

Insolvency and Bankruptcy Board of India , Regulation 34 – Payments of costs and expenses incurred by the Resolution Professional “RP” – Board issued circular dated 12 June 2018 which inter alia, requires the insolvency professional to ensure that the fees payable to him during the CIRP are reasonable and the approval of the CoC for the fee or other expenses is obtained, wherever approval is required – Adjudicating authority merely directed the respondent to pay the expenses incurred and an amount of Rs 5,00,000 plus GST towards the fee of the RP – Neither the basis of the claim nor its reasonableness has been considered by the adjudicating authority – The appellate authority has merely proceeded in an ad hoc manner on the ground that the amount of Rs 5,00,000 as fee, in addition to the expenses, appears to be reasonable – Both the orders suffer from an abdication in the exercise of jurisdiction – In the absence of any reasons either in the order of the NCLT or the appellate authority, it is impossible for the Court to deduce the basis on which the payment of an amount of Rs 5,00,000 together with expenses has been found to be reasonable. Consequently, an order of remand becomes necessary – Insolvency and Bankruptcy Code, 2016 – S.7, S.60(5)(c)

IBC S. 7 , IBC S. 60(5)

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