

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU

*(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(Through Physical Hearing / VC Mode (Hybrid))*

I.A. 586/BB/2025

in

C.P. (IB) No.126/BB/2022

Under Regulation 30-A, 34 and 34-B of the Insolvency Resolution Process
for Corporate Persons Regulations, 2016
read with Rule 11 of the NCLT Rules, 2016

IN THE MATTER OF:

Ms. R. Bhuvaneshwari

Interim Resolution Professional of
M/s Mindlogicx Infratech Private Limited

....APPLICANT

AND:

1. Union Bank of India
2. Mr. Elangovan Suresh
3. Mr. Srijith Siddarth Palliyal

....RESPONDENT NO.1

....RESPONDENT NO.2

....RESPONDENT NO.3

IN THE MATTER OF:

Union Bank of India

....FINANCIAL CREDITOR

AND:

M/s Mindlogicx Infratech Private Limited

.... CORPORATE DEBTOR

Last date of hearing: 09.09.2025

Order Delivered on: 12.09.2025

Coram: 1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)
2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

O R D E R

1 This interlocutory application has been filed by Ms. R. Bhuvaneshwari,
the Interim Resolution Professional ("IRP"/"Applicant") of M/s
Mindlogicx Infratech Private Limited ("Corporate Debtor") under

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1



Regulation 30-A, 34 and 34-B of the Insolvency Resolution Process for Corporate Persons Regulations, 2016 read with Rule 11 of the NCLT Rules, 2016 for the following reliefs:

- (a) *To direct the Respondents to make complete payment of Rs. 10,67,923/-, consisting of the professional fees of IRP of Rs. 9,74,950/- (Rupees Nine Lakh Seventy-Four Thousand Nine Hundred and Fifty only) and Rs. 92,973/- (Rupees Ninety-Two Thousand Nine Hundred and Seventy-Three only) towards further legal expenses to the Applicant, being the fees and expenses due and payable for services rendered as Interim Resolution Professional in the CIRP of the Corporate Debtor;*
- (b) *To direct the Respondents to adhere to the Code and Regulation 30A of Insolvency Resolution Process for Corporate Persons Regulations, 2016, including submission of Form FA for proper withdrawal of this company petition after payment of CIRP cost;*
- (c) *To pass such other and further orders as this Hon'ble Tribunal may deem fit and proper in the interest of justice and equity.*

2. Brief facts germane to the application are as follows:

- a) The Corporate Debtor, M/s Mindlogicx Infratech Private Limited, was incorporated on 28.07.201. The Respondent No.1, Union Bank of India, being the Financial Creditor, initiated Corporate Insolvency Resolution Process ("CIRP") proceedings by filing an Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC").
- b) The Hon'ble Tribunal, vide its order dated 09.06.2023, admitted the petition and initiated CIRP against the Corporate Debtor, appointing Ms. R. Bhuvaneshwari as the IRP.
- c) Subsequently, the directors of the Corporate Debtor, being aggrieved by the initiation of CIRP, approached the Hon'ble National Company Law Appellate Tribunal, Chennai ("NCLAT") by filing Company Appeal (AT) (CH) (Ins) No. 168/2023.
- d) The Hon'ble NCLAT, by its order dated 16.06.2023, stayed the operation of the order dated 09.06.2023, stating: "*Till the next date of 'Hearing', the implementation of the 'Impugned Order'*



dated 09.06.2023 in CP (IB) No. 126/BB/2022 passed by the 'Adjudicating Authority'/ National Company Law Tribunal, Bengaluru Bench shall stand deferred."

