IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

IA(IBC)/248/KOB/2025
IN
IBA/240/CB/2019
(Under Section 60(5) of the IBC, 2016 r/w Rule 11 of the NCLT Rules, 2016)

Date of Institution: 30.06.2025
Order delivered on: 31.07.2026

In the matter of: -
M/s Raihan Healthcare Private Limited

Memo of Parties: -
CA Mahalingam Suresh Kumar
Liquidator of M/s. Raihan Healthcare Private Limited, 2nd Floor, CODISSIA Building, G.D. Naidu Towers, Huzur Road, Coimbatore, Tamilnadu-641 018.
... Applicant

Vs

Union Bank of India,
Erattupetta Branch, Represented by its Manager, 1 st Floor, Paraanal Arcade, Aruvithura, SD Meenachil, Erattupetta, P.O., Kottayam, Kerala – 686121.
... Respondent 1

Meenachil East Urban Co-operative Bank Ltd
Represented by its General Manager, No.4266, Poonjar, Thekkekara P.O, Kottayam District, Kerala - 686582.
... Respondent 2

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Applicant	: Mr. A.G. Sathyanarayana, Advocate.
For the Respondent No. 1	: Mr. Varun Srinivasan, Advocate.
For the Respondent No. 2	: Mr. Shinu J Pillai, Advocate.

O R D E R

Per Coram

1. The present application has been filed by the applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the NCLT Rules, 2016, seeking the following reliefs:-

   a. To fix the fee payable to the Liquidator for the exceptional period of prolonged litigation and stay [35.5 months], and this payment be made on par with the minimum statutory fees payable to the Resolution Professional;
   b. To pass Such other orders or further orders which may deemed to be fit and proper in the interest of justice.

Brief facts of the case:

2. The present Application has been filed by the Liquidator seeking remuneration for duties performed during the 35.5-month stay period in the liquidation process. CIRP was initiated by Union Bank of India under Section 7 of the IBC and admitted by the NCLT, Chennai Bench on 20.03.2019. Mr. Shanmugam Rajendran was appointed as IRP and later confirmed as RP. Liquidation was ordered on 16.12.2019, and the Applicant was appointed as Liquidator on 07.02.2020.
3. It is submitted that an e-auction notice dated 29.02.2020 for the sale of the Corporate Debtor as a going concern could not proceed due to the Covid-19 lockdown. Subsequently, this Adjudicating Authority permitted the use of the hospital premises for COVID-19 treatment and quarantine facilities.

Thereafter, multiple litigations, writ petitions, appeals, and SLPs before the Hon'ble High Court of Kerala, Hon'ble NCLAT, and Hon'ble Supreme Court resulted in repeated stay orders and delay of the liquidation process. The extended liquidation period expired on 12.09.2025.

4. Further, it is submitted that despite continuous litigation and interruption of e-auctions, the Applicant continued to perform duties under the Code, including maintenance and revival of the only multispecialty hospital in Erattupetta during Covid-19, resulting in value maximisation and successful sale of all assets except the Doctor's Quarters. In the 6th e-auction, EMD was received but refunded due to stay orders. The SCC later approved the 12th e-auction of the Doctor's Quarters at a reserve price of Rs. 3,41,00,000/-.
5. The Applicant submitted that more than 50 man-months were spent handling litigations, protecting assets, and operating the hospital during the stay period, without remuneration. The request for payment of minimum RP fees for the stay period was placed before the SCC in the 11th and 16th meetings, where Union Bank of India and MEUCB advised approaching this Adjudicating Authority. Relying on Regulation 4(2)(a) of the IBBI Liquidation Regulations and orders of the NCLT Mumbai and Chandigarh Benches, the Applicant seeks payment of Liquidator's fees for the 35.5-month stay period on par with RP fees, as the delays were caused entirely by litigations and stay orders beyond the Applicant's control.

Reply of Respondent No. 1:-

6. It is submitted that the Applicant/Liquidator has received all fees legally due and payable under the Insolvency and Bankruptcy Code, 2016, and the applicable Regulations. The manner and method of payment of Liquidator's fees are governed by Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016.

