

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

**I.A. (IBC) No. 872/KB/2022  
& I.A. (IBC) No. 2383/KB/2024  
In C.P. (IB) No. 543/KB/2017**

**I.A. (IBC) No. 872/KB/2022**

***An Application under Section 35(1)(n) of the Insolvency and  
Bankruptcy Code, 2016, read with Rule 11 of the National  
Company Law Tribunal Rules, 2016 read with Regulation 2B and  
Regulation 4(2)(a) of the IBBI ( Liquidation Process) Regulations,  
2016.***

**IN THE MATTER OF:**

**SBER Bank**

**.... Financial Creditor**

**Vs.**

**Varrsana Ispat Limited**

**.... Corporate Debtor**

**And**

**IN THE MATTER OF:**

**Mr. Anil Goel**

**Liquidator- M/s Varrsana Ispat Ltd.**

**.... Applicant**

**Vs.**

**Mr. Akshay Jhunjunwala**

**Ex-Director of M/s Varrsana Ispat Ltd.**

**.... Respondent**

**I.A. (IBC) No. 2383/KB/2024**

**IN THE MATTER OF:**

**SBER Bank**

**.... Financial Creditor**

**Vs.**

**Varrsana Ispat Limited**

**.... Corporate Debtor**

**And**

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

I.A. (IBC) No. 872/KB/2022  
& I.A. (IBC) No. 2383/KB/2024  
In C.P. (IB) No. 543/KB/2017

**IN THE MATTER OF:**

**Mr. Anil Goel**  
**Liquidator- M/s Varrsana Ispat Ltd.**

**.... Applicant**

**Vs.**

**Mr. Akshay Jhunjhunwala**  
**Ex-Director of M/s Varrsana Ispat Ltd.**

**.... Respondent**

**Date of Pronouncement: 09.12.2025**

**CORAM:**

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

**APPEARANCE:**

Mr. Rohit Sharma, Adv. ] **For the Liquidator**  
Mr. Niraj Chamyel, Adv. ]  
Mr. Harsh Gupta, Adv. ]  
Mr. Aishwarya Prasad, Adv. ]  
Mr. Anil Goel, Liquidator ] **Liq-in person**  
Mr. Devesh Kr. Bhutra, Adv. ]

Mr. Shaunak Mitra, Adv. ] For Respondent in IA 872 and 2383 and  
Mr. Dripto Majumdar, Adv. ] Respondent No.3 in I.A. 1333  
Mr. Saubhik Chowdhury, Adv.]  
Ms. Sayantani Banerjee, Adv. ]

Mr. Rishav Banerjee, Adv. ] **For Respondent No.4 in IA 1333 of 201**  
Mr. P.P. Bishwal, Adv. ]  
Ms. Sohini Dey, Adv. ]

**ORDER**

**Per Siddharth Mishra, Member (Technical):**

1. Heard the Ld. Counsels for the parties.

**I.A. (IBC) No. 872/KB/2022**

2. This Application has been preferred by the Liquidator of **Varrsana Ispat Limited** to seek the following reliefs, inter alia:

2.1. *Direct the Respondent to make payment of INR 1,87,07,544/- (Rupees One Crores Eighty-seven Lakhs one Thousand five Hundred and forty-four only) towards the expenses incurred by the Liquidator during the period in which the Scheme of Compromise and Arrangement was being considered (i.e. from 06.08.2019 to 13.08.2019.*

2.2. *Pass such other / further order (s) as this Tribunal may deem fit and proper.*

**3. The applicant has submitted following for consideration:**

**3.1** It is submitted that the present application is filed under Section 35(1)(n) of the Code read with Rule 11 of the NCLT Rules and Regulations 2B and 4(2)(a) of the Liquidation Process Regulations seeking directions upon the Respondent to pay a sum of ₹1,87,01,544/- towards costs allegedly incurred between 06.08.2019 and 13.08.2021, the period during which the scheme of compromise and arrangement under Section 230 was being processed before this Tribunal until its rejection.

