IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
COURT RECEIVER REPORT NO. 25 OF 2025
IN
WRIT PETITION NO. 3661 OF 2001

M/s. Kuber Mutual Benefits Ltd. & Ors. … Petitioners
V/s.
The State of Maharashtra & Ors. … Respondents

Mr. Sharad Bansal, Amicus Curiae.
Mr. N. C. Walimbe with Mr. A. K. Naik, AGP for Respondent – State.
Mr. G. S. Hegde, Senior Advocate (through VC) with Ms. P. M. Bhansali & Mr. Amit Gala for Respondent – CIDCO.
Mr. B. V. Baravkar, Court Receiver with Ms. E. S. D'souza, Section Officer.
Mr. T. K. Sinha, AT & TS Associates, Valuer.

CORAM : R.I. CHAGLA AND
FARHAN P. DUBASH, JJ.

RESERVED ON : 25th JUNE 2026
PRONOUNCED ON : 3rd SEPTEMBER 2026

ORDER (Per Farhan P. Dubash, J.):

1. The present Court Receiver's Report raises an unusual question concerning the payment of professional fees of M/s. AT & TS Associates (**"the Valuer"**), a Panel Valuer engaged pursuant to an order of this Court passed more than two decades ago. The Valuer completed the assignment and submitted its report in May 2004. Its professional fees, however, have remained unpaid to date. The original bills, aggregating Rs. 7,01,858/- have

subsequently been revised to Rs. 6,51,062/- upon exclusion of the service tax component. The Valuer has, in addition, claimed interest and a further amount towards the alleged erosion in the purchasing power of the rupee, thereby quantifying its aggregate claim at Rs. 47,26,710/-. The present Report has accordingly been placed before the Court seeking appropriate directions in regard to the Valuer's outstanding claim and the discharge of the Court Receiver.

FACTUAL MATRIX

2. Before considering the issues which arise for determination, it would be appropriate to briefly set out the facts relevant to the adjudication of the present Court Receiver's Report.

A. The Petitioners had instituted the above Writ Petition challenging, inter alia, the attachment of their properties under the provisions of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 (**"the MPID Act"**). In Civil Application No. 2017 of 2003, Ms. Clare Gonsalves, an investor, sought appropriate directions in respect of the incomplete building and properties of the Petitioners.

B. By an order dated 1st December 2003, this Court directed the Court Receiver, High Court, Bombay, to visit the site and submit a report regarding its existing condition, invite offers for purchase of the building on an *"as is where is"* basis, and explore the possibility of engaging a builder to complete the construction in accordance with the sanctioned plans before making the building available for sale.

The Court Receiver was also granted liberty to obtain such technical assistance as may be necessary for carrying out the aforesaid exercise.

C. Pursuant thereto, the Court Receiver, by communication dated 23rd December 2003, fixed an appointment for taking the necessary steps. M/s. AT & TS Associates was requested to depute its representatives to inspect the subject properties and submit a report regarding their existing condition. On 6th January 2004, the Advocates for Respondent No. 4 addressed a communication to the Court Receiver stating that it was unnecessary for the Court Receiver to take physical possession of the subject properties since the properties were *custodia legis* and under the control of the Special Court constituted under the MPID Act. It was further stated that the Court Receiver had not been appointed as Receiver of the subject properties in the conventional sense, but had merely been directed to perform the functions specified in the order dated 1st December 2003 for facilitating disposal of the properties.

D. The Valuer thereafter inspected the subject properties and submitted a detailed report to the Court Receiver on 5th May 2004. On 15th May 2004, the Valuer raised six bills towards the services rendered. One bill pertained to inspection of the sites and the cost of photographs. The remaining five bills pertained to valuation reports prepared in respect of properties situated at CBD Belapur; Sector 4, Kharghar; Sector 11, Kharghar; Sector 10, Vashi; and Village Pahur, Taluka Mangaon/Roha, District Raigad. The aggregate amount claimed under the six bills was Rs. 7,01,858/-, inclusive of service tax.

E. On 5th September 2005, the Writ Petition came to be disposed of. However, as the Valuer's bills remained unpaid, the Valuer addressed a communication dated 28th September 2005 to the Court Receiver requesting that appropriate directions be obtained from this Court for payment of the outstanding amount. The Court Receiver, in turn, by communication dated 10th October 2005, called upon the Advocates for the Petitioners to instruct their clients to deposit Rs. 7,01,858/- so as to enable payment to the Valuer.

F. The Valuer reiterated its request for payment by a further communication dated 1st March 2007. On 20th December 2007, the Court Receiver once again called upon the Advocates for the Petitioners to arrange for deposit of the aforesaid amount. The bills, however, continued to remain unpaid.

G. In Court Receiver's Report No. 126 of 2010, the Court Receiver sought directions as to whether the bill of Rs. 12,400/- towards inspection and preparation of the status report ought to be restricted to Rs. 5,000/- and whether each of the four valuation bills exceeding Rs. 25,000/- ought to be restricted to the maximum amount of Rs. 25,000/-, contemplated under the applicable Guidelines, or whether a higher amount ought to be sanctioned by this Court. The Court Receiver also sought a direction requiring the Petitioners, who had carriage of the proceedings, to deposit the valuation charges and a further sum of Rs. 10,000/- towards the costs and expenses of the Court Receiver. The said Report has remained pending and no order has been passed thereon.