7. It is submitted that under Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, the Liquidator's fee is payable only as per the agreed mode, which in this case was a percentage of assets realized and distributed. The same has already been paid in full. The Applicant had initially sought a fee under Regulation 4 vide communication dated 23.12.2019 to Union Bank of India, but later agreed to a revised fee structure. Assets worth Rs. 39.72 crores were realised, and the liquidator's fee of Rs. 55,21,497/- has already been paid, in addition to liquidation costs borne by stakeholders. Hence, the claim for additional fee is not maintainable.
8. It is further submitted that the fee was not fixed on a monthly basis, but only on realisation; therefore, the delay or stay period cannot justify any additional remuneration. In *Union Bank of India vs. Mindlogicx Infratec Ltd.,* the NCLT held that no fees are payable for the period of stay. Further, the respondent quotes the decision of the Hon'ble NCLAT in *Rajputana Constructions Pvt. Ltd. v. Rajasthan Land Holdings Ltd. and Ors*. The decisions relied upon by the Applicant are not applicable to the present facts. It is submitted that the Liquidator's claim of value enhancement during COVID-19 is unsubstantiated. The inclusion of guarantor assets for value maximisation was possible due to the cooperation of Union Bank of India, and the Liquidator has already been compensated for the same. The Liquidator cannot claim additional fees based on asset maximisation or stay period, as he has already been fully paid in accordance with the Code and Regulations.

Reply of Respondent No. 2:-

9. It is submitted by Respondent No. 2 that the present Application filed by the Liquidator is misconceived and not maintainable. Though the Liquidator was appointed in 2020 and an e-auction notice was issued, the sale proceedings

were suspended due to COVID-19. Thereafter, this Adjudicating Authority permitted the hospital premises to be used for COVID treatment and quarantine facilities, and subsequently, the matter was stayed by the Hon'ble High Court of Kerala and later by the Hon'ble Supreme Court. Hence, no liquidation activity was carried out during the COVID period and the period of stay. Therefore, claiming the liquidator's fee for such period is unreasonable and illegal.

10. Further, IA(IBC)/1/KOB/2025 has already been filed seeking adjudication of liquidation expenses and the liquidator's fee. Annexure A3 shows that the Liquidator calculated the sale value contrary to the original sale price and split the value under different heads for unjust enrichment. The Liquidator claimed Rs. 4,25,00,000/- as liquidation expenses and Rs. 49,40,731/- separately as liquidator's fee without proper explanation or approval. As per Regulation 2(1)(ea) of the IBBI (Liquidation Process) Regulations, 2016, liquidation cost includes the liquidator's fee. Hence, charging both separately is contrary to the law and amounts to unjust enrichment at the expense of the creditors.

Findings: -

11. We have heard the matter and perused the material available on record. This is an application filed by the liquidator under Section 60(5) read with Rule 11 of NCLT Rules, 2016, for additional remuneration and the prayer so made in IA is reproduced as under at the cost of repetition:

> a. *To fix the fee payable to the Liquidator for the exceptional period of prolonged litigation and stay [35.5 months], and this payment be made on par with the minimum statutory fees payable to the Resolution Professional;*
> b. *To pass Such other orders or further orders which may deemed to be fit and proper in the interest of justice.*

12. But during the course of the arguments, the Applicant, in a conscious manner, tried to increase and extend its prayer by seeking an alternate relief to exclude the period of 35.5 months from various time periods from 15.03.2020 to 10.06.2024 while computing the remuneration from the Liquidation Commencement Date. The matter requires consideration, as the Applicant has raised serious concerns to invoke the sympathy of this Adjudicating Authority on the equity side in the absence of any specific statutory provision.
13. In this matter, the CIRP against the Corporate Debtor was initiated on 20.03.2019, and subsequently, this Adjudicating Authority rejected the resolution plan and passed a liquidation order on 16.12.2019. The Applicant was appointed as the Liquidator on 07.02.2020 upon confirmation by the IBBI. The Liquidator issued a public announcement in Form B on 12.02.2020 and filed the Asset Memorandum and Preliminary Report on 24.02.2020. The Liquidator initiated the sale process and issued an e-auction notice on 29.02.2020 for the sale of the Corporate Debtor as a going concern. This process was interrupted due to the nationwide COVID-19 lockdown, and the Corporate Debtor's hospital was taken over by the District Administration. The Applicant referred to various litigations filed before the Hon'ble High Court of Kerala, the Hon'ble NCLAT, and the Hon'ble Supreme Court, and it is also stated that the Hon'ble Supreme Court, vide order dated 09.12.2022, stayed the auction proceedings; vide order dated 07.08.2023, set aside the orders of the Hon'ble NCLAT; and ultimately, vide order dated 09.07.2024, the Hon'ble NCLAT dismissed the Company Appeal, immediately thereafter, the Liquidator proceeded with the sale process.
14. The Liquidator filed a caveat before the Hon'ble Supreme Court on 11.07.2024, and on 12.07.2024, the Hon'ble High Court disposed of the writ