**3.2** It is claimed that liquidation commenced on 06.08.2019 and the Applicant was appointed as the Liquidator with liberty to explore a scheme under Section 230. It is submitted that a scheme proposal was received from Mr. Akshay Jhunhunwala, a member of the suspended board, on 13.08.2019. The Liquidator contends that he undertook all required steps, including convening meetings of secured and unsecured creditors on 29.08.2019 to deliberate on the proposal.

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- 3.3** It is further submitted that under the directions of the creditors, the Liquidator filed I.A. 1331/2019 before this Bench on 09.09.2019 placing the scheme for consideration. The Liquidator also submits that while the scheme was pending, the Hon'ble NCLAT in **Jindal Steel & Power Ltd. v. Arun Kumar Jagatramka** held on 24.10.2019 that a promoter ineligible under Section 29A is also ineligible to sponsor a Section 230 scheme during liquidation. It is claimed that despite this development, the Liquidator continued to act in good faith and filed I.A. 1467/KB/2019 seeking extension of time for the scheme, which was allowed by excluding the period from 05.11.2019 to 09.11.2020 from liquidation.
- 3.4** It is submitted that the Liquidator thereafter filed I.A. 180/KB/2021 seeking a further 90-day extension for completion of the compromise or arrangement process. It is contended that all statutory obligations relating to placing the scheme before the creditors and this Tribunal were complied with. It is stated that the scheme ultimately came to be rejected on 13.08.2021 in view of the Supreme Court's affirmation of the NCLAT judgment in **Jogatramka**. The present application, therefore, seeks reimbursement of the cost incurred during the period when the scheme was being processed.
- 3.5** It is further submitted that details of the alleged reimbursable cost have been disclosed at page 20, paragraph 17 of the application and represent amounts approved by the creditors themselves. The Applicant relies on various legal provisions to support the claim.
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- 3.6** It is contended that Regulation 4(2)(a) permits the Liquidator to receive the same fee as was payable during CIRP for the period in which a Section 230 scheme is explored. It is also submitted that Regulation 39D of the CIRP Regulations enables the CoC to fix the fee payable to the liquidator for the period utilised for compromise or arrangement. It is claimed that Regulation 2B(3) mandates that when a scheme is not sanctioned, “such cost” must be borne by the scheme proponent.
- 3.7** It is argued that the expression “any cost” under Regulation 2B must be read with Regulation 2(1)(ea), which defines liquidation cost to include, inter alia, the liquidator’s fee under Regulation 4. It is the Liquidator’s case that because Regulation 2B does not use the word “expenses,” the term “cost” must be interpreted broadly to include the liquidator’s fee. It is further contended that if the scheme had been sanctioned, the corporate debtor would have been liable to bear all costs falling within Regulation 2(1)(ea), and therefore, the same breadth of costs must be borne by the scheme proponent when the scheme fails under the proviso to Regulation 2B.
- 3.8** It is submitted that the proviso to Regulation 2(1)(ea), which states that costs relating to Section 230 shall not form part of liquidation cost, merely excludes such costs from distribution priorities under Section 53, but does not prevent recovery of such cost from the scheme proponent. It is contended that unless such cost is reimbursed by the Respondent, the burden will fall upon creditors and reduce their recoveries under Section 53(1)(a). Hence, the Liquidator seeks a direction upon the Respondent to reimburse ₹1,87,01,544/- as costs incurred during the scheme period.
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**4. The Respondent states as under:**

**4.1** It is submitted that I.A. (IBC) No. 872/KB/2022 is misconceived and is fundamentally based on an incorrect reading of Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016. It is claimed that the Liquidator is impermissibly seeking his own fee and various other amounts under the guise of “costs” under Regulation 2B, although Regulation 2B, properly construed, does not cover and cannot be used to recover liquidator’s fee from a scheme proponent.