H. Court Receiver's Report No. 126 of 2010 was forwarded to the Appellate Side Registry on 17th July 2010. By an order dated 31st October 2012, this Court recorded that the original Writ Petition had already been dismissed and, therefore, no order was passed at that stage.

I. Thereafter, the Court Receiver addressed communications dated 12th February 2014, 25th November 2014 and 16th February 2015 to the Advocates for the Petitioners and the Respondents requesting payment of the Valuer's professional fees.

J. A meeting was convened in the office of the Court Receiver on 22nd April 2015 to consider the issue concerning the Valuer's outstanding professional fees. It was recorded that the Writ Petition had been disposed of on 5th September 2005 and that Court Receiver's Report No. 126 of 2010 continued to remain pending. The Advocate for the Intervenor stated that proceedings were pending before the Special Court constituted under the MPID Act. However, the communication addressed in that regard did not disclose the whereabouts of Petitioner No. 1 – Company. The Advocate for Petitioner No. 1 – Company was not present at the meeting and the whereabouts of the Company were also not known. The Court Receiver accordingly recorded that it had become extremely difficult to correspond with the concerned parties.

K. By communication dated 19th November 2016, the Court Receiver requested the Registrar (Judicial-II), Appellate Side, to have Court Receiver's Report No. 126 of 2010 placed before this Court. By communication dated 23rd December 2016, the Deputy Registrar informed the Court Receiver that the said Report had been forwarded to the Civil Board Department for taking necessary action. The Court Receiver thereafter addressed further communications dated 2nd January 2017 and 28th November 2018 requesting that the Report be placed before this Court. Despite these communications, Court Receiver's Report No. 126 of 2010 was not listed for consideration.

L. The suit account maintained by the Court Receiver does not contain any funds and is running into debit. The debit balance presently recorded in the suit account is Rs. 684/-. The initial costs of the Court Receiver, amounting to Rs. 500/-, had been deposited by Ms. Clare Gonsalves, the Applicant in Civil Application No.2017 of 2003.

M. The Valuer continued to correspond with the Court Receiver regarding its outstanding professional fees. By communication dated 15th May 2025, the Valuer stated that the original bills had been raised in accordance with the Guidelines dated 1st February 1994. Since service tax was no longer leviable, the Valuer submitted revised invoices excluding the service tax component contained in the original bills. The aggregate principal amount claimed was thereby reduced from Rs. 7,01,858/- to Rs. 6,51,062/-.

N. The Valuer also furnished a declaration dated 15th May 2025 stating that it was not required to be registered under the Goods and Services Tax Act, 2017, since its turnover was below the prescribed threshold. It further undertook to bear any liability towards GST which may subsequently arise and stated that the Court Receiver would not be responsible for discharging any such liability.

O. In addition to the revised principal amount of Rs. 6,51,062/-, the Valuer claimed simple interest at the rate of 6 percent per annum for a period of 21 years, quantified at Rs. 8,20,338/-. The aggregate amount of principal and interest was accordingly stated to be Rs. 14,71,400/-. The Valuer thereafter applied a multiplier of 3.21238 towards the alleged depreciation or erosion in the purchasing power of the rupee between 2004 and 2025 and thereby quantified its total claim at Rs. 47,26,710/-.

P. By the aforesaid communication, the Valuer requested that a judgment and decree for Rs. 47,26,710/- be passed in its favour and against Petitioner No. 1 – Company. It further requested that the Court Receiver be authorised to lodge a claim before the Official Liquidator, Uttar Pradesh and Uttarakhand, who was stated to have been designated by the Allahabad High Court to settle the claims of creditors of Petitioner No.1 – Company and that the Official Liquidator be impleaded as a party to the proceedings.

Q. The Valuer also sought the impleadment of Smt. Rowena Sharma, wife of late Shri Pradyuman K. Sharma, who was stated to have been a Director or Partner of Petitioner No.1 – Company prior to its liquidation. It further sought directions for freezing the bank accounts and assets of companies with which Smt. Rowena Sharma was stated to be associated, in the event that the funds available with the Official Liquidator were insufficient to satisfy its claim.

R. The Court Receiver has recorded that payment of the Valuer's professional fees could not be processed since the Writ Petition had already been disposed of; the existence and whereabouts of Petitioner No. 1 – Company were not known; correspondence with the Company was not possible; the suit account was running into debit; Court Receiver's Report No. 126 of 2010 had remained pending; Petitioner No. 1 – Company was stated to be under liquidation; Shri Pradyuman K. Sharma, its Director, had expired; and the communications addressed to the Petitioners and their Advocates had remained unanswered.

S. The Court Receiver has further recorded that the directions contained in the order dated 1st December 2003 had been complied with by visiting the subject properties and submitting a report regarding their condition. However, in the absence of funds and in view of the non-cooperation of the concerned parties, the Court Receiver has stated that it is not possible to take any further steps either for recovery of the Valuer's professional fees or for any other purpose.

T. The Court Receiver has accordingly filed the present Court Receiver's Report No. 25 of 2025 seeking discharge without passing accounts and permission to close the suit account without charging any further costs, charges or expenses. In the alternative, the Court

Receiver seeks directions regarding the steps to be taken in respect of the Valuer's outstanding bills and the reliefs sought by the Valuer in its communication dated 15th May 2025, together with directions as to the person who would bear the costs and expenses of taking such steps.

