

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. 912/2025

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:

Manoj Kumar Jain

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

...Applicant

Versus

Gonugunta Murali

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

... Respondent/RP

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 Karnataka – 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 Interlocutory Application has been filed on 29.10.2025 under Section 60 (5) of the Insolvency & Bankruptcy Code, 2016 (“IBC/Code”) read with Rule 11 of NCLT Rules, 2016 by **Mr. Manoj Kumar Jain**, Proprietor of **Guru Rajendra Minerals Trading Company** who is an Operational Creditor of the Corporate Debtor, (“Applicant”) against the Resolution Professional of the **Corporate Debtor** (“Respondents”) for following reliefs: -

- a) *Set aside the email dated 19.09.2025 of the Resolution Professional admitting the claim as Rs.10,71,15,784.58 out of the total claim amount of Rs.90,72,70,6541- with a note stating that the interest has been calculated for 16 years and 56 days at simple interest at 24% p.a.,*
- b) *Direct the Respondent to consider the Applicant's claim under FORM-B in entirety within a period of 7 days of passing order in the present application in accordance with law;*
- c) *To stay further proceedings initiated against the Corporate Debtor until this Application is decided;*
- d) *Grant cost of the proceedings; and*
- e) *Pass any other or further order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case*

2. Brief facts of the application are given hereunder

- a) The Applicant, proprietor of **Guru Rajendra Minerals Trading Company**, filed Company Petition CP(IB) No.136/BB/2023 on 15.09.2023 under Section 9 of the Code, claiming an operational debt of Rs.90,72,70,6541 against the Corporate Debtor, M/s. Sai Krishna Minerals Private Limited. This Authority, vide order dated 04.09.2024, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (“CIRP”) and appointed Shri Hari Babu Thota as the Interim Resolution Professional of the Corporate Debtor
- b) Thereafter, Applicant who has also initiated the CIRP of the Corporate Debtor filed IA 447/2025 to appoint Respondent as the Interim Resolution Professional which was allowed vide order dated 27.05.2025. Thereafter

Respondent was confirmed as Resolution Professional of the Corporate Debtor Vide order dated 28.8.2025 in IA 636/25

- c) Pursuant to the public announcement, the Applicant had submitted its claim in Form-B on 11.06.2025 for a total amount of Rs.90,72,70,654/- along with supporting documents, including balance confirmation letters and the acknowledgement of debt dated 28.03.2022 contending that the parties had agreed to interest at the rate of 24% p.a. on a compounded basis.
- d) The Respondent had, vide email dated 19.06.2025, informed the Applicant that claim of **Rs.10,71,15,785** is admitted by calculating simple interest @ 24% p.a. on the principal amount and that the balance sum of **Rs.80,01,54,869/-** has been kept under verification. The respondent subsequently shared the Information Memorandum and the claims statement on 19.09.2025 reiterating the same position with an explicit note regarding simple interest calculation.
- e) The Applicant relying upon the balance confirmation letters and acknowledgement letter asserts entitlement to compound interest @ 24% p.a. which satisfy the requirements of regulation 7(2) (b) of the CIRP Regulations, 2016 and has also placed reliance upon a legal opinion dated 24.06.2025 obtained from Mr. Naveen R. Nath, Senior Advocate, Supreme Court of India to stress that according to the stated terms, the respondent had agreed to pay the compound interest @ 24% p.a but the RP still did not consider the balance amount of Rs.80,01,54,869/- and is keeping it under verification since 19.06.2025 even though balance confirmation letters dated 11.03.2022, 1.04.2021 and 1.04.2020 signed by suspended Director of the Corporate Debtor Mr. BS Praveen Singh clearly states that Corporate Debtor is liable to pay compound interest @24% p.a and same was also reiterated by the Suspended director of the Corporate Debtor in the letter dated 28.03.2022.
- f) The Applicant further submits that its IT returns are showing loan is given and compound interest is accrued on the same and the liability is mentioned in the balance sheet of the Corporate Debtor.

g) Left with no other alternative, the Applicant is constrained to file this petition seeking to Set aside the email dated 19.09.2025 of the Resolution Professional admitting the claim as Rs.10,71,15,784.58 out of the total claim amount of Rs.90,72,70,654/- with a note stating that the interest has been calculated for 16 years and 56 days at simple interest at 24% p.a., and to Direct the Respondent to consider the Applicant's claim under FORM-B in full within a period of 7 days of passing order in the present application in accordance with law.