**4.2** It is contended that the maintainability of I.A. 872/KB/2022 is squarely barred because, first, the prayer for recovery of liquidator’s fee from the Respondent is prohibited under Regulation 2B, and second, the Hon’ble NCLAT in *C.A. Jai Narayan Gupta v. Radhasiriya Properties Pvt. Ltd.*, Company Appeal (AT) (Ins) No. 1473 of 2023, has conclusively held that a scheme proponent cannot be saddled with liquidator’s fee. It is further submitted that the Liquidator admittedly has already received his entire fee of ₹1,84,57,744/- from the liquidation estate for the relevant period yet now seeks reimbursement of the same amount from the Respondent, which is in clear derogation of law and contrary to the binding judgment of the Hon’ble NCLAT.

**4.3** It is submitted that even the balance portion of the claim for “legal and other expenses” is unsustainable because the Liquidator has indiscriminately claimed all legal expenses, including those unconnected with the Section 230 scheme, and even charges for “non-effective hearings.” It is contended that Regulation 2B permits recovery only of costs “incurred in relation to the compromise or arrangement,” and not liquidation expenses in general. It is therefore submitted that the alleged claims of the Liquidator are contrary to the statutory scheme and the entire application deserves to be dismissed.

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**4.4** It is further submitted that, at the same time, the Respondent, Mr. Akshay Jhunjhunwala, ex-promoter of the Corporate Debtor, was engaged by the CoC and later by the Stakeholders' Consultation Committee on a monthly salary of ₹2,00,000/- to render services during CIRP and liquidation. It is claimed that resolutions to this effect were duly passed by the CoC and the SCC, and that the net payable to the Respondent at ₹2,00,000/- per month from August 2019 to July 2025 comes to ₹1,44,00,000/-, apart from gratuity till the date of discharge. It is contended that these dues are undisputed on record, yet the SCC and the Liquidator have wrongfully withheld payment on the pretext of pendency of I.A. 872/KB/2022 and on a purported set-off theory which has no legal foundation.

**4.5** It is submitted that by order dated 26.09.2024, this Tribunal has already directed the Liquidator to disburse the dues of the Respondent, but instead of complying, the Liquidator has filed I.A. 2383/KB/2024 styled as a "clarification" application only to delay implementation of that order. It is contended that I.A. 2383/KB/2024 is, in substance, an appeal or review in disguise, which is not maintainable. Having chosen not to challenge the order dated 26.09.2024 before the appropriate appellate forum, the Liquidator cannot indirectly assail that order through a so-called clarification.

**4.6** It is further submitted that on a proper construction of Regulation 2B and Regulation 2(1)(ea), read together, the position is clear. Regulation 2B(3) provides that "any cost incurred by the liquidator in relation to compromise or arrangement" shall be borne by the corporate debtor where the scheme is sanctioned, and by the scheme proponent where it is not sanctioned. Regulation 2(1)(ea) defines "liquidation cost" as including, inter alia, fee payable to the liquidator under Regulation 4, remuneration under Regulation 7, and other costs essential for

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completing liquidation, but the proviso expressly states that cost incurred by the liquidator in relation to a Section 230 compromise or arrangement “shall not form part of liquidation cost.” It is submitted that this statutory structure, as interpreted by the Hon’ble NCLAT in *Jai Narayan Gupta*, means that the scheme proponent can only be saddled with “costs” actually incurred in relation to the scheme (such as drafting, filing, and effective hearing expenses) and not with the liquidator’s fee, which continues to be payable only from the liquidation estate in terms of Section 34 and Regulation 4.

**4.7** It is claimed that the Hon’ble NCLAT has, in paragraphs 16–18 of *Jai Narayan Gupta*, categorically held that: (i) Regulation 2B refers to “cost” and not “fee”; (ii) the rule-making authority is fully aware of the distinction; (iii) no fee of the liquidator can be charged from the scheme proponent; and (iv) concerns about non-serious scheme proponents are addressed by the fact that they can be saddled with genuine “costs” incurred in relation to the scheme, but not liquidation fee. It is therefore contended that the Liquidator’s present reliance on the proviso to Regulation 2B(3) to claim ₹1,87,01,544/- from the Respondent is frivolous, erroneous and contrary to binding precedent. At best, only genuine, scheme-related costs can be claimed, and even on that count, the Liquidator has not segregated nor properly justified the amounts. On this basis, it is finally submitted that I.A. 872/KB/2022 is liable to be dismissed, and the Respondent’s admitted service dues ought to be released strictly in terms of the Tribunal’s earlier order.

