IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No. 303- IA/1097(AHM)2025
In
C.P.(IB)/119(AHM)2022

Under Sec 60(5) & 5(13) of IBC 2016 r/w Regulation 33 & 35 of IBBI Reg, 2016 r/w Rule 11 of NCLT Rules 2016
IN THE MATTER OF:
Sachin Naveen Sinha Erstwhile RP of Spel Granito Pvt. Ltd

V/s **........Applicant**
Arvind D Gaudana Liquidator of Spel Granito Pvt. Ltd

....Respondent

Order delivered on: 30/07/2026

C O R A M:
MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/- Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURET– I, AHMEDABAD

IA/1097(AHM) 2025
In
C.P. (IB)/119(AHM) 2022

(An application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of NCLT Rules 2016)

In the matter of:

Sachin Naveen Sinha
Erstwhile Resolution Professional of
Spel Granito Private Limited
Having registered Office
N-203 Parshwanath Metro City,
Nr. H.B. Kapdia School T.P. 44,
Chandkheda, Ahmedabad-382424
Email: cirptradohub@gmail.com

.... **Applicant**

VERSUS

1. **Mr. Arvind Gaudana**
   Liquidator of
   Spel Granito Private Limited
   Having Registered Office:
   307, Ashirwad Paras,
   Near Prahladnagar Garden,
   Corporate Road, Prahladnagar,
   Satellite, Ahmedabad -380015

2. **Axis Bank Limited**
   Sole and Secured Member of CoC
   Having Branch Office at
   Structured Assets Group of
   Corporate Banking Branch at
   3rd Eye Building, 2nd Floor,
   Nr. Panchvati Circle, C.G. Road
   Ahmedabad, Gujarat-380009

.... **Respondents**

AND IN THE MATTER OF:
Krishna Colour Chem through its Partner Bhavesh kumar K Maniar

... **Applicant**

Versus

Spel Granito Pvt Ltd

... **Respondent**

Order Pronounced On: 30.07.2026

C O R A M :

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E :

For the Applicant	:	Mr. Sachin Naveen Sinha, Erstwhile RP
For the Respondent	:	Mr. Arjun Sheth, Adv. for R-1 None for R-2

O R D E R
(*Per*: Bench)

1. The present I.A. No. 1097(AHM)2025 in C.P. (IB) No. 119(AHM)2022 has been filed by Mr. Sachin Naveen Sinha, Erstwhile Resolution Professional of Spel Granito Private Limited ("Applicant"), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the

National Company Law Tribunal Rules, 2016, seeking the following reliefs: -

a. To allow this application;

b. To direct Respondent No. 2 to contribute a total sum amounting of Rs. 10,69,586/- into the corporate liquidation account of the Corporate Debtor, further to be distributed to the Applicant towards his fee/expense incurred by him during his tenure as Resolution Professional of Corporate Debtor;

c. To direct the Respondents No. 1 to make distribution from above (ii), for payment of Applicant's pending fees and reimbursement of expenses amounting to Rs. 10,36,586/-;

d. To direct the Respondent No. 1 to make distribution from above (ii) for payment of Advocate for filing the liquidation application towards his fees Rs. 33,000/-;

e. To direct the Respondents (Jointly or severally) to Pay Rs. 30,000/- (Excluding OPE) to the Counsel for filing of this present application;

f. To pass such other/further orders, with such modifications, if any, as may deem fit and proper.

2. The Applicant has, inter alia, stated that the Corporate Debtor was admitted into the Corporate Insolvency Resolution Process ("CIRP") by order dated 19.05.2023 passed in C.P. (IB) No.119(AHM)2022, wherein Mr. Premraj Ramratan Laddha was appointed as the Interim Resolution Professional. Pursuant to the resolution passed in the 2nd

Committee of Creditors ("CoC") Meeting held on 17.07.2023, the Applicant was appointed as the Resolution Professional by order dated 10.10.2023, whereafter he assumed charge of the Corporate Debtor on 20.10.2023.

3. It is the Applicant's case that during his tenure as Resolution Professional, he conducted the CIRP in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the Regulations framed thereunder, convened meetings of the CoC, issued Form-G, coordinated with stakeholders and prospective resolution applicants, managed the affairs of the Corporate Debtor and incurred CIRP costs towards professional fees, security services, legal expenses, publication charges and other expenses necessary for conduct of the CIRP. It is further stated that part payments were made from the CIRP account; however, a substantial portion of the professional fees and CIRP expenses remained unpaid.