U. During the hearing of the present Court Receiver's Report, an Advocate entered appearance on behalf of Smt. Rowena Sharma.

SUBMISSIONS OF THE COURT RECEIVER

3. Mr. B. V. Bavakar, learned Court Receiver, submits that the Valuer was engaged pursuant to the order dated 1st December 2003 and completed the assignment by inspecting the subject properties and submitting its report on 5th May 2004. Six bills were thereafter raised on 15th May 2004 aggregating Rs. 7,01,858/-. He points out that despite repeated communications addressed to the Petitioners and their Advocates, the bills have remained unpaid.

4. Mr. Bavakar submits that Court Receiver's Report No. 126 of 2010 was filed seeking directions concerning payment of the Valuer's professional fees. The said Report has remained pending and no order has been passed thereon. He submits that the Court Receiver repeatedly requested the Registry to place the Report before the Court. Despite communications dated 19th November 2016, 2nd January 2017 and 28th November 2018, the Report was not listed for consideration.

5. It is further submitted that the Writ Petition has already been disposed of;

the present existence and whereabouts of Petitioner No. 1 – Company are not known; the Company is stated to be under liquidation; its Director, Shri Pradyuman K. Sharma, has expired; and the communications addressed to the Petitioners and their Advocates have remained unanswered. He adds that no funds are available in the suit account, which is instead, presently running into debit to the extent of Rs. 684/-.

6. Mr. Bavakar submits that the directions contained in the order dated 1st December 2003 have been duly complied with. However, in the absence of funds and owing to the non-cooperation of the concerned parties, it is not possible for the Court Receiver to take any further steps either for recovery of the Valuer's professional fees or for any other purpose.

7. The learned Court Receiver accordingly seeks discharge without passing accounts and permission to close the suit account without charging any further costs, charges or expenses. In the alternative, appropriate directions are sought concerning the steps to be taken in respect of the Valuer's outstanding claim and as to the person who would bear the costs and expenses of taking such steps.

SUBMISSIONS OF THE VALUER

8. Mr. T. K. Sinha, proprietor of the Valuer, namely, M/s. AT & TS Associates submits that the Valuer was formally engaged by the Court Receiver to provide technical assistance for implementation of the order dated 1st December 2003. He points out that the Valuer inspected the subject properties, prepared five separate valuation reports and submitted a further report concerning the existing condition of the properties. He submits that

neither the Court Receiver nor any party to the Writ Petition has disputed the services rendered by the Valuer or questioned the correctness of the valuation exercise.

9. Mr. Sinha submits that the original bills dated 15th May 2004 were raised in accordance with the Guidelines dated 1st February 1994. He clarifies that since the original bills included an amount towards service tax, the Valuer, by its communication dated 15th May 2025, submitted revised invoices excluding the said component and the principal claim was consequently reduced from Rs. 7,01,858/- to Rs. 6,51,062/-.

10. Mr. Sinha further submits that on account of the delay of more than two decades in payment of the professional fees, the Valuer is entitled to simple interest at the rate of 6% per annum for a period of 21 years. The interest component has been quantified at Rs. 8,20,338/-, bringing the aggregate amount of principal and interest to Rs. 14,71,400/-.

11. Mr. Sinha additionally claims compensation on account of the alleged depreciation or erosion in the purchasing power of the rupee between 2004 and 2025. On the basis of the Cost Inflation Index, a multiplier of 3.21238 has been applied to the aggregate amount of principal and interest, resulting in a total claim of Rs. 47,26,710/-.

12. Mr. Sinha accordingly seeks an order for Rs. 47,26,710/- against Petitioner No.1 - Company. He further seeks authority for the Court Receiver to lodge the Valuer's claim before the Official Liquidator, Uttar Pradesh and Uttarakhand, and seeks impleadment of the Official Liquidator and Smt. Rowena Sharma. He has also sought directions for freezing the bank

accounts and assets of companies with which Smt. Rowena Sharma is stated to be associated, in the event that the funds available with the Official Liquidator are insufficient to satisfy the Valuer's claim.

SUBMISSIONS OF THE LEARNED AMICUS CURIAE

13. Having regard to the nature of the issue arising for consideration, this Court considered it appropriate to seek the assistance of an independent member of the Bar. The present proceedings do not partake of the usual character of adversarial litigation. The principal parties to the original proceedings have either not participated in the matter or have not been in a position to effectively assist the Court in determining the questions arising in relation to the Valuer's professional fees. Moreover, the Court Receiver, being an officer of the Court, was required to place the relevant facts and circumstances before the Court but on questions concerning the legal entitlement of the Valuer, we sought the assistance of Mr. Sharad Bansal as Amicus Curiae in the examining of applicable Guidelines as well as relevant orders and precedents. At the outset, the Court records its appreciation for the able assistance rendered by the learned Amicus Curiae.

14. Mr. Sharad Bansal, learned Amicus Curiae, submits that the first question requiring consideration is as to which set of Guidelines governs determination of the Valuer's professional fees. The Valuer has raised its claim under the Guidelines dated 1st February 1994 bearing No. G/643/1149 (**"the 1994 Guidelines"**). The Accounts Officer, while verifying the bills, referred to the Guidelines dated 23rd April 1999 bearing No. G/6795 (**"the 1999 Guidelines"**) but at the same time applied the maximum ceiling of Rs. 25,000/- prescribed under the 1994 Guidelines. According to the learned

Amicus, this inconsistency makes it necessary to first determine which Guidelines govern the present assignment.