**5. Facts as admitted by the Respondents:**

- i. The Respondent, in his capacity as promoter/director of the submitted a Scheme of Arrangement under Regulation 2B of the Liquidation Regulations which was received by the
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Liquidator on 13.08.2019. At that time, there was **no legal bar under the IBC** on a person ineligible under Section 29A in proposing a scheme of compromise or arrangement.

- ii. Being satisfied with the Scheme, the Liquidator filed I.A. (IB) No. 1331/KB/2019 seeking its approval. In the said application, the Liquidator unequivocally stated that the **Scheme benefited all stakeholders and was fair, reasonable, and not prejudicial to public interest [pg. 3, para 3, Respondent's reply to I.A. No. 872/2022].**
  - iii. However, before the Scheme could be approved, the Hon'ble NCLAT in **Jindal Steel & Power Ltd. v. Gujarat Energy Coke Ltd.** (judgment dated 24.10.2019) held that *promoters ineligible under Section 29A of the IBC could not propose schemes during liquidation*. This view was affirmed by the Hon'ble Supreme Court on 15.03.2021, and a proviso to Regulation 2B(1) was inserted to reflect the said embargo. Thus, I.A. No. 1331/KB/2019 was dismissed on 13.08.2021 solely **on account of the change in law and not on merits.**
  - iv. Thereafter, on 20.10.2021, the Liquidator issued a demand notice claiming Rs. 1,87,01,544/-, purportedly under Regulation 2B(3) and/or the proviso thereto.
  - v. It is on the basis of the Liquidator's purported demand notice that I.A. No.872/2022 has been filed.
  - vi. The Liquidator has also claimed his fee under Regulation 4 for the period of scheme allegedly from 6.8.2019 to 13.8.2021 despite the fact that the same cannot be included within "cost" as mentioned in regulation 2B of the Liquidation Regulations. However, the Liquidator has also admitted that he has ***“already received the said amount of fees from the Corporate Debtor.”***
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6. The Respondent has in his reply to I.A. No.872/2022 duly pointed out that the Liquidator's purported claim is frivolous and the Liquidator's fee to the extent of Rs.1,84,57,744/- cannot be demanded from the Respondent as it does not fall under cost within the meaning of Regulation 2B read with **Regulation 2 (1) (ea)** of the Liquidation Regulations. The proviso to Regulations **2e(a) (viii)** categorically mentions that the **costs, if any, incurred by the Liquidator in relation to compromise or arrangement shall not form part of liquidation cost**. It has also further been pointed out by the Respondent that the Respondent cannot be saddled with **unnecessary expenses/costs** relating to **non-effective hearings** and costs allegedly incurred by the applicant for **obtaining certified copies of orders** passed in I.A. 1331/2022 when several unconnected applications were also listed.).
7. **The question that begs consideration is whether Liquidator's claim is justified and legal and contrary to Regulation 2B(3), we have stated the followings:**
- i. Express Bar under the proviso to Regulation 2(1)(ea)(viii) Costs incurred in relation to a compromise or arrangement shall not and cannot form part of the liquidation cost.
  - ii. The claim includes **cost even for non-effective hearings** and costs of obtaining **certified copies**.
  - iii. Scheme was not dismissed on merits but only in view of subsequent change in law.
  - iv. Liquidator was satisfied that the Scheme was fair, reasonable and in the interest of all stakeholders.
  - v. The Liquidator's claim is contrary to the scheme of and rationale behind enactment of **Regulation 2B**.
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- vi. The Hon'ble NCLAT in *C.A. Jai Narayan Gupta (supra)* has categorically held that Regulation 2B and/or particularly the proviso to Regulation 2B (3) does not include Liquidator's fee and no fee can be charged from the scheme proponent who has submitted the scheme under Section 230 of the Companies Act, 2017 read with Regulation 2B of Liquidation Regulation. The applicant's demand for payment of Rs.1,84,57,744/- does not seem tenable.

