

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
05-05-2026 AT 01:00 P.M.**

**CP(IB) No. 155/9/HDB/2021
AND
IA (IBC) 1986/2024 in CP(IB) No. 155/9/HDB/2021
u/s. 9 of IBC, 2016**

IN THE MATTER OF:

Jai Corp Ltd

...Operational Creditor

AND

G S Oils Pvt Ltd

...Corporate Debtor

C O R A M:-

**SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

ORDER

IA (IBC) 1986/2024

Present: Mr. Y Suryanarayana, Learned Counsel for the Liquidator.
Mr. GP Yash Varshan Learned Counsel for the SCC.

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – I, HYDERABAD

IA (IBC) No. 1986 of 2024

In

CP (IB) No. 155/9/HDB/ 2021

*(Under Section 35(1)(n) R/w Section 60 (5) (c) of Insolvency and Bankruptcy
Code, 2016)*

In the matter of M/s. G S OILS Limited.

Between:

Mr. Gonugunta Murali

Liquidator for M/s GS Oils Ltd

MSKM Group, 11th Floor, 1209,

Vasavi MPM Grand, Ameerpet,

Hyderabad-500038.

...Applicant

Versus

Stakeholders Consultation Committee of M/s GS Oils Ltd

Lead by State Bank of India

Gunfoundry Branch, Hyderabad.

... Respondent

Date of Order: 05.05.2026

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsels:

For Applicant : Mr. Y. Suryanarayana, Advocate
For Respondent : Mr. G.P. Yash Varshan, Advocate, And
Mr. Vikram Pooserla, Senior Advocate

1. The present application is filed by Mr. Gonugunta Murali¹, Liquidator for M/s GS Oils Ltd² under Section 35(1)(n) read with Section 60(5)(c) of the Insolvency and Bankruptcy Code³, 2016, against the Stakeholders Consultation Committee Led by State Bank of India⁴, *inter alia*, seeking relief to direct the Respondent i.e. State Bank of India to exclude the time period from the date of the commencement of liquidation i.e., from 12.09.2022 till final order passed by this bench on removal of ED Attachment against the company and properties dated 10.07.2024 in computing the fee of the Liquidator.

Case of the Applicant:

2. It is submitted that this Tribunal vide order dated 21.12.2021 admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and appointed Mr. Gonugunta Murali as the Interim Resolution Professional. Thereafter, the Committee of Creditors (CoC) was constituted and in its first meeting held on 27.01.2022, the said Interim Resolution Professional was confirmed as the Resolution Professional.
3. It is submitted that since no Resolution Plan was received during CIRP, the Resolution Professional filed IA No.619 of 2022 seeking liquidation of the Corporate Debtor, and this Tribunal vide order dated

¹ Applicant

² Corporate debtor

³ IBC

⁴ Respondent

12.09.2022 ordered liquidation and appointed the Applicant herein as the Liquidator.

4. It is further submitted that during CIRP, the Applicant filed IA (IBC) No.70 of 2022 under Section 19(2) of the IBC seeking cooperation from the erstwhile management and suspended directors and the same was allowed on 07.02.2022. However, despite directions of this Tribunal, the erstwhile management failed to provide the requisite information and documents pertaining to the Corporate Debtor.
5. Consequently, the Applicant filed Contempt Application in IA (IBC) No.422 of 2022, which was dismissed on 23.09.2024 with liberty to approach the concerned CBI authorities or the concerned Court for certified copies of the records.
6. It is submitted that the Applicant had requested the committee of Creditors (CoC) to furnish the list of assets standing in the name of the Corporate Debtor and only the State Bank of India had provided the details of such assets available with it.
7. It is submitted that pursuant to investigation in ECIR No. ECIR/HYZO/04/2016, the Directorate of Enforcement issued Provisional Attachment Order No.09/2022 dated 25.03.2022, whereby a large number of assets of the Corporate Debtor were attached during the CIRP period. The said attachment order was subsequently confirmed by the Hon'ble Adjudicating Authority under PMLA, New Delhi vide Confirmation Order dated 16.09.2022 in Original Complaint No.1713 of 2022, during the liquidation period.
8. Aggrieved by the said attachment, the Applicant filed IA No.960 of 2023 before this Adjudicating Authority seeking declaration that the Provisional Attachment Order dated 25.03.2022 and the confirmation order dated 16.09.2022 passed by the Adjudicating Authority (PMLA), to the extent of the assets of the Corporate Debtor attached by the Enforcement Directorate (ED), were void ab initio, non-est, illegal,