15. Mr. Bansal submits that the 1994 Guidelines prescribe the scale of fees payable to Architects and Valuers for valuation of immovable properties undertaken in aid of their sale. The 1999 Guidelines, on the other hand, govern fees payable for valuation undertaken for determination of royalty or compensation in respect of movable or immovable properties. Relying upon ***Bai Mamubai Trust v. Suchitra***[1], the learned Amicus submits that royalty or compensation, in this context, refers to the amount payable by an occupier to the person lawfully entitled to possession and is conceptually akin to mesne profits.

16. The learned Amicus further submits that the Guidelines issued in 2007 maintain the same distinction. He points out that Annexure I thereto concerns valuation of immovable properties, whereas Annexure III concerns determination of royalty and compensation. He, however, submits that the 2007 Guidelines, cannot govern the present assignment since the Valuer was engaged in January 2004, completed the assignment in May 2004 and raised its bills on 15th May 2004. Relying upon ***Parelkar & Dallas v. Blossom Industries Limited***[2], it is submitted that the applicable Guidelines are those in force when the Valuer was appointed and when the work was performed. The professional fees must, therefore, be determined under the 1994 Guidelines.

17. Our attention is invited to clause 9 of the 1994 Guidelines which *inter alia*

[1] 2019 SCC OnLine Bom 1854
[2] Order dated 4th December 2025 passed in Appeal No.78 of 2010

provide that professional fees payable for valuation of immovable property are subject to a maximum of Rs. 25,000/- and that where the fees exceed the said amount, prior sanction of this Court is required. Mr. Bansal submits that the ceiling of Rs. 25,000/- ought to be applied separately to each property valued and not collectively to the entire assignment. According to him, a collective ceiling, irrespective of the number of properties separately inspected and valued, would lead to an unreasonable result.

18. Mr. Bansal further submits that Clause 9 does not require sanction of this Court prior to appointment of the Valuer. The requirement of sanction, according to him, relates to payment of an amount exceeding Rs. 25,000/-. He therefore submits that such sanction may therefore be obtained after completion of the assignment and submission of the bills, provided it is obtained before payment is made. In support of this submission, the learned Amicus relies upon the decisions in ***Times Bank Limited v. Finoglobal Exports Limited***[3], ***Industrial Investment Bank of India v. Mafatlal Engineering Industries Limited***[4]; ***Industrial Finance Corporation of India v. Estrella Batteries Limited***[5] and ***ICICI Bank Limited v. Official Liquidator***[6]. Mr. Bansal further submits that, in the aforesaid cases, this Court sanctioned payment of fees exceeding the prescribed ceiling after the Valuer had completed the work and submitted its bills.

19. The learned Amicus also refers to ***Bank of Baroda v. Blossom Breweries Limited***[7], in which this Court declined to sanction payment exceeding the maximum prescribed fee. According to Mr. Bansal, the higher claim in that

[3] Order dated 12th July 2007 passed in Court Receiver's Report (**"CRR"**) No. 198 of 2007
[4] Order dated 13th November 2009 passed in CRR No. 1 of 2006
[5] Order dated 7th October 2010 passed In CRR No. 149 of 2010
[6] Order dated 5th May 2011 passed in Notice of Motion No. 905 of 2011
[7] Order dated 9th July 2008 passed in CRR No. 111 of 2009 by an order dated 9th July 2009

case was rejected because the valuation had been carried out perfunctorily and the valuation report was found to be flawed. The said order was subsequently upheld by the Division Bench in ***Blossom Industries*** (supra).

20. On the basis of the aforesaid authorities, Mr. Bansal submits that, while considering a claim exceeding the prescribed ceiling, the Court would ordinarily have regard to the nature and extent of the work performed, the quality and correctness of the valuation exercise and the delay in payment of the Valuer's bills.

21. Applying these principles to the present case, Mr. Bansal submits that five of the six bills raised by the Valuer pertain to separate valuation reports, while the remaining bill concerns inspection of the subject properties and preparation of a status report. He points out that four of the five valuation bills exceed the ceiling of Rs. 25,000/-. He further adds that neither the Court Receiver nor any party to the Writ Petition, however, has disputed the nature or extent of the work performed, alleged that the bills are inflated, or questioned the correctness of the valuation reports. He has accordingly submitted that the Valuer ought to be compensated for the work actually performed and that the entire revised principal claim of Rs. 6,51,062/- ought to be sanctioned.

22. As regards the bill concerning inspection of the subject properties and preparation of the status report, Mr. Bansal points out that the 1994 Guidelines prescribe a maximum amount of Rs. 5,000/-. He submits, however, that this Court retains discretion to sanction a higher amount. Having regard to the nature of the assignment and the absence of any objection to the work undertaken by the Valuer, it is submitted that the revised amount claimed under this bill ought also to be sanctioned.

23. As regards interest, Mr. Bansal fairly submits that the 1994 Guidelines do not expressly provide for interest on delayed payment. Reliance is, however, placed upon the decision in ***Bank of Baroda v. Eassy Stick Private Limited***[8], in which this Court granted interest at the rate of 12% per annum from the date of each bill until payment. He has submitted that a Valuer whose professional fees have remained unpaid for a prolonged period ought to be compensated for the delay.