**8. Company Appeal (AT) (Insolvency) No.1473 of 2023 of National Company Law Appellate Tribunal, Principal Bench, New Delhi** states as follows:

*"2.(iv) Under the order of the Adjudicating Authority dated 06.01.2023, the Liquidator concerned a meeting of Creditors on 17.02.2023. In the meeting of the Creditors held on 17.02.2023, the scheme submitted by Respondent was rejected by the Creditors. Respondent received an email from the Liquidator on 1<sup>st</sup> March 2023 informing it that in the meeting of the Creditors, the scheme submitted by the Respondent has rejected.*

*2.(vi) The Liquidator filed a reply to the Application, justifying the payments received from the Respondent. It was pleaded by the Liquidator that under the Liquidation Regulations, 2016, the Liquidator is entitled to receive his fees for the period of compromise and arrangement. It was pleaded that the amount deposited covers the fees from the Liquidation Commencement Date, that is, 24.01.2022 till 25.02.2023 amounting to Rs.23,01,000/-. In Paragraph 14 of the reply, details were given by the Liquidator regarding liquidation costs during the period of compromise.*

*7. The facts and sequence of events between the parties have been noted by the Adjudicating Authority in its impugned order, which*

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*needs no repetition. It is admitted fact between the parties that the Respondent, who has proposed the scheme of compromise and arrangement dated 15.03.2022 was required by the Liquidator to pay various amounts from time to time and total amount paid by the Respondent was an amount of Rs.23,88,280/-, for refund of which amount an L.A. (IB) No.975/KB/2023 was filed, which was allowed by the Adjudicating Authority. The Liquidator has filed the reply to the L.A. (IB) No.975/KB/2023, where it has given the details of amount, which according to the Liquidator, the Respondent was liable to pay. It is useful to extract paragraph 14 of the reply, which contain all details regarding liquidation fee and the expenses as was claimed by the Liquidator. Paragraph 14 of the reply of the Liquidator is as follows:*

<b>Particulars</b>	<b>Amount (Rs.)</b>
<i>Liquidator's fee for 13 months (Jan 2022 – Feb 2023)</i>	23,01,000
<i>Publication of Form B for initiation of liquidation</i>	5,376
<i>Drafting and Filing fee for IA 409/2022 – Extension of time period of scheme of compromise or arrangement</i>	10,000
<i>Drafting and Filing fee for IA 495/2022 – Approval to conduct meeting of creditors</i>	10,000
<i>Drafting and Filing fee for IA 1355/2022 – Progress Report for 30.09.2022</i>	10,000
<i>Drafting and Filing fee for IA 358/2023 – Affidavit of Service u/r 12 of CAA Rules</i>	10,000
<i>Drafting and Filing fee for IA 521/2022 – Result of meeting of creditors</i>	11,800
<i>Publication of Form CAA 2</i>	2,352
<i>Audit fee for FY 2021 – 22</i>	20,000
<i>Bank charges till 17.02.2023</i>	638
<i>MSME registration of the Corporate Debtor</i>	2,700
<i>ROC filing fee</i>	600
<b>Sub-total</b>	<b>23,94,466</b>
<b>Other Expenses</b>	

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<i>Publication of sale notices dated 27.02.2022 and 14.04.2022</i>	10,626
<i>E-voting charges</i>	7,080
<b>Total</b>	<b>24,12,172</b>

