

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1574 of 2025
& I.A. No. 6190, 6192 of 2025

IN THE MATTER OF:

**Kannan Tiruvengadam,
Liquidator of JAS Infrastructure and Power Ltd.**

...Appellant

Versus

Assets Care & Reconstruction Enterprise Ltd. & Ors. ...Respondents

Present:

For Appellant : Mr. Rishabh Banerjee, Advocate.

For Respondents :

ORDER (Hybrid Mode)

15.10.2025: **I.A. No. 6192 of 2025:** This is an application praying for condonation of 9 days' delay in filing the appeal. We find sufficient cause shown in the application for condonation of delay. Delay condoned. I.A. No.6192 of 2025 is disposed of.

2. **I.A. No. 6190 of 2025:** This is an application praying for condonation of delay of 36 days. Learned counsel for the Appellant submits that after defect list was issued on 03.09.2025, counsel started collating the documents for refiling. Appeal being voluminous in nature the documents required to be collated and shared. We find sufficient cause shown in the application for condonation of delay. Refiling delay is condoned. I.A. No.6190 of 2025 is disposed of.

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3. This appeal has been filed by the Appellant – the Liquidator challenging the order dated 04.07.2025 by which I.A. No. 155/GB/2024 filed by the Liquidator for payment of fee of Rs.2.5 Lakhs per month with other prayers has been rejected. The Adjudicating Authority by the impugned order has rejected the application, aggrieved by which order this appeal has been filed.

4. Shri Rishabh Banerjee, learned counsel for the Liquidator submits that the Liquidator submitted a proposal for payment of fee was placed before the Stakeholders' Consultation Committee (SCC), which was not approved. He further submitted that assets of the Corporate Debtor were attached by the Directorate of Enforcement prior to commencement of CIRP and Appellant has taken steps for revocation of attachment, hence, he is entitled for payment of fee. He has referred to Regulation 4 of IBBI (Liquidation Process) Regulations, 2016.

5. We have considered the submissions of learned counsel for the Appellant and perused the record.

6. Admittedly, the fee of the Liquidator has not been approved by the SCC or the CoC. The case of the Appellant at best falls under Regulation 4 Sub-regulation (2) (b), which is as follows:

“4(2) In cases other than those covered under sub-regulation (1) [and (1A)], the liquidator shall be entitled to a fee-

(b) 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 realized / 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	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

[Clarification: For the purposes of clause (b), it is hereby clarified that where a liquidator realises any amount, but does not distribute the same, he shall be entitled to a fee corresponding to the amount realised by him. Where a liquidator distributes any amount, which is not realised by him, he shall be entitled to a fee corresponding to the amount distributed by him.]

7. The fact is not disputed that the Appellant could not realize any assets nor could distribute any assets to the stakeholders. The fee entitlement as per Regulation 4 Sub-regulation (2) (b) is on the percentage of the amount

realised or distributed net of other liquidation costs. When the Appellant has not realised any assets not distributed any assets, we fail to see as to how any error has been committed by the Adjudicating Authority in rejecting such prayer of the Appellant. The Adjudicating Authority in the impugned order after noticing the facts of the matter and submissions of the parties has rightly come to the conclusion and rejected the prayers of the Appellant.

8. Learned counsel for the Appellant has lastly contended that the CoC has fixed the fee for Liquidator who was recommended by the CoC but the Adjudicating Authority had rejected the recommendation of the CoC and appointed the Appellant, thus, he was entitled for the fee.

9. In Para 14 of the impugned order the Adjudicating Authority has made following observations:

“14. In the present case, since the CoC did not fix the Liquidator's remuneration at the time of recommending liquidation under Section 33 of the Code, as envisaged under Regulation 39D of the CIRP Regulations, and further, the SCC also failed to fix the fee in its first meeting as required under Regulation 4(1A) of the Liquidation Regulations, the Liquidator shall be entitled to remuneration strictly in terms of Regulation 4(2) of the Liquidation Regulations. Accordingly, the Liquidator's fee shall be calculated only as a percentage of the amount realised (net of other liquidation costs) and distributed during the liquidation process, and not by way of a fixed monthly fee.”

10. The finding of the Adjudicating Authority that the CoC did not fix the present Liquidator's remuneration at the time of recommending liquidation, is not disputed fact. The SCC admittedly did not fix the fee of the Liquidator. We, thus, are of the view that on the said submission, the Appellant could not claim that his application for fixation of fee of Rs.2.5 Lakhs per month ought to have been allowed. We do not find any merit in the Appeal. Appeal is dismissed.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

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