24. Mr. Bansal submits that although interest at the rate of 12% per annum was granted in ***Eassy Stick*** (supra), the Valuer in the present case has confined its claim to interest at the rate of 6% per annum. Relying upon the decision of the Supreme Court in ***Akella Lalitha v. Konda Hanumantha Rao***[9], it is submitted that the Court cannot grant relief in excess of that which has been claimed. He therefore concludes that the Valuer would be entitled to interest only at the rate of 6% per annum.

25. The learned Amicus, however, submits that the Valuer cannot simultaneously claim interest and a further enhancement on account of depreciation or erosion in the purchasing power of the rupee. According to Mr. Bansal, interest itself compensates for the delay in payment and the time value of money. He fairly points out that the grant of a further inflation-linked enhancement after awarding interest would, therefore, result in compensating the Valuer twice for the same period of delay.

[8] Order dated 5th May 2014 passed in CRR No. 63 OF 2014
[9] 2022 SCC OnLine SC 928

26. Mr. Bansal accordingly submits that the Valuer is entitled to the revised principal amount of Rs. 6,51,062/- together with interest quantified at Rs. 8,20,338/- up to May 2025, aggregating Rs. 14,71,400/-. He has further submitted that the Valuer would be entitled to continuing interest at the rate of 6% per annum on the principal amount from June 2025 until actual payment. He submits that the additional claim based upon the multiplier of 3.21238 and the alleged erosion in the purchasing power of the rupee, however, ought to be rejected.

27. The learned Amicus lastly points out that, under the declaration contemplated by Clause 8 of the 1994 Guidelines, a Panel Valuer agrees to claim its professional fees from the funds available to the credit of the concerned proceedings in the hands of the Court Receiver, Commissioner for Taking Accounts, Official Assignee or Official Liquidator, and not to look personally to the office of the Court Receiver or to the State Government for payment. It is therefore submitted that, upon this Court sanctioning the amount payable, the Valuer's claim would have to be pursued against the funds or assets of Petitioner No. 1 – Company in accordance with law.

ANALYSIS, REASONS & FINDINGS

28. We have heard the Court Receiver; Mr. T. K. Sinha, the Valuer and the learned Amicus Curiae. We have also perused Court Receiver's Report No. 25 of 2025, the earlier Court Receiver's Report No. 126 of 2010, the note submitted by the learned Amicus Curiae, the Guidelines placed on record and the compilation of authorities tendered for consideration.

29. The Valuer has raised its claim under the 1994 Guidelines. The Accounts Officer, while verifying the bills, referred to the 1999 Guidelines, but simultaneously applied the ceiling of Rs. 25,000/- prescribed under the 1994 Guidelines. It is therefore necessary to first determine which Guidelines govern the assignment undertaken by the Valuer.

30. The 1994 Guidelines deal with the appointment of Architects or firms of Architects for valuation of immovable properties, including lands, buildings and structures. The scale of fees prescribed thereunder is linked to the sale price realised or the valuation, whichever is lower. The Guidelines are thus directed towards valuation of immovable properties, particularly where such valuation is undertaken in aid of their sale. The 1999 Guidelines, on the other hand, deal with valuation undertaken for determination of royalty or compensation in respect of movable and immovable properties. As explained by this Court in ***Bai Mamubai Trust*** (supra), royalty or compensation in this context concerns the amount payable by an occupier to the person lawfully entitled to possession. Such an exercise is conceptually distinct from valuation of immovable property for the purpose of its sale.

31. The distinction between the two categories was maintained even in the Guidelines issued in 2007. Annexure I thereto deals with valuation of immovable properties, whereas Annexure III separately deals with determination of royalty and compensation. The classification adopted in the successive Guidelines therefore reinforces the distinction between valuation for sale and valuation for determination of royalty or compensation. The nature of the assignment in the present case is clear. By order dated 1st December 2003, the Court Receiver was directed to visit the subject properties, report upon their existing condition, invite offers for

purchase of the building on an "*as is where is*" basis and explore the possibility of completing the construction in accordance with the sanctioned plans before making the building available for sale. The Valuer was engaged in furtherance of that exercise. The Valuer inspected the properties, prepared a report concerning their condition and prepared separate valuation reports in respect of the properties. The assignment was consequently one for valuation of immovable properties in aid of their proposed sale. It had nothing to do with determination of royalty or compensation payable by an occupier.

32. The Valuer was engaged in January 2004, completed the assignment in May 2004 and raised its bills on 15th May 2004. The 2007 Guidelines, which came into force subsequently, plainly cannot govern an assignment which had already been completed. The Division Bench in ***Blossom Industries*** (supra) has also recognised that the Guidelines applicable to the claim of a Valuer are those governing the appointment and performance of the assignment. We therefore find that the professional fees payable to the Valuer in the present case are governed by the 1994 Guidelines.

33. Clause 9 of the 1994 Guidelines, insofar as relevant, reads as follows:

> *"Architects as per present scale will be paid subject maximum fees of Rs. 25,000/- in respect of valuation of immovable properties. In case of fees exceeding Rs. 25,000/- to valuers of immovable properties, prior sanction of the Court be obtained."*

Clause 9 thus prescribes a ceiling of Rs. 25,000/- for valuation of immovable property, while expressly contemplating the sanction of this Court where the fees exceed that amount. The question is whether such sanction necessarily had to be obtained before the Valuer was appointed or whether the Court can sanction the higher fees after completion of the assignment and before payment.

