

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.06**

**IA(IBC) No. 599/2025, 840/2025, 912/2025 in  
C.P. (IB) No. 136/BB/2023**

**IN THE MATTER OF:**

Guru Rajendra Minerals Trading Company ... Petitioner

Vs.

Sai Krishna Minerals Pvt. Ltd. ... Respondent

**Petition under Section 9 of I&B Code, 2016**

**Order delivered on: 15.04.2026**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**COUNSELS PRESENT:**

For Applicant in IA No. 912/2025 : Ms. Aparna

For the RP : Ms. Anjali Reddy A

For the R-2 in IA.599/25 : Ms. Preksha Lalwani

**ORDER**

IA(IBC) No. 599/2025 is **Partly allowed** vide separate order.

IA No.912/ 2025 is **dismissed** vide separate order.

IA(IBC) No. 840/2025 is **dismissed** vide separate order.

**List the main C.P on 16.06.2026.**

**-Sd/-  
RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd/-  
SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

BL

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU**  
*(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)*

**I.A. No. 840/2025**

in

**C.P. (IB) No. 136/BB/2023**

*(filed under Section 60 (5) of the Insolvency & Bankruptcy Code, 2016  
read with Rule 11 of the National Company Law Tribunal Rules, 2016)*

**IN THE MATTER OF:**

**Gonugunta Murali**

Resolution Professional of *Sai Krishna Minerals Pvt. Ltd.*,  
MSKM Group, No.1209, 11<sup>th</sup> Floor, Vasavi MPM Grand,  
Yellareddyguda Road, Ameerpet, Hyderabad – 500073

.... Applicant

**Versus**

**1. Income Tax Department, CIT, Circle -1, Ballari**

Income Tax Department, ACIT, Circle 1,  
Bellary, Karnataka – 583102

... Respondent No.1/ CoC Member

**2. Deputy Commissioner of Commercial Taxes (Audit), Bellary**

2<sup>nd</sup> Floor, Vanijya Terige Bhavan, 6<sup>th</sup> Main, 2<sup>nd</sup> Stage, Raghavendra  
Colony, Anantapur Road, Ballari, – 583101

...Respondent No.2/ CoC Member

**3. Deputy Commissioner of Commercial Taxes (Audit) -1, Devanagere**

2<sup>nd</sup> Floor, Vanijya Terige Bhavan, 6<sup>th</sup> Main, 2<sup>nd</sup> Stage, Anantapur Road  
Raghavendra Colony, Ballari – 583101

...Respondent No.3/ CoC Member

**4. Manoj Kumar Jain**

Proprietor of Guru Rajendra Minerals Trading Company,  
Satyanarayana Nilaya, 100 Bed Hospital Road,  
Hosapete, Karnataka – 583201

Respondent No.4/ CoC Member

**5. Seenam Bhat & Co Chartered Accountants**

412/ A, SRINIDHI, Hotel Ice Land Lane, Near Umakanth  
Eye Hospital, Patel Nagar, Hospet – 583201

Respondent No.5/ CoC Member

**6. A Seenam Bhat**

412/ A, SRINIDHI, Hotel Ice Land Lane, Near Umakanth  
Eye Hospital, Patel Nagar, Hospet – 583201

Respondent No.6/ CoC Member

**7. Assistant Commissioner of Central Tax**

2nd Floor, Above Max Showroom,  
College Road, Hospet – 583201

Respondent No.7/ CoC Member

**IN THE MAIN MATTER OF:**

**Manoj Kumar Jain**

Proprietor of Guru Rajendra Minerals Trading Company,  
Satyanarayana Nilaya, 100 Bed Hospital Road,  
Hosapete, Karnataka – 583201

...Petitioner / Operational Creditor

**Versus**

**Sai Krishna Minerals Private Limited.**

Office: KR Road, Ranipet,  
Hosapete – 583201

... Respondent / Corporate Debtor

**Order Delivered on: 15.04.2026**

**Coram:** Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)  
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

**Counsels Present:**

For the Applicant : Shri Sanjay H Sethia  
For the Respondent : Shri Vakiti Vineet Reddy