4. The Applicant has further stated that the Committee of Creditors, in its 8th Meeting held on 26.04.2024, resolved to liquidate the Corporate Debtor under Section 33 of the Code.

Although the first liquidation application filed on 14.06.2024 was subsequently withdrawn with liberty to file afresh, the Applicant continued to discharge his duties as Resolution Professional till the liquidation order dated 12.09.2024, whereby Respondent No.1 was appointed as the Liquidator. It is further stated that, during the said period, the Applicant continued to preserve the assets of the Corporate Debtor, incurred CIRP expenses, coordinated with stakeholders and extended full assistance to the Liquidator after commencement of liquidation.

5. According to the Applicant, despite repeated communications addressed to the Respondents seeking release of the outstanding professional fees and reimbursement of CIRP expenses, the amounts claimed remained unpaid. The Applicant has, therefore, filed the present application seeking payment of the outstanding professional remuneration and CIRP costs.

6. In response, Respondent No.1-Liquidator filed an Affidavit-in-Reply contending that, in terms of Regulation 34B of the IBBI (Insolvency Resolution Process for Corporate Persons)

Regulations, 2016, the Applicant ceased to be entitled to professional remuneration upon filing of the liquidation application on 14.06.2024. It is further contended that the Stakeholders' Consultation Committee ("SCC"), constituted after commencement of liquidation, approved only certain components of the Applicant's claim, which have already been paid, and that no further amount is payable.

7. Respondent No.2-Axis Bank Limited has also opposed the application, contending that the Applicant has already received substantial payments towards professional fees and CIRP expenses. It is submitted that the Bank has released all amounts found payable upon reconciliation and remains willing to release any further amount, if found legally payable after verification of records. Respondent No.2 has further contended that, having regard to Regulation 34B of the CIRP Regulations, no professional remuneration is payable beyond the filing of the liquidation application.

8. The Applicant has filed a Rejoinder denying the contentions raised by the Respondents and reiterating that he continued to discharge statutory duties as Resolution Professional until the liquidation order dated 12.09.2024. It is contended that the first liquidation application having been withdrawn, the CIRP continued uninterrupted and the Applicant remained under a statutory obligation to manage the affairs of the Corporate Debtor till commencement of liquidation. The Applicant has also relied upon the reconciliation proceedings held pursuant to the directions of this Tribunal in support of his claim.

9. Pursuant to the order dated 29.04.2026, the Applicant and the Respondents filed their respective written submissions. The Applicant has relied upon, inter alia, the decisions in ***Minita D. Raja v. Cosmos Co-operative Bank Ltd***. and ***Jeetendra Rajpal Daryani v. Rajendra Jain***, ***Liquidator of Texon Global Private Limited***, in support of the contention that a Resolution Professional is entitled to remuneration for the period during which statutory duties are actually discharged.

10. In view of the pleadings, the documents placed on record, the reconciliation proceedings undertaken during the pendency of the present application and the submissions advanced on behalf of the parties, the question that arises for consideration is whether the Applicant is entitled to the balance professional remuneration claimed for the periods from 10.10.2023 to 31.12.2023 and 01.06.2024 to 12.09.2024, after adjustment of the amounts already paid, and, if so, the consequential reliefs to which he is entitled.

11. We have heard the Applicant/Erstwhile Resolution Professional appearing in person, the learned counsel for Respondent No.1 and perused the pleadings, documents placed on record, the replies, rejoinder, written submissions and the reconciliation proceedings recorded before this Tribunal.

12. Upon consideration of the material on record, it emerges that the surviving controversy is confined to the Applicant's claim for unpaid professional remuneration for the periods from 10.10.2023 to 31.12.2023 and 01.06.2024 to 12.09.2024. The claims relating to professional fees for the period from January, 2024 to May, 2024, reimbursement of out-of-pocket expenses and advocate's fees stand reconciled and have already been released pursuant to the orders of this Tribunal.

13. The Applicant contends that, notwithstanding the filing of the first liquidation application on 14.06.2024, he continued to discharge his statutory duties as the Resolution Professional till the liquidation order dated 12.09.2024. During the said period, he remained responsible for preservation of the assets of the Corporate Debtor, maintenance of security, coordination with stakeholders, pursuing de-freezing of the CIRP account, filing the fresh liquidation application after withdrawal of the earlier application, and ultimately handing over the records and affairs of the Corporate Debtor to the Liquidator. It is, therefore, submitted that he is entitled to professional remuneration for the entire period during which he continued to discharge his statutory functions.