arbitrary and violative of Section 14 of the IBC. This Adjudicating Authority vide order dated 10.07.2024 allowed the said application and held as follows:

“Therefore, in the light of our discussions as above and the case law the order of attachment of properties of the Corporate Debtor, ED Case No.9 of 2022 dated 25.03.2022 and 16.09.2022, are held to be non-est in so far as the present proceedings are concerned and as such the same should be made available for the purpose of Liquidation of the Corporate Debtor.”

9. It is submitted that due to the prohibitory orders issued by the Enforcement Directorate, the Liquidator could not effectively proceed with sale of the Corporate Debtor as a going concern and no bids were received in the first six sale notices issued by the Liquidator. The Liquidator had taken all necessary steps including obtaining legal opinion regarding issuance of sale notice during subsistence of ED attachment, filing counters before the Hon'ble PMLA Court, New Delhi, and prosecuting necessary applications before this Adjudicating Authority for removal of the ED attachment over the assets of the Corporate Debtor.
10. It is submitted that in order to maximise the value of the Corporate Debtor and acting upon the recommendations of the Stakeholders Consultation Committee, the Liquidator maintained the reserve price over consecutive auctions. The first e-auction sale notice was issued with reserve price of Rs.30 Crores; second and third e-auction notices with reserve price of Rs.25 Crores; fourth e-auction notice with reserve price of Rs.22.5 Crores; and fifth and sixth e-auction notices with reserve price of Rs.20.25 Crores. However, despite repeated attempts, the sale could not materialise due to the subsisting ED attachment and the consequential uncertainty attached to the assets.

11. It is submitted that even the Stakeholders' Consultation Committee (SCC) members, particularly the officials of State Bank of India, did not permit the issuance of the next sale notice in the 11th SCC meeting held on 29.05.2024 and requested deferment of the agenda till 02.07.2024 on account of the pending hearing before the Hon'ble PMLA Court, Delhi. It is only after this Adjudicating Authority passed the order dated 10.07.2024 declaring the ED attachment as non-est that the Liquidator could proceed effectively.
12. Thereafter, the Liquidator issued the 7th e-auction sale notice on 30.07.2024 and the date of e-auction was fixed on 02.09.2024. One bid was received for sale of the company as a going concern basis from M/s Sampath Vinayak Steels Pvt. Ltd., which participated in the e-auction and submitted its bid for Rs.20,25,00,000/-. The Applicant declared the bidder as successful bidder and issued Letter of Intent dated 02.09.2024. The successful bidder paid an amount of Rs.6,58,12,500/-, comprising EMD of Rs.2,02,50,000/- on 29.08.2024 and Rs.4,55,62,500/- on 13.09.2024, thereby establishing that the sale could be successfully concluded only after removal of the ED attachment.
13. It is submitted that the SCC Members had agreed to pay the Liquidator's fee in terms of Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, which is based on percentage of amount realised and distributed. As per the said Regulation, if the assets are sold during the first six months of liquidation, the Liquidator would be entitled to substantially higher fee. However, due to the prohibitory orders issued by the Enforcement Directorate, the Liquidator was prevented from effecting sale during the initial liquidation period and could complete the sale only after the orders of attachment were declared non-est by this Adjudicating Authority.
14. It is submitted that the date of liquidation commencement is 12.09.2022 and till date the Liquidator has been working without any

monthly remuneration and has been attending proceedings before various fora including this Adjudicating Authority and the Hon'ble PMLA Court, New Delhi. It is therefore contended that the delay in completion of liquidation was not attributable to the Liquidator, but solely on account of the unlawful attachment orders passed by the Enforcement Directorate.