*8. When we look into the reply of Liquidator filed in the Application, the Liquidator has claimed Liquidator's fee for 13 months as Rs.23,01,000/-and rest of the amount included in total of Rs 24,12,172/- is the amount spent on various expenses incurred by the Liquidator. The question to be answered in this Appeal is as to whether the Liquidator's claim to retain the amount received from the Scheme Proponent is justified or not and as to whether Adjudicating Authority committed any error in directing refund of the amount? Before we proceed to consider the rival submission of the parties, it is necessary to notice relevant provisions of the Code as well as the Liquidation Regulations, 2016 governing the payment of fee and costs of the liquidation. Section 34 deals with 'Appointment of liquidator and fee to be paid. Section 34, sub-sections (8) and (9), which deals with fee for the conduct of the liquidation proceedings, are as follows:*

*"34(8) An insolvency professional proposed to be appointed as a liquidator shall charge such fee for the conduct of the liquidation proceedings and in such proportion to the value of the liquidation estate assets, as may be specified by the Board*

*(9) The fees for the conduct of the liquidation proceedings under sub-section (8) shall be paid to the liquidator from the proceeds of the liquidation estate under section 53."*

*9. The above statutory provision is clear that Liquidator fee for the conduct of the liquidation proceedings has to be paid from the value of the liquidation estate assets. The IBBI (Liquidation Process)*

*Regulation, 2016 deals with all aspects of the liquidation process, including payment of fee and costs. Regulation 2(1)(ea) defines the liquidation cost', which is to the following effect:*

*"2(1)(ea) "liquidation cost" under clause (16) of section 5 means -*

- i. Fee payable to the liquidator under regulation 4;*
- ii. Remuneration payable by the liquidator under sub-regulation (1) of regulation 7;*
- iii. Costs incurred by the liquidator under sub-regulation (2) of Regulation 24;*
- iv. Costs incurred by the liquidator for preserving and protecting the assets, properties, effects and actionable claims, including secured assets, of the corporate debtor;*
- v. Costs incurred by the liquidator in carrying on the business of the corporate debtor as a going concern;*
- vi. Interest on interim finance for a period of twelve months or for the period from the liquidation commencement date till repayment of interim finance, whichever is lower;*
- vii. The amount repayable to contributories under sub-regulation (3) of Regulation 2A;*
- viii. Any other costs incurred by the liquidator which is essential for completing the liquidation process:*

*Provided that the cost, if any, incurred by the liquidator in relation to compromise or arrangement under section 230 of the*

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*Companies Act, 2013 (18 of 2013), if any, shall  
not form part of liquidation cost.”*

**9. Analysis and findings:**

1. Two issues arise for determination in this application:  
(a) whether the Liquidator is entitled to recover liquidation fee from the Scheme Proponent under Regulation 2B; and  
(b) whether the expenses claimed by the Liquidator qualify as “cost incurred towards compromise or arrangement” under Regulation 2(1)(ea) of the Liquidation Regulations.
2. For clarity, Regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 reads as follows:

**3. Regulation 2B of which is set out below:**

***"2B. Compromise or arrangement.** (1) Where a compromise or arrangement is proposed under section 230 of the Companies Act, 2013 (18 of 2013), it shall be completed within ninety days of the order of liquidation under section 33.*

*Provided that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to such compromise or arrangement.*

*Provided further that the liquidator shall file the proposal of compromise or arrangement only in cases where such recommendation has been made by the committee under regulation 39BA of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016: Provided further that the liquidator shall not file such proposal after expiry of thirty days from the liquidation commencement date.*

*(2) The time taken on compromise or arrangement, not exceeding ninety days, shall not be included in the liquidation period.*

*(3) Any cost incurred by the liquidator in relation to compromise or arrangement shall be borne by the corporate debtor, where such compromise or arrangement is sanctioned by the Tribunal under sub-section (6) of section 230:*

4. *Provided that such cost shall be borne by the parties who proposed compromise arrangement, where such compromise or arrangement*

*is not sanctioned by the Tribunal under sub-section (6) of Section 230.”*

**5. The expenses claimed by Liquidator fees qualifies as “Cost incurred toward compromise or arrangement under Regulation 2(1)(ea).**

