the allegations regarding non-cooperation of the suspended Board pertain to the CIRP period and are irrelevant to the present application, which is confined to liquidation fees and expenses.

10. It is contended that the Applicant's claim of initiating legal action against the suspended Board is misleading, as I.A. No. 988 of 2023 was withdrawn on 11.01.2024. Further, the Applicant delayed initiating action for nearly nine months after the liquidation order, reflecting lack of due diligence.

11. Respondent No. 2 submits that delays in the process were attributable to issues such as land demarcation and attachment of assets by the Enforcement Directorate. It is argued that the Liquidator

was competent to seek appropriate directions or extensions under the regulations, and cannot shift responsibility onto the financial creditors. Despite advice, the Liquidator failed to take effective steps, including engaging an independent agency for land demarcation.

12. The allegation that Respondent No. 2 received any amount from M/s Sreemukh Gold Private Limited is categorically denied.

13. It is further submitted that the activities relied upon by the Applicant are part of the statutory duties of a Liquidator and do not justify any additional fee claim.

14. Respondent No. 2 denies that the stakeholders failed to fix or pay the Liquidator's fees. In terms of the Tribunal's order dated 16.04.2024, liquidation costs up to 31.03.2024 were determined at ₹27,00,000/-, of which Respondent No. 2 has paid its proportionate share of ₹11,43,812/-. A reasonable monthly remuneration of ₹50,000/- was also proposed, while the Applicant's cost projections are stated to be excessive and unjustified.

15. The remaining averments are stated to be matters of record and require no specific response.

16. It is contended that the Applicant has failed to act with due diligence and is attempting to attribute its own lapses to the Respondents. The allegation regarding receipt of ₹5 crores is stated to be false and unsupported.

17. Accordingly, Respondent No. 2 submits that the claim for reimbursement of Rs. 26,81,850/- is arbitrary, unsupported, and liable to be rejected.

COUNTER/REPLY BY RESPONDENT NO.7

18. Respondent No. 7, MMTC Limited, raises a preliminary objection that the application is devoid of merit. It is contended that liquidation costs and the Liquidator's fees are recoverable only from the realization of assets of the Corporate Debtor and cannot be imposed upon members of the Stakeholders' Consultation Committee (SCC). Respondent No. 7 asserts its independent right to recover its dues.

19. Respondent No. 7 further contends that it filed its claim in Form C on 29.03.2022, disclosing pendency of Civil Suit No. COS 19 of 2016, which has since been decreed in its favour on 10.02.2025 for ₹228.82 crores with interest. An amended claim is being filed in the liquidation process based on the said decree.

20. Respondent No. 7 denies the allegations against it and contends that delays in the liquidation process are attributable to lack of due diligence on the part of the Liquidator, particularly in pursuing proceedings relating to attached assets.

21. It is submitted that paragraphs 1–3 of the application are matters of record, while paragraphs 4–10 lack relevance to the relief sought.

Paragraphs 11–25 are stated to be inapplicable to Respondent No. 7, and the averments in paragraphs 26–36 are denied in entirety.

22. Respondent No. 7 denies any failure in discharging its role as an SCC member. It is contended that, under Section 35(1) of the Insolvency and Bankruptcy Code, 2016 read with Regulations 4 and 39 of the Liquidation Regulations, and in terms of Section 53 of the Code, liquidation costs are payable only out of the proceeds of liquidation assets. There is no statutory obligation on SCC members to independently fund such expenses.

23. It is further submitted that Respondent No. 7 has acted bona fide, duly filed its claim, and provided necessary information, but has suffered significant losses due to fraud by the Corporate Debtor, as recorded in the decree dated 10.02.2025.

24. Accordingly, the claim of the Liquidator for reimbursement of Rs. 26,81,850/- is stated to be legally untenable and liable to be rejected.

25. Additionally, as per memo dated 07.11.2025 filed by Respondent No. 2, the Liquidator has agreed to a remuneration of Rs. 50,000/- per month, rendering the present application infructuous.

