

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
AT CHENNAI

(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) (Ins) No. 495/2026

(IA No. 1397/2026)

In the matter of:

Kasi Srinivas

Liquidator of Ethnic Tobacco Ltd

... Appellant

Vs

State Bank of India & 3 Ors.

... Respondents

Present :

For Appellant : Mr. PH Arvinth Pandian, Senior Advocate
For Ms. Aishwarya Chevuturi, Advocate

With

Company Appeal (AT) (CH) (Ins) No. 496/2026

(IA No. 1398/2026)

In the matter of:

Kasi Srinivas

Liquidator of Ind Tob

International Pvt Ltd

... Appellant

Vs

State Bank of India

... Respondent

Present :

For Appellant : Mr. PH Arvinth Pandian, Senior Advocate
For Ms. Aishwarya Chevuturi, Advocate

ORDER

(Hybrid Mode)

17.09.2026:

The appellant herein is a liquidator in two separate liquidation processes of two CDs which, as between them, were sister concerns. The problem he now faces is that despite 3 years, he has not sold any asset of any of the corporate debtors.

Be that as it may, he has been only producing the progress reports of the liquidation processes. Accordingly, when he produced the 56th & 55th progress report respectively, in both liquidation processes, the Adjudicating Authority was not happy with what was happening for three years and said no remuneration need be paid to the appellant and that all the amounts that are already paid, shall be returned and stipulated that the refunding should happen by 18.09.2026. The relevant part of the order is extracted hereunder:

“15. As a sequel to the aforesaid discussions, we hereby direct as below:

(i) The Liquidator is directed to deposit/refund the entire amount so drawn towards his fee into the liquidation account of the Corporate Debtor within 10 days from the date of this order and file a compliance Memo before this Adjudicating Authority within 15 days from the date of this Order.”

2. Appearing for the liquidator, Mr. PH Arvinth Pandian, Senior Advocate, submitted that one problem the liquidator faced was that the units of the corporate debtors are situated on the personal property of the promoters of the corporate debtors, which are leased to the CD, and therefore the best way of selling the assets of CD would be to sell both of them together. It is on this ground that SCC instructed him through a resolution that the assets of the corporate debtors need not be sold till the Adjudicating Authority takes a call on the petition filed against the promoters of the said corporate debtors under Section 95 of the IBC. Eventually, the proceedings against the personal

guarantors has gone into bankruptcy proceedings, but the bankruptcy trustee was a different individual with the result, there was a lack of sync between the appellant and such bankruptcy trustee. In the meantime, on 04.02.2026, the promoters have approached the Adjudicating Authority and has also obtained an order of stay on auctioning the properties. He added that the same bench which has passed the order of stay of sale of the assets on 04.02.2026, has vacated it only on 03.06.2026. In between, the appellant has attempted to sell the assets at least on five occasions, and the last attempt was on 30.07.2026. However, there were no bidders at any point of time. For no fault of the liquidator, he has been found fault with, without even putting him on notice about it. All the while, the SCC, whose instructions the appellant cannot overlook or ignore, were also not heard by the Adjudicating Authority.

3. There will not be any order of stay of auction.
4. There will be an order of stay of operation of the order of the Adjudicating Authority dated 08.09.2026, by which the Adjudicating Authority has directed the appellant to refund the remuneration received.
5. Issue notice to respondents.
6. List these appeals on **03.11.2026**.

[Justice N Seshasayee]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

DD/MS/AK