NATIONAL COMPANY LAW APPELLATE TRIBUNAL
AT CHENNAI

(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) (Ins) No. 540/2026

In the matter of:

Srikantiah Shivaswamy **… Appellant**

Vs

Compal Electronics India Pvt Ltd & Anr. **… Respondents**

Present :

For Appellant : Mr. Pranav Gopalakrishnan, Advocate

For Respondent : Mr. Pawan Sharma, Advocate for R1
Mr. Chandan Yakkar Shanbhogue, Liquidator/ R2

ORDER
(Hybrid Mode)

26.11.2026:

1. Mr. Pawan Sharma takes notice for the 1st respondent, and Mr. Chandan Yakkar Shanbhogue, the present liquidator, appeared through virtual mode. The present liquidator submits that the appellant has not shared any information over the last five months.

2. The learned counsel for the appellant submits that the only realisable asset of the corporate debtor in the liquidation process is an income tax refund which is to the tune of about ₹.2.51 crores. He also adds that a service tax refund is also due. It is in this context that, in para 17 of the impugned order, the Adjudicating Authority has taken exception to the conduct of the appellant, and it runs as below: -

> *"17. The Annexure A of the memo filed on 16.03.2026 showing the receipts and payment summary for period from April 2020 to March 2021 clearly states that as on 01.04.2020, Liquidation account had*

income tax refund Rs.2,10,00,000, Interest on income tax refund Rs.41,09,817 and Bank interest income Rs.10,517 totalling Rs.2,51,20,334. On testing the version of Liquidator on the yardstick of Regulation 42 (as applicable on 28.06.2019) he is found to be unreasonably and defiantly sitting on the liquidation account for as long as 6 years without distributing a penny in the expectation of further additions probably to exhaust the Creditors whose claims have been admitted. He also could not have retained the entire collection to meet the liquidation costs including the expenses for pending litigation. After all the entire process is meant for resolving the debts of lenders in a time-bound manner and cannot be at the unilateral and personal fiefdom or whims of the Liquidator. The attitude of the Liquidator reinforces the allegation of the Applicant that he is conducting the process as its proprietor under an impression that he is Irreplaceable The reason for non-distribution furnished by him are appalling, unfathomable and directly contrary to Regulation 42 of the Liquidation Regulations."

3. We now want to ascertain the precise date on which the income tax refund amount was realised by the appellant. The appellant is required to submit his affidavit to that effect along with the statement of account.

List this appeal on **30.11.2026.**

[Justice N. Seshasayee]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

VG/PC/MS