34. On a plain reading of Clause 9, we find no stipulation requiring the Court's sanction to be obtained before appointment of the Valuer. The expression "*prior sanction*" must be understood in relation to the act which requires sanction, namely, payment of fees exceeding Rs. 25,000/-. The requirement is, therefore, that an amount in excess of the prescribed ceiling ought not to be paid without prior sanction of the Court. Such an interpretation is also consistent with the practical nature of a valuation assignment. The extent and complexity of the work, the number of properties to be inspected, the documents which may have to be examined and the nature of the reports required may not always be capable of being assessed with precision at the stage of appointment. The amount ultimately payable would be apparent only after the assignment has been completed.

35. More importantly, a Valuer appointed at the instance of the Court Receiver is entitled to proceed on the basis that the assignment entrusted to it is a legitimate Court-authorised assignment. If the officer of the Court engaging the Valuer does not obtain a sanction which may subsequently be required before payment of fees exceeding the prescribed ceiling, that administrative omission cannot, by itself, operate to deprive the Valuer of reasonable remuneration for work actually performed and accepted. The orders in ***Times Bank*** (supra), ***Industrial Investment Bank of India*** (supra), ***Industrial Finance Corporation of India*** (supra) and ***ICICI Bank*** (supra) demonstrate that this Court has, in appropriate cases, sanctioned professional fees exceeding the prescribed ceiling after completion of the assignment and submission of the bills. We are, therefore, unable to accept that the absence of sanction prior to appointment constitutes an absolute bar to payment of fees exceeding Rs. 25,000/-. The requirement under Clause 9 is satisfied if the Court's sanction is obtained before payment of the amount exceeding the prescribed ceiling.

36. The 1994 Guidelines do not expressly state whether the ceiling of Rs. 25,000/- is to be applied to the entire assignment or separately to each property valued. The scale of fees, however, is itself structured with reference to the valuation of the immovable property. Where a Valuer is required to inspect and separately value several distinct properties, the ceiling must, in our considered view, ordinarily be applied separately to each valuation exercise. Any other interpretation would produce an anomalous result. A Valuer engaged to value one property and a Valuer required to inspect and separately value five or ten distinct properties would, on such an interpretation, be subject to the same aggregate ceiling, irrespective of the additional work, time and professional responsibility involved. The Guidelines cannot reasonably be construed so as to produce such a result.

37. In the present case, the Valuer prepared five separate valuation reports concerning five distinct properties. Four of the five valuation bills exceed Rs. 25,000/-. The sixth bill relates to inspection of the properties, the cost of photographs and preparation of a report concerning their existing condition. The claim must therefore be examined with reference to the work performed under each component of the assignment. The authorities relied upon by the learned Amicus Curiae indicate that sanction of fees exceeding the prescribed ceiling is not automatic. The Court is required to examine, inter alia, the nature and extent of the work performed and the quality and correctness of the valuation exercise. The circumstances in which the claim has remained unpaid may also be relevant when the Court considers the consequential claim for interest.

38. In ***Bank of Baroda*** (supra), this Court declined to sanction fees exceeding the prescribed ceiling where the valuation had been carried out perfunctorily and the valuation report was found to be flawed. The order was subsequently upheld by the Division Bench in ***Blossom Industries*** (supra). The principle which emerges is that the Court must be satisfied that there are adequate grounds for sanctioning an amount in excess of the ordinary ceiling. The present case stands on an entirely different footing. Neither the Court Receiver nor any party to the original proceedings has disputed that the Valuer inspected the subject properties, prepared the requisite reports and undertook separate valuation exercises. There is no allegation that the work was perfunctory, that the bills are inflated, or that the valuation reports are defective or unreliable. On the contrary, the Court Receiver accepted the reports and, as far back as 2010, placed the question of sanction of the Valuer's fees before this Court through Court Receiver's Report No.126 of 2010. The bills have remained unpaid not because of any dispute concerning the work performed, but because of the subsequent course of the proceedings, the disposal of the Writ Petition, the absence of funds, the inability to trace Petitioner No. 1 – Company and the fact that the earlier Report remained pending without orders being passed thereon.

39. The Valuer completed its assignment in 2004. More than twenty-two years have elapsed since the bills were raised. During this entire period, there has been no adjudicated finding that the work performed was unnecessary, deficient or incorrectly carried out. In these exceptional circumstances, and having regard to the nature and extent of the work actually performed, we are satisfied that there are sufficient grounds to sanction the professional fees exceeding the ordinary ceiling prescribed under the Clause 9 of the 1994 Guidelines. Insofar as the bill relating to inspection of the properties, photographs and preparation of the status report is concerned, the 1994 Guidelines prescribe a maximum amount of Rs. 5,000/-. Having regard to the nature and extent of the inspection undertaken, the number of properties involved, the report submitted and the absence of any objection to the work performed, we are satisfied that the higher amount claimed under this bill also merits sanction. The revised principal claim of Rs. 6,51,062/- is therefore sanctioned in full.