26. The present application has been filed by the Liquidator seeking directions for payment of his fees and reimbursement of expenses amounting to Rs.26,81,850/-. The Application sets out the steps

undertaken by the Liquidator during the course of the liquidation process.

27. We heard Mr. G. Bhupesh, learned counsel for the Applicant/Liquidator; Mr. Dishit Bhattacharjee, learned counsel for Respondent No. 2; and Ms. Ankita Sharma, learned counsel for Respondent No. 7. The material available on record has also been duly perused.

28. Respondents 3,4,5,6 & 8 were set ex-parte as per order dated 30.09.2025.

ANALYSIS AND FINDINGS

29. The present dispute pertains to payment of pending liquidation expenses amounting to Rs. 3,12,968/-, for which directions are sought against Respondent Nos. 4 and 5, holding 21.58% share in the Stakeholders' Consultation Committee (SCC), to contribute their proportionate share. The total liquidation expenses and fee, as reflected in memo dated 15.04.2026, amount to Rs. 14,50,000/-. It is an admitted position that Respondent Nos. 2/ RARE ARC and Respondent No.3/Invent ARC, together constituting 78.41% of the SCC, have already contributed their proportionate share aggregating to Rs.10,95,523/-.

30. It is evident that certain assets of the Corporate Debtor remain under attachment under the Prevention of Money Laundering Act, with

related proceedings pending before competent courts. Additionally, the financial creditors have not relinquished their security interests, and the issue is sub judice before the Appellate Tribunal. These factors have materially affected the Liquidator's ability to realize assets and conclude the liquidation process within prescribed timelines. Recognising these constrains, this Authority has granted extensions from time to time.

31. The Applicant was appointed as Liquidator with effect from 01.03.2022 pursuant to the order passed in I.A. No. 1233/2020. In terms of Section 34(8) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, the Liquidator's fee is to be determined in proportion to the value of the liquidation estate. In the absence of any determination by the SCC despite repeated requests, the Liquidator had initially proposed a fee of Rs. 1,00,000/- per month for the period from 01.04.2024 to 30.09.2025, along with reimbursement of actual expenses.

32. This Authority, vide order dated 16.04.2024 in I.A. No. 1448/2023, determined the liquidation cost up to 31.03.2024 at Rs. 27,00,000/- and directed the SCC to fix and pay the Liquidator's fee.

33. Notwithstanding the aforesaid direction, the SCC failed to arrive at a formal resolution regarding fixation of the Liquidator's fee and expenses. However, the majority of SCC members, namely Respondent Nos. 2 and 3 (holding 78.41% voting share), have

contributed their respective shares and consented to the Liquidator's fee of Rs. 50,000/- per month, as evidenced by emails dated 21.07.2025, 30.07.2025, and 10.11.2025 filed along with memo dated 10.04.2026.

34. As per the direction of this Authority dated 25.03.2026, the Applicant/Liquidator filed memo dated 10.04.2026 stating that a total amount of Rs. 14,50,000/- (calculated at the agreed fee of Rs. 50,000/- per month) is payable. While Respondent Nos. 2 and 3 have discharged their proportionate liability, Respondent Nos. 4 and 5 have failed to contribute their respective shares, resulting in an outstanding amount of **Rs. 3,12,968/-.**

35. In view of the foregoing discussion and findings, this Adjudicating Authority hold that Respondent No. 4, Axis Bank Ltd., and Respondent No. 5, Punjab National Bank, are directed to contribute their respective shares towards liquidation costs, being Rs.3,04,112/- and Rs. 8,856/- respectively, within 15 days of receipt of the copy of this order.

36. Accordingly, present application stands allowed in the above terms.

SD/- SD/-

(SANJAY PURI) (RAJEEV BHARDWAJ)
MEMBER (TECHNICAL) MEMBER (JUDICIAL)