**ORDER**

1. This Application is filed by Sh. Gonugunta Murali, Resolution Professional of the Corporate Debtor (“Applicant”) on 27.10.2025 seeking the following reliefs:
  - a. *to direct the Respondents i.e., the members of the Committee of Creditors of Sai Krishna Minerals Limited to contribute towards the cost of CIRP for smooth conduct of CIRP.*
  - b. *to pass such other order/directions as this Hon'ble Bench may deem fit and proper in the facts and circumstances of the case.*
2. Brief facts relevant for adjudication of the present Application are as follows:
  - a. The Company Petition bearing C.P. (IB) No. 136/BB/2023 has been filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 and was admitted on 04.09.2024, initiating CIRP against the Corporate Debtor. The Applicant was appointed as IRP on 27.05.2025 and later continued as RP.
  - b. In the 3rd CoC meeting held on 05.08.2025, three options for meeting CIRP expenses were placed; however, the CoC rejected contribution-based

- options and approved raising interim finance and despite repeated requests by the Applicant to CoC members for providing interim finance, no member has come forward to contribute any funds.
- c. In the 4th CoC meeting held on 26.08.2025, the Applicant apprised the CoC of the urgent requirement of funds and informed that only Rs. 2,00,000/- received from the Operational Creditor had been utilised, which is insufficient to meet CIRP expenses.
  - d. The suggestion of the Operational Creditors to adjust CIRP costs from sale proceeds was not accepted, and the Applicant reiterated that CoC members are required to contribute towards CIRP costs.
  - e. The Applicant has been constrained to incur expenses from his own resources and is facing serious difficulties in conducting the CIRP due to lack of funds, despite making efforts for value maximization.
3. The reply in the form of statement of objections has been filed by respondent No. 4 which, in brief, is discussed as follows:
- a. The Respondent No.4, Proprietor of Guru Rajendra Minerals Trading Company submits that he has already complied with the direction to deposit Rs. 2, 00,000/- towards initial CIRP costs. The CoC comprises multiple statutory and operational creditors namely Income Tax Department, CIT, Circle-1, Ballari, Deputy Commissioner of Commercial Taxes (Audit), Bellary, Seenam Bhat & Co Chartered Accountants, A Seenam Bhat and Assistant Commissioner of Central Tax and the CIRP costs ought to be borne by all CoC members collectively, and not selectively by Respondent No.4 only.
  - b. It is further submitted that CoC in its 3<sup>rd</sup> meeting held on 05.08.2025, resolved by vote of 67.25% that CIRP costs be met through interim finance, and therefore, the Resolution Professional should raise interim finance and if the Resolution Professional wants to raise interim finance from CoC members, all CoC members should be directed to raise such interim finance for CIRP costs in their voting ratio.

4. The Assistant commissioner of Income Tax Department, CIT, Circle -1, Ballari has filed reply on behalf of Respondent No.1 stating as under
- a) The factual statement regarding admission of the petition under Section 9 of the Insolvency and Bankruptcy Code, 2016, initiation of CIRP against the Corporate Debtor, and appointment of the Interim Resolution Professional / Resolution Professional are matters of record and therefore no specific comments are required on those aspects.
  - b) In the 3rd meeting of the Committee of Creditors held on 05.08.2025, the CoC had considered three options for meeting the CIRP expenses, namely **i)** Contribution by CoC members towards CIRP expenses in proportion to their voting share; **ii)** Contribution towards estimated CIRP expenses for a period of six months; and **iii)** Raising interim finance for CIRP expenses from operational creditors, banks or financial institutions. The CoC members had rejected the first two options and approved the **third option of raising interim finance** for meeting the CIRP expenses for six months with simple interest and the Respondent No.1 through its authorised Representative was present as a member of the CoC in the meeting and the decision approving the third option was duly recorded. However, being a Central Government Department, it does not have any statutory or budgetary provision to provide funds or advance finance towards CIRP expenses as claimed by the Applicant.
  - c) Though the Applicant has stated that no CoC member has contributed funds towards the CIRP expenses and that the funds provided by the Operational Creditor amounting to **Rs. 2,00,000/-** have already been exhausted towards CIRP related expenses including fees of the IRP/RP, Valuers, Forensic Auditor, legal expenses and other incidental costs but there is no legal provision enabling it to provide such financial contribution.
  - d) The Department submits that the CIRP expenses can be met through other private members of the Committee of Creditors, who may contribute their share of funds, or the Applicant may raise interim finance from banks or financial institutions, which option has already been approved by the CoC

in its meeting to meet operational expenditure during the continuation of the CIRP until realization of the Corporate Debtor's assets.