- e) During the pendency of the appeal before the Hon'ble NCLAT, the Corporate Debtor and the Financial Creditor entered into negotiations for settlement of the matter.
- f) The parties arrived at a One-Time Settlement ("OTS") arrangement, and the Financial Creditor issued a loan closure letter acknowledging clearance of all dues by the Corporate Debtor on 31.08.2024.
- g) In view of the settlement and clearance of dues, the Hon'ble NCLAT, by its order dated 03.10.2024, disposed of the appeal and closed the CIRP proceedings initiated against the Corporate Debtor.
- h) Post-settlement, the Corporate Debtor made representations seeking filing of Form INC-28 before the Registrar of Companies to record the cessation of the IRP's role and to remove the CIRP status from the MCA master data.
- i) Due to non-filing of Form INC-28, the Corporate Debtor approached the Hon'ble High Court of Karnataka by filing W.P. No. 33623/2024 and W.P. No. 33599/2024. The Hon'ble High Court of Karnataka, by orders dated 10.07.2025, allowed both writ petitions with directions to the IRP to file Form INC-28 in accordance with law.
- j) In these circumstances, the present interlocutory application has been filed by the IRP seeking directions for payment of professional fees and expenses, and for compliance with the procedural requirements under the IBC for withdrawal of the company petition.

3. Applicants Submission



- 3.1 The Applicant submitted that the present application seeks directions to the Respondents to make full payment of fees payable to the Resolution Professional in accordance with the IBC and also seeks directions to be issued to Respondent No.1 to file necessary applications as per the Code for proper withdrawal of the company petition
- 3.2 It was submitted that the Applicant has already shared the format of Form FA with the Financial Creditor for their ready reference. As per the CIRP Regulations, the IRP is required to file Form FA to report withdrawal of the application under Section 12A of the IBC, and the CIRP costs must be paid in full before such closure.
- 3.3 The learned counsel submitted that despite repeated follow-ups through emails dated 13.10.2024, 16.10.2024, 24.10.2024, and 28.11.2024, Form FA is still awaited from Respondent No.1.
- 3.4 It was further submitted that based on the communications to Respondent No.1, it appears that Respondent No.1 has forwarded the invoices of the Applicant IRP to the Suspended Directors i.e., Respondent No.2 and Respondent No.3 for settlement.
- 3.5 The learned counsel submitted that instead of meeting the costs of IRP and lawyers, Respondent No.2 has filed two Writ Petitions before the Hon'ble High Court, bearing W.P. No. 33599/2024 and W.P. No. 33623/2024, maliciously attempting to challenge and quash the invoice raised by the Applicant dated 15.10.2024, pertaining to the professional fees.
- 3.6 It was submitted that Respondent No.2 and Respondent No.3 are coercively insisting the Applicant to file INC-28 with the Registrar of Companies, despite the fact that the CIRP proceedings have not been formally closed and the mandatory compliance under the IBC has not yet been completed. Such



actions amount to interference with the due process under the IBC framework.

- 3.7 The learned counsel emphasized that as per the legal framework under the IBC, where a withdrawal of the CIRP is sought after admission of the application but before the constitution of the Committee of Creditors, such withdrawal must be initiated through the Interim Resolution Professional by filing an appropriate application before this Hon'ble Tribunal. It is only upon such application that this Hon'ble Tribunal may exercise its discretion to allow or reject the withdrawal, after considering all relevant facts and circumstances.
- 3.8 It was submitted that the Corporate Debtor is attempting to circumvent this mandatory process and is misleading this Hon'ble Tribunal by attempting to have the matter disposed of prematurely, trying to avoid payment of CIRP cost. Such conduct amounts to a clear abuse of the process of law.
- 3.9 The learned counsel submitted that during the hearing of the Writ Petitions before the Hon'ble High Court, the Hon'ble Court, after hearing both parties, suggested that the matter be amicably settled between the parties. The Hon'ble Court further made oral observations indicating that based on the facts and merits of the case, it was not inclined to pass any orders on the issue at that stage.

4. Respondents Submission

- 4..1 It is the Respondents' case that within seven days of initiation, the CIRP proceedings were stayed by the NCLAT, Chennai, by order dated 16.06.2023. Despite being informed immediately through written intimation, the Applicant unduly delayed filing the stay order on the MCA portal until 03.07.2023, causing avoidable operational and reputational prejudice to the Corporate Debtor.