15. It is submitted that in the 15th SCC Meeting, the Liquidator requested the SCC members to exclude the period from the commencement of liquidation i.e., 12.09.2022 till the final order passed by this Adjudicating Authority dated 10.07.2024 removing the ED attachment, for the purpose of calculating the Liquidator's fee. The Liquidator specifically informed the SCC that the delay in sale was directly caused by the prohibitory orders and that the sale was successful concluded only after the order dated 10.07.2024.
16. It is submitted that after detailed deliberations, the SCC members requested the Liquidator to place the agenda for e-voting. In the said e-voting, six members namely SBM, ICICI Bank, IDBI Bank, Jai Corp Limited, Assistant Commissioner of Income Tax and Assistant Commissioner of State Tax approved the proposal for exclusion of time period, whereas State Bank of India alone voted against the same. The proposal stood approved by members holding 43.87% voting rights, while SBI holding 52.42% voting rights voted against exclusion. Thus, except SBI, all participating SCC members supported exclusion of the said period.
17. It is therefore submitted that since the delay in liquidation and failure of six auctions were solely attributable to the attachment orders passed by the Enforcement Directorate, which were subsequently declared void ab initio and non-est by this Adjudicating Authority, the period from 12.09.2022 till 10.07.2024 deserves to be excluded for the purpose of computation of the Liquidator's fee, failing which grave prejudice would be caused to the Liquidator who had diligently

pursued the liquidation process and ultimately succeeded in sale of the Corporate Debtor as a going concern.

Case of the Respondent:

18. It is submitted that after admission of the Corporate Debtor into CIRP, the Applicant was appointed as IRP and later confirmed as RP. Since no Resolution Plan was received, the CoC in its 5th meeting held on 20.05.2022 resolved to liquidate the Corporate Debtor and also approved the Applicant as Liquidator, with his fees to be governed by Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016.
19. It is submitted that the Applicant was fully aware of the ED attachment over the assets of the Corporate Debtor even during CIRP and despite such knowledge, accepted appointment as Liquidator and agreed to continue the liquidation process. The Respondent contends that having accepted the assignment with full knowledge of the attachment and the status of the assets, the Applicant cannot now seek exclusion of liquidation period solely for enhancement of his fees.
20. It is submitted that the Applicant himself filed IA No.960 of 2023 challenging the ED attachment orders dated 25.03.2022 and 16.09.2022 as void ab initio and non-est. This Tribunal, by interim order dated 31.07.2023, permitted the Liquidator to proceed with sale of the assets forming part of the liquidation estate, subject to disclosure of the subsisting ED attachment.
21. It is submitted that thereafter this Tribunal vide final order dated 10.07.2024 in IA No.960 of 2023 declared the attachment orders dated 25.03.2022 and 16.09.2022 as non-est and directed that the assets be made available for liquidation of the Corporate Debtor. However, according to the Respondent, the said order cannot be construed as a ground for exclusion of liquidation period merely for the purpose of calculation of Liquidator's fees.