14. Per contra, the Respondents contend that, in view of Regulation 34B of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Applicant ceased to be entitled to professional remuneration upon filing of the liquidation application on 14.06.2024 and, therefore, no remuneration is payable thereafter. It is further contended that only such amounts as were approved by the Stakeholders' Consultation Committee (SCC) can be paid from the liquidation estate.

15. At the outset, it is not in dispute that the Applicant was appointed as the Resolution Professional pursuant to the order of this Tribunal dated 10.10.2023, on the basis of the resolution passed by the Committee of Creditors fixing his remuneration at **Rs.1,00,000/- per month**. It is also undisputed that the Applicant continued to function as the Resolution Professional until the liquidation order dated 12.09.2024, whereafter Respondent No.1 assumed charge as the Liquidator.

16. The principal contention of the Respondents that the Applicant's entitlement to professional remuneration automatically came to an end upon filing of the first liquidation application on 14.06.2024 cannot be accepted in the facts and circumstances of the present case. It is an admitted position that the said liquidation application was subsequently withdrawn with liberty to file a fresh application and, consequently, the Corporate Insolvency Resolution Process continued uninterrupted till the liquidation order dated 12.09.2024. During the said interregnum, no Liquidator had been appointed and the Applicant continued to function as the Resolution Professional in accordance with the provisions of the Code.

17. The expression "**filing of liquidation application**" occurring in Regulation 34B of the CIRP Regulations cannot be construed in isolation where such application itself is subsequently withdrawn and the CIRP continues. A defective or withdrawn liquidation application, which does not culminate in an order of liquidation, cannot by itself terminate the entitlement of the Resolution Professional to remuneration when he continues to discharge statutory duties under the Code until commencement of liquidation. Any other interpretation would be inconsistent with the scheme and object of the Insolvency and Bankruptcy Code, 2016.

18. The material placed on record further establishes that the Applicant continued to discharge statutory functions relating to preservation and protection of the assets of the Corporate Debtor, maintenance of security, coordination with stakeholders, pursuing removal of the debit freeze on the CIRP account, and filing the fresh liquidation application, which ultimately culminated in the liquidation order dated 12.09.2024. Such functions were discharged in performance of the statutory obligations cast upon the Resolution Professional under Sections **25 and 208** of the Insolvency and Bankruptcy Code, 2016 read with the Code of Conduct prescribed for Insolvency Professionals. A Resolution Professional who is statutorily required to continue discharging such duties cannot be denied remuneration for the period during which such services were actually rendered.

19. The Applicant has relied upon the decision of the Adjudicating Authority in ***Jeetendra Rajpal Daryani v. Rajendra Jain, Liquidator of Texon Global Private Limited*** (I.A. No. 22 of 2023 in C.P. (IB) No. 809 of 2019), wherein it was observed that the Resolution Professional is entitled to remuneration till the date of his discharge. Reliance has also been placed upon the judgment of the Hon'ble National Company Law Appellate Tribunal in ***Minita D. Raja v. Cosmos Co-operative Bank Ltd.*** [Comp. App. (AT) (Ins.) No. 1799 of 2024], reiterating that an Insolvency Professional cannot be compelled to discharge statutory functions without receiving legitimate remuneration. Though each case turns on its own facts, the principles enunciated therein support the Applicant's entitlement to remuneration for the period during which statutory duties were actually discharged.

20. The objection of the Respondents that the Applicant's claim cannot subsequently be denied solely because the Stakeholders' Consultation Committee did not recommend the same. The SCC is constituted only after commencement of liquidation and performs a consultative role under Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016. Professional remuneration lawfully incurred during the Corporate Insolvency Resolution Process constitutes **Insolvency Resolution Process Cost** within the meaning of Section 5(13) of the Insolvency and Bankruptcy Code, 2016 and enjoys priority under Section 53(1)(a) thereof. Such accrued CIRP costs cannot be retrospectively defeated merely because the SCC has not recommended the same.

This Tribunal is conscious that Regulation 34B refers to filing of the liquidation application as one of the contingencies governing the minimum fixed fee payable to the Resolution Professional. However, in the peculiar facts of the present case, the first liquidation application dated 14.06.2024 was subsequently withdrawn with liberty to file afresh and did not culminate in commencement of liquidation. During the intervening period, the Applicant admittedly continued in office as the Resolution Professional and discharged statutory obligations until the liquidation order dated 12.09.2024. Therefore, the Applicant's entitlement is founded upon the continued discharge of statutory duties under the Code and not merely upon the filing of the first liquidation application.