- 4.2 During pendency of the NCLAT appeal, the Corporate Debtor negotiated an OTS with the Financial Creditor. By 31.08.2024, all outstanding dues stood paid and discharged under the OTS, and the NCLAT, by order dated 03.10.2024, disposed of the appeal and closed the CIRP proceedings.
- 4.3 After settlement, the Corporate Debtor made multiple representations requesting the Applicant to file Form INC-28 to record cessation of the IRP's role and remove the CIRP status from MCA records. The IRP's persistent refusal to comply compelled the Corporate Debtor to secure writ orders from the Karnataka High Court on 10.07.2025 directing the Applicant to file Form INC-28 forthwith.
- 4.4 The Respondents contend that no fees or costs accrue to the IRP during the period of stay, since Section 5(13) of the IBC read with Regulation 33 of the CIRP Regulations restricts CIRP costs and IRP fees to the subsistence of a valid, active CIRP. The IRP's claim for monthly fees post-stay is thus untenable and amounts to unjust enrichment.
- 4.5 Further, no CoC was ever constituted prior to or during the stay, and under Regulations 33 and 34 of the CIRP Regulations, any fees beyond appointment require CoC approval. In the absence of a CoC, the IRP lacks authority to unilaterally demand fees or expenses.
- 4.6 All dues having been discharged under the OTS and the CIRP formally closed by the NCLAT's order dated 03.10.2024, no liability survives in favour of the IRP. Moreover, legal expenses incurred by the IRP in defending personal writ petitions do not constitute CIRP costs and cannot be imposed on the Corporate Debtor.
- 4.7 The IRP's withholding of statutory compliance, namely, refusal to file Form INC-28 amounts to coercion and abuse of process, causing irreparable prejudice to the Corporate Debtor's statutory



filings, credit rating, vendor relationships and overall operations. Post the NCLAT and High Court orders, the IRP's authority ceased, and insistence on fees beyond the stay and settlement period is ultra vires the IBC.

- 4.8 In view of the above, the Respondents pray that the application be dismissed with costs; that it be declared that the Applicant is not entitled to any fees or costs for the period of stay or post-settlement; and that the Applicant be directed to forthwith file Form INC-28 and update the MCA portal.

5. **Rejoinder by Applicant**

5.1 The Respondents' contention that the IRP is not entitled to fees after the NCLAT stay of 16.06.2023 is misconceived. Section 5(13) of the IBC defines "CIRP costs" to include all fees and expenses incurred by the IRP in discharging statutory duties. Regulation 33 of the CIRP Regulations imposes liability for IRP expenses on the initiating creditor until constitution of the CoC, and where the CoC is not formed, that obligation remains on the Corporate Debtor post-settlement.

5.2 The submission that absence of a CoC disentitles the Applicant to fees is legally flawed. Regulation 33 expressly contemplates scenarios without a CoC and assigns expense liability to the initiating creditor in this case, the Corporate Debtor after settlement. The IRP diligently performed duties filing status reports, updating IBBI and MCA, and complying with NCLAT orders and such work cannot remain unpaid solely due to non-constitution of the CoC.

5.3 The Respondents' argument that the OTS and NCLAT order of 03.10.2024 extinguished liability for CIRP costs ignores the statutory mandate under Section 12A of the IBC. Withdrawal of CIRP requires full payment of CIRP costs before closure; settlement of financial dues between parties does not vitiate the



IRP's statutory entitlement to fees for work performed until formal withdrawal.

- 5.4 The challenge to recovery of legal expenses incurred in defending writ petitions is equally untenable. Those petitions arose from Respondents' non-cooperation and attempts to circumvent statutory compliance. The Applicant was compelled to engage counsel to protect her statutory role, and such costs are recoverable as part of CIRP costs under Section 5(13).
- 5.5 The allegation that seeking compliance with Form INC-28 amounts to coercion is baseless. Regulatory compliance under Regulation 30A and Section 12A can only follow payment of CIRP costs. The Applicant's insistence on proper procedure is a legitimate enforcement of statutory obligations, not an abuse of process.
- 5.6 Finally, the assertion that the Applicant's authority ceased post-settlement is incorrect. The IRP's authority endures until the Company Petition is withdrawn through a Section 12A application. All directions of the NCLAT and High Court have been complied with, and the Respondents' objections are an attempt to evade liability for duly incurred CIRP costs.