40. The 1994 Guidelines do not expressly provide for payment of interest where the professional fees of a Panel Valuer remain unpaid. The absence of an express provision, however, does not prevent the Court, in an appropriate case, from awarding reasonable compensation for an extraordinary period during which professional fees legitimately earned pursuant to a Court-authorised assignment have remained unpaid. In ***Bank of Baroda*** (supra), this Court granted interest at the rate of 12% per annum from the date of the respective bills until payment. The principle underlying such an award is that a professional who has performed the work entrusted by the Court and has remained deprived of the remuneration lawfully due ought not to be left without compensation for the period of delay.

41. The present case presents an especially compelling instance. The Valuer completed its assignment and raised its bills in May 2004. It repeatedly sought payment. The Court Receiver repeatedly called upon the Petitioners to deposit the amount. Court Receiver's Report No. 126 of 2010 was thereafter filed specifically seeking directions concerning the Valuer's fees. Yet, for reasons which do not appear attributable to the Valuer, the claim remained unresolved for more than two decades. The Valuer has confined its claim to interest at the rate of 6% per annum. In view of the principle stated by the Supreme Court in ***Akella Lalitha*** (supra), we see no justification for granting relief in excess of the relief claimed. In the circumstances of the present case, interest at the rate of 6% per annum is also, in our considered view, fair and reasonable.

42. The interest claimed at the rate of 6% per annum on the principal amount of Rs. 6,51,062/- for 21 years up to May 2025 has been quantified at Rs. 8,20,338/-. The said computation is not disputed and we find no reason to interfere with it. The Valuer would also be entitled to compensation for the period subsequent to May 2025. Accordingly, simple interest at the rate of 6% per annum shall continue to run on the principal amount of Rs. 6,51,062/- from 1st June 2025 until payment.

43. The Valuer has additionally claimed an amount towards the alleged depreciation or erosion in the purchasing power of the rupee. It has applied a multiplier of 3.21238 to the aggregate amount of principal and interest and, on that basis, has enhanced its claim from Rs. 14,71,400/- to Rs. 47,26,710/-. We are unable to accept this claim. The object of awarding interest is, *inter alia*, to compensate for the deprivation of money over a period of time and to recognise the time value of money. Once reasonable interest is awarded for the entire period during which the Valuer has been deprived of its professional fees, a further enhancement on account of inflation or erosion in purchasing power would, in the circumstances of the present case, result in overlapping compensation for the same period of delay.

44. The manner in which the Valuer has computed the additional claim reinforces this conclusion. The multiplier has been applied not merely to the principal amount but to the aggregate of principal and interest. The result would be to apply an inflation-linked enhancement even to the amount awarded by way of compensation for the delay itself. We, therefore, accept the submission of the learned Amicus Curiae that the Valuer cannot, in the circumstances of the present case, simultaneously recover interest for the period of delay and a further inflation-linked enhancement for that same period. The claim based upon the multiplier of 3.21238 and the alleged erosion in the purchasing power of the rupee is accordingly rejected.

45. The Valuer is consequently entitled to the revised principal amount of Rs. 6,51,062/- and interest of Rs. 8,20,338/- calculated up to May 2025, aggregating to Rs. 14,71,400/- together with further simple interest at the rate of 6% per annum on the principal amount of Rs. 6,51,062/- from 1st June 2025 until actual payment.

46. The next question concerns the manner in which the sanctioned amount is to be paid. Clause 8 of the 1994 Guidelines contemplates a declaration by a Panel Valuer that its professional fees shall be claimed from the funds available to the credit of the concerned proceedings in the hands of the Court Receiver, Commissioner for Taking Accounts, Official Assignee or Official Liquidator, and that the Valuer shall not look personally to the office of the Court Receiver or to the State Government for payment. In the present case, the Court Receiver has categorically stated that there are no funds available in the suit account. On the contrary, the account is running into debit to the extent of Rs. 684/-. The initial sum of Rs. 500/- deposited by Ms. Clare Gonsalves towards the costs of the Court Receiver has long ceased to constitute an available fund against which the Valuer's professional fees can be paid.

47. We have considered whether the sanctioned amount can nevertheless be directed to be paid immediately from any fund presently under the control of the Court Receiver. No such fund has been shown to exist. In the absence of any identified fund or asset under the control of the Court Receiver from which payment can lawfully be made, we would not be justified in directing payment from any general or office account of the Court Receiver or from public funds. The sanctioned amount must consequently be recovered from the assets or funds of the person or estate legally liable to discharge the claim. Petitioner No. 1 – Company is stated to be under liquidation and the Official Liquidator, Uttar Pradesh and Uttarakhand, is stated to have been designated by the Allahabad High Court to deal with the claims of its creditors. The appropriate course, therefore, is for the Valuer to lodge its claim before the competent Official Liquidator, supported by the present order and the underlying material.

48. The Valuer shall accordingly be at liberty to lodge its claim for Rs. 14,71,400/- together with further interest at the rate of 6% per annum on the principal amount of Rs. 6,51,062/- from 1st June 2025 until payment, before the concerned Official Liquidator. The claim shall be considered in accordance with law, including the applicable statutory priorities and the orders governing the liquidation. The Court Receiver shall forward to the concerned Official Liquidator a copy of the present order together with the relevant valuation reports, revised invoices and such other material as may be necessary for the Valuer to substantiate its claim. The Court Receiver shall not, however, be required to undertake any further recovery proceedings on behalf of the Valuer.

