

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. 1
KOLKATA**

I.A. No. 69/KB/2026
IN
C.P. (IB) No. 1377/KB/2020

*An Application under Section 60(5) of the Insolvency and Bankruptcy Code,
2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016*

IN THE MATTER OF:

UCO BANK

... FINANCIAL CREDITOR

VERSUS

NANDINI IMPEX PRIVATE LIMITED

...CORPORATE DEBTOR

AND

IN THE MATTER OF:

PRATEEK S JAIN & ASSOCIATES

...APPLICANT

VERSUS

PRATIM BAYAL AND ANR.

...RESPONDENTS

Date of pronouncement: 12.06.2026

CORAM:

**SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)
CMDE SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)**

APPEARANCE:

For the Applicant:

Ms. Zeeba Khan, Adv.

For the RP:

Mr. Rishav Banerjee, Adv.

Mr. Saurav Jain, Adv.

Mr. Pratim Bayal, RP

ORDER

Per: Cmde Siddharth Mishra, Member (Technical)

1. The instant Application being **I.A. (IB) No. 69/KB/2026** has been filed by Mr. Prateek Jain (hereinafter referred to as the **Applicant**) against Mr.

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Pritam Bayal, (hereinafter referred to as the **Respondent No. 1**) the current Resolution Professional of the Corporate Debtor and Mr. Shantanu Bhattacharjee (hereinafter referred to as **Respondent No. 2**), the erstwhile Resolution Professional of the Corporate Debtor, seeking the following reliefs:

- a. To declare and hold that the Professional Services rendered by the Applicant during the Corporate Insolvency Resolution Process constitute "Insolvency Resolution Process Costs / CIRP Costs" to consequently direct the Respondents to pay the outstanding amount of Rs. 6,48,000/-;*
- b. The Respondents be directed to forthwith pay a sum of Rs. 6,48,000/- to the Applicant in priority, in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 towards the pending Professional fees for the Services rendered during the CIRP of the Corporate Debtor along with interest @ 12% per annum.*
- c. Any other and/or further relief and/or reliefs as deem fit and proper by this Hon'ble Tribunal.*

2. Factual Matrix:

2.1 This Tribunal had initiated Corporate Insolvency Resolution Process (hereinafter referred to as CIRP) against the Corporate Debtor on 20.09.2022 and appointed Mr. Shantanu Bhattacharjee as the Interim Resolution Professional who was thereafter confirmed as the Resolution Professional (hereinafter referred to as RP) by the CoC Members. Later, Mr. Pratim Bayal replaced Mr. Shantanu Bhattacharjee as the RP vide order dated 20.02.2025.

2.2 The Applicant had rendered professional services to the Corporate Debtor before and after the initiation of CIRP and the total professional fees

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incurred by the applicant during the period allegedly amounted to Rs. 12,88,000, out of which Rs. 6,40,000 has been paid by the Respondent No. 2.

2.3 Thus, the present Application has been filed seeking directions for payment of Rs. 6,48,000/- to the Applicant.

3. Submissions on behalf of the Applicant:

3.1 It is submitted that the Applicant was engaged as a GST Consultant prior to the commencement of CIRP and continued to render professional services during the CIRP period from September 2022 till September 2024 with the full knowledge, consent and approval of the Resolution Professional. Additionally, the Applicant also aided in providing summaries and compliance data required for statutory filings.

3.2 It is submitted that the fee levied is reasonable, commensurate with the nature and volume of work involved, and in consonance with prevailing professional standards.

3.3 It is further submitted that the Applicant had raised invoices for the work and filings undertaken during the CIRP, which were acknowledged by the erstwhile IRP and partial payments were also made which signals a subsisting professional relationship. The absence of a formal appointment letter does not defeat the Applicant's claim for services rendered under the supervision and for the benefit of the IRP/RP. Further, the RP was duty-bound to place these costs before the CoC for ratification, and the Applicant cannot be prejudiced by the RP's administrative omissions.