petition as infructuous. In short, citing all such litigations, the Applicant submitted that, due to such litigations and interim protections, he could not proceed for a period of 35.5 months, and once the Hon'ble Higher Courts disposed of those matters, he promptly resumed the liquidation process and auctioned the properties. It is the case of the Applicant that the Liquidator cannot be penalised for the delay caused by the litigations and submitted that he is entitled to Rs. 1 lakh per month for a period of 35.5 months or, in the alternative, to the exclusion of the litigation period for the computation of the fee.

15. Before proceeding further, it would be appropriate to record that, in this matter, the total assets have been sold for Rs. 39.72 crore, for which a liquidation fee of Rs. 55,21,497/- has already been paid to the Applicant. Apart from this, the liquidation cost and the actual expenses incurred by the Liquidator in defending various litigations by engaging advocates, along with other incidental charges and expenses, have been paid separately by the stakeholders. It would be worth mentioning that the Liquidator is entitled to its fee in terms of Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016 ("Liquidation Process Regulations"), which reads as under:

> *"(1) The fee payable to the liquidator shall be in accordance with the decision taken by the committee of creditors under regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.*
> *(1A) Where no fee has been fixed under sub-regulation (1), the consultation committee may fix the fee of the liquidator in its first meeting.*
> *(2) In cases other than those covered under sub-regulation (1) and (1A), the liquidator shall be entitled to a fee-*
> *(a) at the same rate as the resolution professional was entitled to during the corporate insolvency resolution process, for the period of compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013); and*
> *(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 realised / distributed		
	in the first six months	in the next six months	thereafter
Amount of Realisation (exclusive of liquidation costs)			
On the first 1 crore	5.00	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.

(3) Where the fee is payable under clause (b) of sub-regulation (2), the liquidator shall be entitled to receive half of the fee payable on realisation only after such realised amount is distributed. Clarification: Regulation 4 of these regulations, as it stood before the commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019 shall continue to be applicable in relation to the liquidation processes already commenced before the coming into force of the said amendment Regulations."

16. The Liquidator is entitled to a fee in terms of the conditions stipulated in the relevant provisions and, in the present case, the fee has been agreed to be paid as per the percentage of assets realised and distributed under Regulation 4(2)(b) of the Liquidation Process Regulations. There is no dispute that the Liquidator has already received its remuneration and fee in terms of the said provisions. It is argued on behalf of Respondent No. 1 that the Liquidator issued a communication dated 23.12.2019 to Union Bank of India requesting that his fee be paid as per Regulation 4 of the Liquidation Process Regulations, 2016, and thereafter, upon negotiations, the Liquidator agreed to a revised amount. Therefore, the Applicant cannot renege on such arrangement. Both parties have submitted various judgments in support of their respective pleadings.

17. The Applicant has placed reliance on the decisions of the NCLT, Mumbai Bench in *M/s. Shri Karvir Nivasini Mahalaxmi Ispat Pvt. Ltd. v. M/s. Abhishek Corporation Limited;* the Hon'ble NCLAT in *Bank of India v. Nithin Grains and Mills Private Limited,* and the NCLT, Chandigarh Bench in *Sanjay Kumar Aggarwal, Liquidator of M/s. Punjab Basmati Rice Ltd. (Under Liquidation) v. Canara Bank and Another*, in support of the contention that the period excluded from liquidation on account of judicial orders ought to be excluded for the purpose of computation of the Liquidator's fee or that the Liquidator should be granted remuneration for such excluded period. We have carefully considered the ratio laid down in the aforesaid decisions. However, on a careful examination of the factual matrix and the reliefs granted therein, we find that the same do not govern the controversy involved in the present application.