49. We make it clear that sanction of the Valuer's professional fees by this Court does not, by itself, determine the priority in which the claim is to be satisfied in liquidation or create any personal liability upon the Official Liquidator. Those matters shall be determined by the competent authority/forum in accordance with the applicable law.

50. The Valuer has sought impleadment of Smt. Rowena Sharma and directions for freezing the bank accounts and assets of companies with which she is stated to be associated, in the event that the funds available with the Official Liquidator are insufficient to satisfy the Valuer's claim. We are unable to grant such reliefs in the present proceedings. There is no substantive material before us establishing any personal liability of Smt. Rowena Sharma for the liabilities of Petitioner No. 1 – Company. Nor is there material establishing that the assets of any separate corporate entity with which she may have been associated are liable to be proceeded against for satisfaction of the present claim. Mere association with a company, or relationship with a person who was formerly associated with that company, cannot by itself constitute a legal basis for fastening personal liability or freezing the assets of separate corporate entities. Such reliefs would require appropriate pleadings, a legally sustainable basis for the relief sought and an opportunity of hearing to the persons or entities whose assets are proposed to be affected. The reliefs sought against Smt. Rowena Sharma and the other companies are therefore rejected. This shall not preclude the Valuer from adopting such independent proceedings as may be permissible in law, if it is otherwise able to establish the legal basis for any claim against such persons or entities.

51. The order dated 1st December 2003 required the Court Receiver to visit the subject properties, report upon their condition, invite offers and explore the possibility of completion and sale. The Court Receiver obtained the necessary technical assistance, caused the subject properties to be inspected and received the requisite reports from the Valuer. The assignment entrusted to the Court Receiver has accordingly been substantially completed. The underlying Writ Petition was disposed of on 5th September 2005. The suit account contains no funds and is running into debit. Petitioner No. 1 – Company cannot presently be traced, its Director has expired, and repeated communications addressed to the concerned parties have not yielded any response. Court Receiver's Report No.126 of 2010 has remained pending for several years. In these circumstances, there is no useful purpose in requiring the Court Receiver to remain seized of the matter any longer.

52. The Valuer's professional fees have now been determined. The Valuer has been granted liberty to lodge its claim before the concerned Official Liquidator and the Court Receiver has been directed to forward the necessary material. No further action by the Court Receiver is therefore necessary. The Court Receiver is accordingly entitled to be discharged without passing accounts. The suit account may be closed without charging any further costs, charges or expenses thereto.

53. Before parting with the matter, we consider it necessary to make an observation which goes beyond the immediate controversy. The Valuer was engaged pursuant to an order of this Court, completed the assignment in

May 2004 and raised its bills on 15th May 2004. It has thereafter been compelled to pursue its professional fees for more than two decades and has ultimately had to approach the Court again for determination of a claim arising out of work performed at the instance of an officer of the Court. Such a situation ought not to recur. Professionals engaged by the Court, or by an officer of the Court pursuant to an order of the Court, perform their assignments in the legitimate expectation that their professional fees will be paid in accordance with law within a reasonable time. Administrative or procedural difficulties following disposal of the substantive proceedings should not result in a professional being left without payment for decades and thereafter being required to litigate for recovery of fees which were never disputed on merits.

54. Appropriate administrative mechanisms must therefore ensure that, before a Court Receiver is discharged or a proceeding is closed, all outstanding professional fees of persons engaged in aid of the Court's proceedings are identified and appropriate directions for their payment or recovery are obtained. The Registry and the office of the Court Receiver shall bear this consideration in mind in future matters. The Court also considers it appropriate to express its regret to the Valuer for the extraordinary delay which has occurred in the resolution of its claim. The delay of more than two decades is wholly disproportionate to the nature of the professional assignment and is plainly an unfortunate consequence of the manner in which the matter remained unresolved. We hope that the present order will finally enable the Valuer to pursue and realise its legitimate dues in accordance with law.

55. In view of the foregoing discussion, the Valuer's professional fees are sanctioned to the extent of Rs. 6,51,062/-. The Valuer is further entitled to interest of Rs. 8,20,338/- up to May 2025 and continuing simple interest at the rate of 6% per annum on the principal amount of Rs. 6,51,062/- from 1st June 2025 until actual payment. The claim for further enhancement on account of erosion in the purchasing power of the rupee is rejected. The Valuer shall be at liberty to lodge the sanctioned claim before the concerned Official Liquidator. The Court Receiver shall forward the present order and relevant material to the concerned Official Liquidator as expeditiously as possible, and not later than three weeks from the date of this order and shall thereafter stand discharged. No personal liability is fastened upon the Court Receiver, the Official Liquidator, the State Government, Smt. Rowena Sharma or any other person merely by reason of the present order. Court Receiver's Report No. 25 of 2025 is accordingly disposed of in the aforesaid terms with no order as to costs.

56. Lastly, we place on record our appreciation for the valuable assistance rendered by Mr. Sharad Bansal, learned Amicus Curiae. His Notes have comprehensively traced the Guidelines governing the appointment and remuneration of Valuers by this Court, the orders passed in cases where claims exceeded the prescribed ceiling and the principles relevant to the grant of interest on professional fees remaining unpaid for a prolonged period. The assistance rendered by the learned Amicus Curiae has materially facilitated the Court in considering the issues arising in the present matter.

(FARHAN P. DUBASH, J.) **(R. I. CHAGLA J.)**

Shubham Gadhavepatil