22. It is submitted that in the 2nd SCC meeting held on 01.02.2023, the Applicant and SCC discussed filing of necessary application before this Tribunal for removal of ED attachment after reconciliation of the list of assets from SCC members and ED attachment order due to lack of support from suspended directors. Thereafter, in the 4th SCC meeting held on 08.06.2023, the Applicant informed the SCC regarding filing of application for removal of ED attachment and in the 5th SCC meeting held on 11.08.2023, the Applicant informed that this Tribunal had permitted continuation of sale process by public sale subject to disclosure of attachment.
23. It is submitted that the secured creditors had relinquished their security interest to the liquidation estate on 05.01.2023 and therefore the Liquidator was under statutory obligation under Section 35 of the IBC to take custody and control of all assets and complete liquidation within one year from the liquidation commencement date. According to the Respondent, inability to complete liquidation within the stipulated period cannot be attributed solely to the ED attachment.
24. It is submitted that in the 10th SCC meeting held on 24.04.2024, the Applicant expressed his intention to resign as Liquidator due to personal reasons and requested the SCC to propose a new Liquidator. Thereafter, in the 11th SCC meeting, the Applicant sought replacement of himself as Liquidator and also requested reasonable monthly fees, which was discussed by the SCC and deferred. In the 12th SCC meeting, the Applicant was specifically informed that Liquidator's fee had already been approved by the CoC as per the agreed table and would be paid on realisation and distribution, and he was advised to maximise value and realise the same at the earliest.
25. It is submitted that in the 13th SCC meeting, the proposal for replacement of the Liquidator as well as payment of remuneration of Rs.2 lakhs per month from liquidation commencement till handing

over to new Liquidator was put to vote and both proposals were not approved by the SCC members.

26. It is submitted that in the 15th SCC meeting held on 13.09.2024, the Applicant informed that the 7th e-auction had become successful and M/s Sampath Vinayak Steels Pvt. Ltd. had emerged as successful bidder at reserve price of Rs.20.25 Crores. Thereafter, the Applicant sought approval for exclusion of liquidation period till removal of ED attachment for the purpose of Liquidator's fee. The Respondent specifically opposed the same on the ground that State Bank of India had submitted claims of Rs.783,49,55,842.90 and being the major contributor towards liquidation expenses and the largest stakeholder, substantial portion of Liquidator's fee would ultimately be paid from amounts payable to SBI.
27. It is further submitted that the Applicant maintained the same reserve price over multiple auctions and sought exclusion only for the purpose of claiming higher fees. The Respondent contends that public money must be protected and maximum realisation from the assets of the Corporate Debtor must be ensured, and therefore such exclusion merely to enhance Liquidator's remuneration is not justified.
28. It is submitted that the Applicant, having served as Resolution Professional during CIRP and thereafter as Liquidator, was fully conscious of the ED attachment and the status of the assets. If the Applicant was of the view that liquidation could not be completed within the statutory period due to attachment, he ought not to have accepted the assignment. Having voluntarily continued, he cannot now seek exclusion of liquidation period only after successful sale of the Corporate Debtor.
29. It is submitted that grant of exclusion of time from liquidation period is primarily intended for completion of liquidation and maximisation of value for stakeholders and not for enhancement of Liquidator's

personal fees. Since the Corporate Debtor has already been sold as a going concern and the Liquidator is entitled to receive fees as per Regulation 4 of the Liquidation Process Regulations on realisation and distribution, there is no issue with respect to Liquidator's fees.

30. It is therefore submitted that the Applicant is not entitled to seek exclusion of liquidation period solely for the purpose of claiming enhanced fees in view of the ED attachment, particularly when he had full knowledge of such attachment from the CIRP stage itself and had accepted the role of Liquidator with such understanding. Hence, the present Application deserves to be dismissed.

Findings and Decision:

31. We have heard the learned Counsel for the Applicant, Mr. Y. Suryanarayana, Advocate, and the learned Senior Counsel for the Respondent, Mr. Vikram Pooserla along with Mr. G.P. Yash Varshan, Advocate, and perused the material available on record.
32. Before advertng to the merits of the present Application, it is pertinent to note the brief background of the case. This Tribunal vide order dated 21.12.2021 admitted the Corporate Debtor into CIRP and appointed the Applicant herein as Interim Resolution Professional, who was subsequently confirmed as Resolution Professional in the 1st CoC meeting held on 27.01.2022.
33. Since no Resolution Plan was received, the CoC in its 5th meeting held on 20.05.2022 resolved to liquidate the Corporate Debtor and also approved the Applicant as Liquidator, with his fees to be governed by Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016. Thereafter, this Tribunal vide order dated 12.09.2022 initiated liquidation proceedings of the Corporate Debtor and appointed the Applicant herein as Liquidator.