21. The Hon'ble Supreme Court in ***Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors.***, (2020) 8 SCC 531, has recognised the paramount importance accorded to Insolvency Resolution Process Costs under the scheme of the Code. The statutory priority accorded to Insolvency Resolution Process Costs under the Code reinforces the legislative intent that such costs receive precedence over all other claims in accordance with Section 53.

22. In the present case, it is an admitted position that the Applicant continued to function as the Resolution Professional until the liquidation order dated 12.09.2024 and handed over the management and records of the Corporate Debtor only thereafter. During this period, the Applicant continued to discharge statutory responsibilities under the Code. Consequently, merely because the first liquidation application had been filed and was subsequently withdrawn, the Applicant cannot be deprived of remuneration for the period during which he continued to lawfully discharge such statutory obligations.

23. With regard to the Applicant's claim for the period from **10.10.2023 to 31.12.2023**, this Tribunal notes that Respondent No.2 itself, during reconciliation proceedings before this Tribunal recorded pursuant to the order dated 24.03.2026, agreed to verify its records and release the professional remuneration for the said period, if found unpaid. Accordingly, the Applicant is entitled to payment of the balance remuneration, if any, remaining unpaid after due reconciliation and adjustment of the amounts already released.

24. Similarly, the Applicant's claim for professional remuneration for the period from **01.06.2024 to 12.09.2024** also is liable to be allowed. The material placed on record establishes that the Applicant continued to function as the Resolution Professional and discharged all statutory duties until commencement of liquidation. The filing of the first liquidation application, which admittedly did not culminate in an order of liquidation, did not terminate either the Corporate Insolvency Resolution Process or the Applicant's statutory responsibilities under the Code. Consequently, the Applicant cannot be denied remuneration for the said period.

25. However, the Applicant shall be entitled only to such professional remuneration which found payable upon reconciliation of accounts and adjustment of all payments already received by him. It is clarified that no duplicate payment shall be made and the Applicant shall not be entitled to reimbursement of any amount which already stands reconciled and released pursuant to the earlier orders of this Tribunal.

26. The Tribunal is, therefore, satisfied that the Applicant has established his entitlement only to the balance unpaid professional remuneration for the aforesaid periods. The remaining claims relating to reimbursement of expenses or other payments, having already been reconciled and released or not surviving for consideration, do not merit any further directions.

27. Accordingly, the present application deserves to be partly allowed to the limited extent indicated hereinbelow: -

i. The Respondent No.2 - Axis Bank Limited shall, within **fifteen (15) days** from the date of this order, verify its records and reconcile the Applicant's professional remuneration for the period from **10.10.2023 to 31.12.2023**.

ii. Upon reconciliation, if any amount relating to the Applicant's professional remuneration for the period from **10.10.2023 to 31.12.2023** is found unpaid in terms of the admitted reconciliation, Respondent No.2 shall release the said amount to the liquidation account for disbursement in accordance with law.

iii. Respondent No.1-Liquidator shall quantify the balance professional remuneration payable to the Applicant for the period from **01.06.2024 to 12.09.2024** strictly in terms of the findings recorded herein and after adjustment of the amounts already paid, if any..

iv. The quantified balance amount shall be treated as Insolvency Resolution Process Cost under Section 5(13) of the Insolvency and Bankruptcy Code, 2016 and shall be paid in accordance with Section 53(1)(a), after due adjustment of all payments already made.

v. If sufficient funds are unavailable in the liquidation estate, Respondent No.1 shall proceed in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the applicable Regulations.

vi. The exercise of reconciliation and determination shall be completed within **three weeks** from the date of this order, and the balance amount, if found payable, shall be released to the Applicant within **one week** thereafter.

vii. It is clarified that the Applicant shall be entitled only to the balance professional remuneration remaining unpaid after adjustment of all payments already received, and no duplicate payment shall be made.

viii. Save and except the aforesaid directions, all other prayers sought in the present application stand rejected.

28. Accordingly, **IA/1097(AHM)2025** in C.P. (IB)/119(AHM)2022 stands **partly allowed** and disposed of. No order as to costs.

29. A certified copy of this order be issued to the parties, if applied for, upon compliance with all requisite formalities.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)
Jeel Pathak/LRA

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)