18. In M/s. Shri Karvir Nivasini Mahalaxmi Ispat Pvt. Ltd. (supra), the Adjudicating Authority was dealing with a liquidation process commenced prior to the amendment of the Liquidation Process Regulations, where no fee had been approved by the Committee of Creditors, and the Adjudicating Authority directed computation of the Liquidator's remuneration after taking into account the periods specifically excluded by judicial orders, while also granting remuneration in view of the peculiar facts where the Corporate Debtor continued to be managed by the Liquidator during the excluded period. Likewise, in Bank of India v. Nithin Grains and Mills Private Limited (supra), the issue before the Hon'ble NCLAT was confined to the reasonableness of remuneration payable to an erstwhile Liquidator up to the date of handing over charge to the newly appointed Liquidator, and the Appellate Tribunal merely directed the Stakeholders' Consultation Committee to consider and approve the remuneration claimed. Similarly, in

Sanjay Kumar Aggarwal, Liquidator of M/s. Punjab Basmati Rice Ltd. (supra), the Adjudicating Authority was considering the effect of earlier judicial orders expressly excluding certain periods from the liquidation timeline and, relying upon the specific facts of that case and earlier precedents, directed exclusion of such periods for the limited purpose of computation of the fee slab under the applicable Regulations.

19. The factual and legal position in the present case stands on an entirely different footing. Here, the remuneration payable to the Applicant had already been settled and accepted in terms of Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, based on the percentage of assets realised and distributed, and the Applicant has admittedly received the entire fee payable under the agreed statutory mechanism. The present application does not arise out of any dispute regarding fixation or computation of the fee under the applicable Regulations, nor is there any prior judicial direction excluding the litigation period for the purpose of recalculating the fee. Rather, the Applicant seeks creation of an independent entitlement to additional remuneration for the period during which the liquidation proceedings remained affected by judicial proceedings and interim orders. None of the authorities relied upon by the Applicant lays down any proposition that a Liquidator, after having received the remuneration payable under the statutory framework, is entitled to claim additional monthly remuneration merely because the liquidation process remained pending on account of litigation or judicial stay. Accordingly, the aforesaid decisions are clearly distinguishable on facts as well as on the legal issues involved and do not advance the case of the Applicant.

20. The Respondents have, on the other hand, placed reliance upon the decision of the Hon'ble Supreme Court in *Glas Trust Company LLC v. BYJU Raveendran*

& Ors., the decisions of the NCLT, Guwahati Bench and the Hon'ble NCLAT in *Kannan Tiruvengadam v. Assets Care & Reconstruction Enterprise Limited & Ors*., the decision of the NCLT in *Kantipudi Venkata Raju, Liquidator of Kaanha Shipping (P.) Ltd. v. Board of Visakhapatnam Port Authority*, as well as the decisions in *Union Bank of India v. Mindlogicx Infratec Ltd*., *Rajputana Constructions Pvt. Ltd. v. Rajasthan Land Holdings Ltd. & Ors.*, and *IndusInd Bank Ltd. v. Rajendra K. Bhuta*. We have carefully examined the aforesaid decisions. While the principles enunciated therein are well settled, we are of the considered view that the said decisions also do not conclusively govern the issue involved in the present application and are distinguishable on their own facts and the issues decided therein.

21. The decision of the Hon'ble Supreme Court in *Glas Trust Company LLC v. BYJU Raveendran & Ors*. reiterates the settled principle that where a statute prescribes a particular procedure, the same must ordinarily be followed and the inherent powers of the Tribunal cannot be invoked to create a remedy inconsistent with the statutory framework. The said proposition is unexceptionable and has been duly kept in view while adjudicating the present application. However, the said judgment did not concern the determination of a Liquidator's remuneration under Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, nor did it deal with the consequences of prolonged judicial intervention during liquidation proceedings. Similarly, the decisions in *Kannan Tiruvengadam and Kantipudi Venkata Raju* were rendered in the context of cases where the Committee of Creditors and the Stakeholders' Consultation Committee had not fixed the Liquidator's remuneration, and the Tribunals held that, in such circumstances, the Liquidator would be entitled only to the statutory fee contemplated under Regulation 4(2)(b). Those decisions were concerned

with the mode of determination of the Liquidator's fee in the absence of any prior fixation and not with a claim for additional remuneration after the statutory fee had already been determined and paid.

22. Likewise, the reliance placed on *Union Bank of India v. Mindlogicx Infratec Ltd., Rajputana Constructions Pvt. Ltd. v. Rajasthan Land Holdings Ltd. & Ors.,* and *IndusInd Bank Ltd. v. Rajendra K. Bhuta* is also distinct. The issues arising in those cases pertained to the entitlement of an Interim Resolution Professional or Resolution Professional to claim fees during periods when the Corporate Insolvency Resolution Process itself remained stayed or was subsequently set aside. The said decisions were rendered in the context of the statutory framework governing the Corporate Insolvency Resolution Process and not the liquidation process. The nature of duties, the statutory responsibilities, and the mechanism for payment of remuneration during CIRP are materially different from those governing liquidation under the Code.