34. Admittedly, after initiation of liquidation, the Enforcement Directorate issued Provisional Attachment Order dated 25.03.2022 attaching the assets of the Corporate Debtor, which was subsequently confirmed by the Adjudicating Authority under PMLA vide order dated 16.09.2022.
35. The Applicant filed IA No.960 of 2023 seeking declaration that the attachment orders dated 25.03.2022 and 16.09.2022 passed by the Enforcement Directorate and confirmed by the Adjudicating Authority under PMLA were void ab initio, non-est and illegal insofar as the liquidation estate of the Corporate Debtor was concerned.
36. Pending adjudication of the said Application, this Tribunal vide interim order dated 31.07.2023 permitted the Liquidator to proceed with public sale of the assets forming part of the liquidation estate, subject to disclosure of the subsisting ED attachment.
37. Thereafter, the Applicant filed IA No.1467 of 2023 on 01.09.2023 seeking exclusion of 322 days from the liquidation commencement date i.e., from 12.09.2022 till 31.07.2023, being the period during which liquidation could not effectively proceed due to the ED attachment. This Tribunal, considering that the delay was caused due to the ED attachment and the Liquidator could not proceed with sale during the said period, vide order dated 25.09.2023 excluded 322 days from the liquidation period and directed the Liquidator to proceed further and complete the liquidation expeditiously.
38. The Applicant submits that even thereafter six e-auction notices were issued, but no successful sale could materialise as the subsisting ED attachment continued to create uncertainty over the assets. It is stated that only after this Tribunal vide final order dated 10.07.2024 in IA No.960 of 2023 held that the attachment orders dated 25.03.2022 and 16.09.2022 were non-est and directed that the assets be made available for liquidation, the 7th e-auction notice dated 30.07.2024

culminated in successful sale of the Corporate Debtor as a going concern.

39. The Applicant therefore contends that due to the ED attachment the sale could not be concluded earlier and since the delay was caused by circumstances beyond the control of the Liquidator. Hence, the present Application was filed on 01.10.2024 seeking exclusion of the period from 12.09.2022, being the liquidation commencement date, till 10.07.2024, being the date of final order removing the ED attachment, for computation of the Liquidator's fee.
40. On perusal of the record, we observed that the Applicant filed IA No.849 of 2025 seeking amendment of the prayer in the present Application by restricting the exclusion period from 31.07.2023 till 10.07.2024, contending that the earlier period from 12.09.2022 till 31.07.2023 already stood excluded in IA No.1467 of 2023 and the original prayer was made due to inadvertence. This Tribunal initially allowed the said amendment.
41. However, the Respondent brought to the notice of this Tribunal that the order allowing IA No.849 of 2025 was challenged before the Hon'ble NCLAT, Chennai in Company Appeal (AT) (CH) (Ins.) No.518 of 2025. The Hon'ble NCLAT vide order dated 03.12.2025 set aside the said order holding that the amendment sought under Rule 155 of the NCLT Rules, 2016 was beyond the prescribed period and no finding of exceptional circumstances was recorded for granting such amendment. Accordingly, IA No.849 of 2025 was rejected, while leaving it open to this Tribunal to decide the present IA No.1986 of 2024 on its own merits.
42. Coming to the merits of the present case, this Tribunal vide order dated 25.09.2023 in IA No.1467 of 2023 had already excluded 322 days. As no material or submissions have been placed before us to show that the same was challenged before any appellate forum, we deem the said order to

have attained finality and we are restraining ourselves from reviewing our own order in respect of the exclusion of the said period.