- (i) fee payable to the liquidator under regulation 4;*
- (ii) remuneration payable by the liquidator under sub-regulation (1) of regulation 7;*
- (iii) costs incurred by the liquidator under sub-regulation (2) of regulation 24:*
- (iv) costs incurred by the liquidator for preserving and protecting the assets, properties, effects and actionable claims, including secured assets, of the corporate debtor,*
- (v) costs incurred by the liquidator in carrying on the business of the corporate debtor as a going concern;*
- (vi) interest on interim finance for a period of twelve months or for the period from the liquidation commencement date till repayment of interim finance, whichever is lower,*
- (vii) the amount repayable under sub-regulation (3) of regulation 2A;*
- (viii) any other cost incurred by the liquidator which is essential for completing the liquidation process:*

***Provided that the cost, if any, incurred by the liquidator in relation to compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013), if any, shall not form part of liquidation cost.***

- 4.** A reading of the above provisions makes the legislative intent unambiguous. Regulation 2B(3) covers only those costs incurred “in relation to” a compromise or arrangement, and even those costs are recoverable only on the narrow contingencies prescribed. Importantly, such cost becomes payable only when the compromise or arrangement is sanctioned by the Tribunal. In the present matter, the scheme under Section 230 was not sanctioned, as the law did not permit such arrangement. Therefore, the foundational condition under Regulation 2B(3) does not arise.
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5. The structure of Regulation 2(1)(ea) further clarifies that the definition of “liquidation cost” is exhaustive and distinctly separate from the Liquidator’s fee under Regulation 4. The proviso expressly excludes from liquidation cost any expenditure incurred by the Liquidator in relation to a Section 230 scheme. This exclusion is categorical and admits no exceptions.
  6. The Hon’ble NCLAT in C.A. **Jai Narayan Gupta v. Radhasiriya Properties Pvt. Ltd.**, Reported in Company Appeal (AT) (INS) No. 1473 of 2023 has *held that neither Regulation 2B nor the proviso to Regulation 2B(3) permits the Liquidator to recover his fee from a scheme proponent. The Appellate Tribunal concluded that the Liquidator cannot impose his remuneration upon a person proposing a scheme under Section 230 read with Regulation 2B. Therefore, the Liquidator’s demand for Rs. 1,84,57,744 has no legal foundation.*
  7. It is also not in dispute that the Liquidator has already received his statutory fee from the Corporate Debtor under Regulation 4. Recovering the same component twice once as liquidation fee and again from the scheme proponent would amount to double realisation, which the law does not countenance.
  8. In light of the regulatory framework and binding precedent, the Liquidator’s claim does not fall within either Regulation 2B(3) or Regulation 2(1)(ea). The amount claimed cannot be characterised as cost incurred “in relation to” a compromise or arrangement, nor can it be treated as liquidation cost.
  9. For the reasons discussed above, and in view of the express text of Regulation 2B and Regulation 2(1)(ea), the Liquidator’s prayers
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cannot be sustained. **Accordingly, I.A. (IBC) No. 872/KB/2022 is dismissed.**

**I.A. (IBC) No. 2383/KB/2024**

**10.** This Application has been preferred by the Liquidator of **Varrsana**

**Ispat Limited** to seek the following reliefs, inter alia:

- a. Allow the present application; and*
- b. Clarify the Order dated 26.09.2024 passed in IA(IBC) No. 872/KB/2022 by this Adjudicating Authority for the reasons entailed in para 11 of the application and*
- c. Pass a Speaking Order in the IA (IBC)/872(KB)2022 which is pending for the adjudication; and or*
- d. Pass such other / further order(s) as this Tribunal may deem fit and proper.*

**11.** In view of the order passed in IA (IBC)/872(KB)2022, this application vide **IA (IBC)/2383(KB)2024** has already served its purpose and therefore **disposed of** accordingly.

**12.** Certified copy of this order, if applied for with the Registry be supplied to the parties in compliance with all requisite formalities.

**Siddharth Mishra**  
**Member (Technical)**

**Bidisha Banerjee**  
**Member (Judicial)**

**Signed on this, the 09<sup>th</sup> day of December, 2025.**