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- 3.4** It is stated that the erstwhile RP had communicated with the applicant from time to time for several filings through the official CIRP email id, received the invoices without any demure, never raised any objection to the filings and/or the fees of the applicant and made partial payments to the applicant for the filings done by the applicant. The said acts constitute a de facto approval by the willful conduct of the erstwhile RP which has been done by an implied approval of the committee of creditors. It is pertinent to mention herein that such implied engagement, official communication, partial payment through the designated CIRP account, is an implied contract and is legally binding.
- 3.5** It is contended that the present RP is estopped from raising any objection pertaining to the fees, absence of any contract, absence of CoC approval, as all of the above facts and circumstances show that there is an implied engagement, implied contract, acceptance of fees by making partial payments, implied approval by the committee of creditors and as such at this juncture cannot be objected to.
- 3.6** It is further contended that the successor RP cannot resile from an obligation that has validly incurred by the predecessor RP. The doctrine of estoppel and waiver applies in the present case the RP cannot accept the benefit of a service and deny payment later.
- 4. Reply on Behalf of Respondent No. 1:**
- 4.1** It is contended that upon assuming charge the respondent undertook a detailed assessment of the financial and operational condition of the Corporate Debtor. In the interest of conserving the value of the Corporate Debtor and minimizing the CIRP costs, several corrective measures were initiated, including rationalisation of employee strength, reduction of salary expenditure, and efforts to secure access to the sites.

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- 4.2** It is further contended that the Applicant has deliberately attempted to portray a private, unapproved and inflated fee demand as a "CIRP cost", in complete violation of Section 5(13) of the Insolvency and Bankruptcy Code, 2016, Regulation 33 & 34 of the CIRP Regulations and settled law that only CoC-approved and ratified costs can qualify as CIRP costs.
- 4.3** It is contended the Applicant was never appointed as a professional under the CIRP framework in accordance with the IBC or IBBI Regulations. There exists no appointment letter, no engagement agreement, no approval through CoC resolution, and no engagement through any Insolvency Professional Agency (IPA). In the absence of a lawful appointment, the Applicant cannot retrospectively convert informal assistance into a statutory CIRP cost which is impermissible in law.
- 4.4** It is contended that the fees now claimed are ex facie excessive, arbitrary, and grossly disproportionate. It is an admitted position that the Corporate Debtor had negligible business activity during CIRP, GST compliances involved almost all Nil returns; There was no operational complexity or volume of work.
- 4.5** It is contended that whatever amount was paid by the previous Resolution Professional was paid towards full and final settlement of all services rendered by the Applicant. The Applicant, having accepted such payments without protest at the relevant time, is now estopped from raising an afterthought monetary claim.
- 4.6** It is contended that the erstwhile RP lost confidence in the Applicant's professional efficiency, and consequently ceased to rely upon the

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Applicant and thereafter undertook the filing of GST returns and allied compliances internally through his own office, without engaging the Applicant any further. The said fact clearly establishes that the Applicant's services were neither indispensable nor of such nature as to justify the abnormal fees now being sought to be claimed.

5. The submission and rival contentions have been heard and the documents annexed to the Application have been perused.

6. Analysis and Findings:

- 6.1 The primary issue for consideration before this Tribunal is whether the professional fees claimed by the Applicant for the services rendered in the capacity of a GST Consultant, is within the ambit of Insolvency Resolution Process Costs.

- 6.2 In the present case, the Applicant herein was engaged as a GST Consultant for the Corporate Debtor and had rendered professional services both prior to and subsequent to commencement of CIRP.

- 6.3 The invoices raised by the Applicant coupled with the partial payments made by the erstwhile RP demonstrates a subsisting professional relationship between the Applicant and the Respondents. Further, the email correspondences during June 2023 to January 2025 also evidences the acknowledgement of the services rendered by the Applicant. In such circumstances, it is necessary to examine whether the professional fees claimed by the Applicant falls within the ambit of Insolvency Resolution process Costs under the framework of IBC, 2016.