43. In view of the above, the point that arises for consideration is whether the Applicant is entitled to further exclusion of the period from 31.07.2023 till 10.07.2024 for the purpose of computation of the Liquidator's fee.
44. The Applicant contends that despite repeated efforts and six unsuccessful auctions, the sale could not be completed solely due to the subsisting ED attachment and only after the final order dated 10.07.2024 declaring the attachment as non-est, the 7th e-auction became successful. It is therefore contended that the delay was caused by circumstances beyond the control of the Liquidator and the said period deserves exclusion. In support of the said contention, reliance is placed on the judgment of Hon'ble NCLAT in **SIDBI v. Shri Vijender Sharma CA (AT) (INS) 1027/2021**.
45. Per contra, the Respondent contends that the Applicant was fully aware of the ED attachment even during CIRP and despite such knowledge accepted appointment as Liquidator. It is further contended that the CoC had already approved the Liquidator's fee strictly in accordance with Regulation 4 of the Liquidation Process Regulations and the Applicant cannot seek exclusion merely for enhancement of remuneration after successful sale of the Corporate Debtor.
46. It is clear that initially the attachment by the Enforcement Directorate created impossibility for the Liquidator to proceed with effective sale of the assets of the Corporate Debtor. Recognising such impediment, this Tribunal vide interim order dated 31.07.2023 permitted the Liquidator to proceed with public sale by specifically disclosing the ED attachment, and thereafter vide order dated 25.09.2023 in IA No.1467 of 2023 excluded 322 days from the liquidation process.

47. Once this Tribunal permitted the auction process by order dated 31.07.2023, the impossibility substantially stood removed. Moreover, taking custody of assets, protecting the liquidation estate, defending litigations, removal of attachments, conducting auctions, sale of assets and distribution of proceeds are all statutory duties of the Liquidator under Section 35 of the IBC.
48. In this regard, we usefully refer to the judgment of the Hon'ble NCLAT in ***Adv. (CA) V. Venkata Sivakumar (Liquidator) v. UCO Bank Ltd., Company Appeal (AT) (CH) (Ins.) No.352 of 2023, (2025) ibclaw.in 917 NCLAT***, wherein it was held that sale of assets of the Corporate Debtor is one of the statutory duties of the Liquidator under Section 35(1)(f) of the IBC and it naturally follows that he has to remove the roadblocks in the process of such sale. It was further held that the acts such as lifting of attachment, taking control of the property, conducting sale and realizing value of the assets are all part of the ordinary functions of the Liquidator and cannot be treated as extraordinary work so as to claim exclusion. The relevant para is extracted below:

“11. It can be clearly seen that as per Section 35(1)(f), sale of assets of the CD is one of the duties of the liquidator. Therefore, it naturally follows that he has to remove the road blocks on the path to such process. All the acts which the liquidator has claimed to have done will come under the ambit of the processes undertaken to sell the asset of the CD and to realise its value. Further, the litigations he engaged in such as lifting of the attachment of income tax department, and taking control of the property were before NCLT only. He has not produced any evidence as to when he applied for such reliefs and when they were granted by NCLT. So, it cannot be said that these litigations hindered his performance. Therefore, there is no ground to differ with the view of NCLT that the steps taken by the Liquidator are routine in nature and nothing out of ordinary while realising the assets in the liquidation estate.”

49. In the present case, after the interim order dated 31.07.2023, the Liquidator was permitted to continue the sale process. As held by the Hon'ble NCLAT in ***Adv. (CA) V. Venkata Sivakumar (Liquidator) v. UCO Bank Ltd. (supra)***, sale of assets of the Corporate Debtor is one of the statutory duties of the Liquidator under Section 35(1)(f) of the

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IBC, and acts such as removal of attachment, taking control of property, conducting litigation and making the assets saleable are part of his routine functions and cannot be treated as extraordinary circumstances.

50. In view of the above, further exclusion of the period from 31.07.2023 till 10.07.2024 cannot be sustained.
51. Accordingly, we are of the considered view that the period from 12.09.2022 till 31.07.2023 already stood excluded by this Tribunal vide order dated 25.09.2023 in IA No.1467 of 2023, and for the period from 31.07.2023 till 10.07.2024, the Applicant is not entitled to further exclusion of time.

Accordingly, the present Application is dismissed and disposed of.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)