6. **ANALYSIS:**

We have heard the Learned Counsels for the Applicant RP and the Respondent no2. The following Undisputed facts need to be noted.

- a. The Company M/S Mindlogicx Infratec Limited was admitted to CIRP on **09.06.23** in CP(IB) no 126/BB/2022. The Applicant was appointed as the Interim Resolution Professional and the Finance Creditor was directed to deposit a sum of Rs 2,00,000/- with the IRP.

Immediately there-after an appeal and a Stay application were filed before the Hon'ble NCLAT by the Corporate Debtor. By the



Order dated **16.06.23**, The Hon'ble NCLAT stayed the Operation of the Admission Order dated 09.06.23. This was intimated to the IRP by the Company on 16.06.23.

- c. During the pendency of the Appeal before the Hon'ble NCLAT and the Stay granted, the Parties arrived at a settlement and on that basis the Appeal was disposed by the Hon'ble NCLAT on **03.10.2024 closing the Appeal and ordering that the Impugned Order would stand modified to that extent.**
- d. The Corporate Debtor made requests to the IRP and the Respondent 1 to file Form INC-28. As this was not done, a Writ Petition was filed before the Hon'ble Karnataka High Court.
- e. Since the fee is not paid, Form FA is not filed by the IRP.
- f. The IRP has filed this IA on **24.07.25** seeking payment of **Rs 10,67,923/-** as fee and Costs.

This factual position coupled with the submissions made by the Applicant leads us to the following two issues to be answered.

1. During the Period covered by the Stay granted on the CIRP proceedings by either NCLAT or a Judicial forum whether the IRP/RP is entitled to any fees and proposed expenses?
2. In a case where the CIRP proceedings are ordered to be closed due to Settlement between the parties, by NCLAT or a Judicial forum, Whether the same amounts to Withdrawal of Application by the Finance Creditor necessitating filing of Form FA.?

7. DECISION:

7.1 When a Stay is granted on the CIRP proceedings by NCLAT or a Judicial forum, the IRP or RP is not permitted by law to take any steps whatsoever in furtherance of the CIRP proceedings. When no action is taken then the corollary is that no fees is payable.

It is undisputed that in the present case, the CIRP proceedings Stayed by the Hon'ble NCLAT and no Committee of Creditors has been constituted by the IRP.



In the light of this Factual position, **this Authority is of the considered view that during the period covered by the stay granted by the Hon'ble NCLAT, the IRP is not entitled for any fee or expenses as no Work relating to CIRP could be said to be done in the face the Stay granted.**

7.2. Once the CIRP is closed by the Hon'ble NCLAT on 03.10.24, the role of the IRP has come to an end and **no payment can be made for the period after 03.10.24.**

7.3 This leaves the period of One Week from 09.06.23 to 16.06.23

During this period, the IRP appears to have issued a public announcement, which was published in two newspapers on 14.06.23. Taking this into account, **this authority is of the Considered Opinion that an amount of Rs 1,50,000/- including applicable GST Will be reasonable.**

The Corporate Debtor is directed to pay this amount within a period of Two weeks from the date of this Order.

In View of this Discussion, **the Application in IA no 586/2025 is partly allowed.**

7.4 In terms of the Order of the Hon'ble NCLAT, the issue was closed and the Order of Adjudicating Authority was modified. This implies that the CIRP proceedings are considered to be Closed and on account of stay granted by the NCLAT on the CIRP proceedings no Committee of Creditors was constituted.

This situation does not amount to withdrawal of CIRP application and Consequently, filing of Form FA is not considered necessary.

As a Corollary, the IRP stands discharged.

-Sd-

**(ADHAKRISHNA SREEPADA)
MEMBER (TECHNICAL)**

-Sd-

**(SUNIL KUMAR AGGARWAL)
MEMBER (JUDICIAL)**



CP(IB) 126/BB/2022 IA 586/2025

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Deputy Assistant Registrar/Court Officer
National Company Law Tribunal
Bangalore Bench