23. Thus, although both the Applicant and the Respondents have relied upon various judicial precedents, this Adjudicating Authority is of the considered opinion that none of the case laws cited by either side directly addresses the issue arising in the present application, namely, whether a Liquidator, who has admittedly received the remuneration payable in accordance with Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, can thereafter claim an independent or additional remuneration solely on account of the liquidation proceedings having remained pending due to judicial proceedings and interim orders.

24. Having considered the rival contentions and upon thoughtful consideration of the issues involved, it is noticed that the Applicant, in the present application, has sought additional remuneration payable to the Liquidator for

the period the liquidation process remained affected on account of prolonged litigation and judicial stay, at a rate equivalent to the minimum statutory fee payable to a Resolution Professional. Such a claim, however, finds no recognition under the statutory scheme of the IBC. This Adjudicating Authority is of the considered view that the remuneration of the Liquidator is not governed by equitable considerations alone but is governed by the statutory framework under the IBC, 2016, and the regulations framed thereunder. The delay in proceeding with the liquidation process on account of ongoing litigations and interim protection, if any, or extraordinary circumstances that arose due to the COVID-19 pandemic cannot, by itself, be attributed to any omission or negligence on the part of the Liquidator, but simultaneously, such circumstances do not automatically confer a legal right to claim enhancement of remuneration beyond the statutory scheme.

25. It is also relevant to note that, in the present case, the remuneration of the Liquidator was fixed by the Stakeholders' Consultation Committee (SCC), at the request of the Liquidator himself, as part of the liquidation cost in terms of Regulation 4 of the IBBI (Liquidation Process) Regulations, 2016, and the Applicant has already received the fee so determined. Once the remuneration has been fixed and accepted under the statutory framework, the Liquidator is estopped from claiming any additional fee outside the framework of Regulation 4. The Legislature, in its wisdom, has provided a structured mechanism for determining the Liquidator's remuneration with the object of ensuring that the liquidation process is completed in a time-bound manner while safeguarding the interests of all stakeholders at every stage. Therefore, any claim for additional remuneration beyond the fee already fixed under Regulation 4 is contrary to the statutory scheme and cannot be sustained.

26. The exclusion of any period for the purpose of computation of the time limit cannot invariably result in the alteration of remuneration unless the relevant governing provisions expressly contemplate such a consequence. In fact, if such a contention is accepted, the entire scheme and objective behind it would collapse. The scheme, as designed, is sufficient to prompt Resolution Professionals/Liquidators to participate in the proceedings and to take diligent steps for the expeditious and timely adjudication of matters by pursuing their interests before the competent courts. If we allow the exclusion of such periods, practically, the Resolution Professionals/Liquidators would cease to show interest in such litigations. In other words, such an interpretation would dilute the incentive for expeditious completion of the liquidation process and could discourage timely pursuit and disposal of pending proceedings affecting liquidation. The statutory framework is designed to encourage diligence and expedition on the part of the Liquidator while safeguarding the liquidation estate for the benefit of stakeholders. Therefore, on that ground also, the contentions of the Applicant are not acceptable.

27. Further, acceptance of such propositions would, in fact, amount to judicial interference with and modification of the statutory mechanism regulating the Liquidator's fee. Such judicial intervention is impermissible in the absence of enabling provisions. Though it is correct that no person can be prejudiced by the act of the Court, such a principle certainly cannot be stretched to create a substantive monetary entitlement or be used to grant additional remuneration to the Applicant against the statutory scheme under the IBC. Further, if we allow the relief as claimed, it would unnecessarily burden the liquidation estate and ultimately impact the distributable assets available to the stakeholders, and such interference would be against the

settled statutory scheme. As such, we find no merit in granting any such reliefs allegedly claimed by the Applicant in this application. The Applicant has already received Rs. 55,21,497/- in addition to the actual costs and other expenses, including legal fees paid by him in defending the litigations. Therefore, we find no merit in rewriting the statutory provisions at the instance of the Applicant.

28. In view of the above, **IA(IBC)/248/KOB/2025** in **IBA/240/CB/2019** stands **dismissed.**

29. The Registry is directed to send e-mail copies of this order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

30. A Certified Copy of this Order may be issued, if applied for, upon compliance with all requisite formalities.

Sd /-	**Sd /-**
RAVICHANDRAN RAMASAMY	**VINAY GOEL**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**

Signed on this the 31st day of July,2026.

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Dhanya/Steno