- 6.4 In this regard, Section 5(13) of the IBC, 2016 which defines Insolvency Resolution process Costs, includes:

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- A. *the amount of any interim finance and the costs incurred in raising such finance;*
- B. *the fees payable to any person acting as a resolution professional;*
- C. *any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern;*
- D. *any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and*
- E. *any other costs as may be specified by the Board;*

The services rendered by the Applicant pertained to GST compliance and were essential for smooth functioning of the business operations of the Corporate Debtor during the CIRP. Thus, the professional services rendered by the Applicant would squarely fall in the ambit of “costs incurred by the resolution professional in running the business of the corporate debtor as a going concern” as contemplated under Section 5(13)(c) of the IBC, 2016.

6.5 It is also pertinent to notice that the Circular No. IBBI/IP/013/2018 dated 12.06.2018 which deals with fee and other expenses incurred for Corporate Insolvency Resolution Process provides as follows:

“Keeping the above in view, the IP is directed to ensure that:-

- (a) the fee payable to him, fee payable to an Insolvency Professional Entity, and fee payable to Registered Valuers and other Professionals, and other expenses incurred by him during the CIRP are reasonable;”*

(emphasis added)

“Further, the IBBI (Insolvency Professionals) Regulations, 2016 also provides that:

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27. An insolvency professional shall disclose all costs towards the insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as applicable, to all relevant stakeholders, and must endeavour to ensure that such costs are not unreasonable.”

(emphasis added)

6.6 A conjoint reading of the Circular and the Regulation 27 of the IBBI (Insolvency Professionals) Regulations, 2016 indicates that there exists a statutory duty upon the RP to exercise commercial prudence while incurring expenses during CIRP. The main object is to ensure that only legitimate and reasonable costs are treated as Insolvency Resolution Process Cost.

6.7 However, the reasonability of the professional fees charged would differ on a case to case basis. Annexure B of the Circular enumerates certain parameters based on which the reasonability of the Insolvency Process Costs should be determined. These parameters are reproduced hereinbelow:

“Insolvency professionals must ensure that the costs incurred are reasonable. To determine the reasonability of these costs, they should consider if the costs are-

- a) directly related to the insolvency resolution process,*
- b) necessary for meeting the objectives of the insolvency resolution process, and the Code,*
- c) proportional to the work required to be done and the assets of the corporate debtor, and*
- d) determined on an arms’ length basis, in consonance with the requirements of integrity and independence.”*

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- 6.8** Applying the aforesaid provisions, regulations and circular to the present case, it is evident that the professional fees incurred in running the Corporate Debtor as a going concern ordinarily falls within the ambit of Insolvency Resolution Process Costs. However, the inclusion of such fees in the Insolvency Resolution process Cost is not automatic. The RP is under a statutory obligation to ensure that the costs incurred during the CIRP are reasonable and proportionate to the nature and the extent of the services rendered.
- 6.9** In the present case, the professional services rendered by the Applicant in the capacity of a GST Consultant was essential to ensure statutory compliances of the Corporate Debtor during CIRP. The partial payments by the IRP amounting to Rs. 6.4 Lakhs further supports the existence of such engagement. However, the reasonability of the fees charged was a contentious issue between the parties.
- 6.10** The Corporate Debtor has negligible business activities during CIRP and the GST Compliances involved almost Nil returns. Charging a hefty sum of Rs. 2500 per month per State towards filing of Form GST-3B and Form GSTR-1 where Nil returns were required is unreasonable and results in unnecessary depletion of the assets of the Corporate Debtor.
- 6.11** Upon care consideration of the invoices placed on record and the volume of work undertaken by the Applicant, we are of the considered view that the fees claimed is exorbitant compared to the volume of work done and does not satisfy the test of reasonability as envisaged under the scheme of IBC, 2016.
- 6.12** In view of the foregoing discussions, the Application being I.A. (IB) No. 69/KB/2026 is **dismissed**.

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- 7.** The Registry is directed to send e-mail copies of the order forthwith to all the parties inclusive of the Counsel.
- 8.** Urgent certified copy of this order, if applied for be issued upon compliance with all requisite formalities.

Cmde Siddharth Mishra
Member (Technical)

Smt. Bidisha Banerjee
Member (Judicial)

The Order signed this, on the **12th** day of **June** 2026.

Anubhuti S (LRA)