- e) In view of the above, Respondent No.1 submits that no directions can be issued against the Department to contribute towards CIRP costs, as it lacks the statutory authority and budgetary provision to provide such funding.
  - f) Accordingly, it is prayed that the application seeking directions against the CoC members for contribution towards CIRP expenses be dismissed, insofar as it seeks contribution from the Income Tax Department.
5. The Other Respondents have not filed their reply nor came forward to address arguments.
  6. Heard Learned Counsels for the attending Parties and perused the material on record
  7. The Corporate Insolvency Resolution Process against the Corporate Debtor was initiated pursuant to admission of the instant Petition and the Applicant is presently functioning as the Resolution Professional. In the 3rd CoC meeting on 05.08.2025, various options for meeting the CIRP expenses were considered and it was resolved, by requisite voting share, to raise interim finance for meeting such expenses, while rejecting the options of direct contribution by CoC members.
  8. The record further shows that despite the aforesaid decision, no effective interim finance has been raised, and the amount of Rs. 2,00,000/- deposited by Respondent No. 4 towards initial CIRP expenses has exhausted in CIRP-related expenditure, resulting in difficulty in carrying on the CIRP. At the same time, Respondent No.1 i.e. Income Tax Department CIT, Circle 1, Ballari has specifically contended that, being a Central Government Department, it has no statutory authority or budgetary provision to provide funds towards CIRP expenses, and Respondent No.4 has submitted that any direction, if at all issued, ought to be against all CoC members in proportion to their voting shares and not selectively.

9. On hearing the Learned Counsel for the attending parties and perusal of the material available on record, we find that the issue involved in the present Application pertains to the mechanism for meeting the CIRP expenses.
10. The Regulation 16 of the CIRP Regulations, 2016, states as under:  
***"16. Committee with only operational creditors.***  
*(4) A committee formed under this Regulation and its members shall have the same rights, powers, duties and obligations as a committee comprising financial creditors and its members, as the case may be."*
11. Thus, all the Operational creditors, members of CoC, have same rights and duties as in a Committee comprising of financial creditors. The CoC, in its commercial wisdom, has already deliberated upon the issue and consciously resolved to raise interim finance for meeting the CIRP costs, instead of contribution in proportion to voting share. It is pertinent to note that CoC members have approved by a vote of 67.25 % for the applicant to raise Interim finance of estimated budgeted CIRP expenses for 6 months period of **Rs.34,14,910/-** (Thirty four lakhs fourteen thousand nine hundred ten rupees only) with simple rate of interest from any operational creditors or any others like banks, financial institutes etc.
12. At this juncture, it is relevant to note that the Hon'ble Supreme Court in ***K. Sashidhar v Indian Overseas Bank and Ors (2019) 12 SCC 150*** has categorically held that the commercial wisdom of the CoC is paramount and is not amenable to judicial review, except on limited grounds as provided under the Code.
13. In view of the above settled position of law, this Authority is of the considered view that the manner of raising and meeting CIRP expenses squarely falls within the domain of the CoC and CoC in its commercial wisdom has approved the raising of interim finance with 67.25% share which crosses the threshold of 66% approval required from CoC under Section 28(3) of the Code to raise interim Finance and therefore, does not warrant interference by this Authority in exercise of its jurisdiction under Section 60(5) of the Code.
14. Accordingly, **I.A. No. 840 of 2025 is Dismissed.**

15. The Applicant says that since the CoC members are not prepared to extend him interim finance, he has come up in this application without exercising the option of generating finance from outside sources, which he should be now doing for estimated budgeted CIRP expenses for 6 months, period of Rs.34,14,910/- (Thirty four lakhs fourteen thousand nine hundred ten rupees only) with simple rate of interest, as approved by the CoC.

-Sd/-

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

-Sd/-

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**