3. The Respondent/Resolution Professional has filed statement of objections on 03.03.2026 contending as under: -

- a) While denying the allegations and contentions made in the application by the Applicant, it is stated that vide email dated 17.06.2025, he had specifically called upon the Applicant to furnish additional documents under Regulation 7(2)(b) of CIRP Regulations, 2016 particularly (i) any payment terms/agreement for compound interest @ 24% other than the confirmation letter signed by one suspended director (Shri Praveen Singh), and (ii) proof of disclosure in the Applicant's books and Income Tax Returns reflecting the confirmation amount from 2022 onwards as no written agreement, contract, or any other corroborative record exists to evidence the alleged compounded interest @ 24% p.a. The entire claim of compound interest rests solely on the balance confirmation letters and one acknowledgement letter signed by a single suspended director.
- b) Further, one of the suspended directors, Shri BS Praveen Singh, vide letter dated 03.11.2025 (annexed at Annexure 2 of the Objections) informed the Resolution Professional that, as per the books of the Corporate Debtor, the eligible dues of the Applicant are only **Rs.2,19,64,250/-** (principal amount) and that the Applicant is not eligible even for simple interest due to the complete absence of any agreement and the Resolution Professional has, on the basis of limited documents available, provisionally admitted a substantial portion of the claim amounting to Rs. 10,71,15,785 (Rupees Ten

Crores Seventy-One lakh and Fifteen Thousand Seven hundred and Eighty-Five) at simple interest @ 24% p.a. and has kept the remainder under verification, which is a prudent and statutorily mandated approach. The Respondent has also placed on record the Minutes of the 8th Committee of Creditors meeting in support of the stand taken.

- c) Any legal opinion cannot substitute the mandatory documentary proof required under the Code and the CIRP Regulations and the admission order dated 04.09.2024 passed by this Authority was limited to examining the jurisdictional threshold of Rs.1 crore under Section 9 of the Code and confirming that the amount constituted an operational debt and the admission order dated 04.09.2024 did not adjudicate upon, quantify, or accept the rate or compounding of interest, which exercise is exclusively within the domain of the Resolution Professional during the CIRP.
4. We have heard Learned Counsels for the parties and carefully perused the material on record.
 5. Undisputed facts are that:
 - (i) The Applicant has submitted claim in FORM-B on 11.06.2025 claiming compounded interest @ 24% p.a. based solely on balance confirmation letters and one acknowledgement of debt dated 28.03.2022 signed by a single suspended director;
 - (ii) The Resolution Professional vide email dated 17.06.2025 called for additional documents/evidence in support of the claim of compound interest under Regulation 7(2)(b) of the CIRP Regulations, 2016, and that were not provided.
 - (iii) The Resolution Professional provisionally admitted a part of the claim at simple interest @ 24% p.a. amounting to Rs.10,71,15,784.58 and kept the balance sum of Rs.80,01,54,869/- under verification.
 6. The Applicant contends that the Respondent/RP has acted contrary to law by admitting only a part of the claim at simple interest and by keeping the balance under verification despite the balance confirmation letters dated 11.03.2022, 1.04.2021 and 1.04.2020 signed by Suspended Director of Corporate Debtor Mr.

BS Singh, Letter dated 28.03.2022 acknowledging of debt by the Suspended Director BS Praveen Singh and agreeing to pay the same along with 24% p.a.

7. The Respondent/RP, however, has contended that written agreement or contract evidencing compound interest @ 24% p.a. has not been produced by the Applicant; the entire claim for compound interest rests on confirmation letters signed by only one suspended director; and the said suspended director has himself clarified vide letter dated 03.11.2025 that only the principal amount is due and the RP states that he has acted in a prudent and statutorily mandated manner by provisionally admitting a substantial portion of the claim along with simple interest keeping the remainder under verification pending production of adequate proof.
8. At the outset, it is necessary to refer to Regulation 7(2) of the CIRP Regulations, 2016 and the Regulation 7(2) of the CIRP Regulations, 2016 read as follows:

“7. Claims by operational creditors.

.....

- (2). *The existence of debt due to the operational creditor under this Regulation may be proved on the basis of-*
 - (a) *the records available with an information utility, if any; or*
 - (b) *other relevant documents, including –*
 - (i) *a contract for the supply of goods and services with corporate debtor;*
 - (ii) *an invoice demanding payment for the goods and services supplied to the corporate debtor;*
 - (iii) *an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; or*
 - (iv) *financial accounts.*
 - (v) *copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable;*
 - (vi) *Provided that provisions of this sub-clause shall not apply to those creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax.]*

9. Thus, Regulation 7(2) of the CIRP Regulations, 2016 mandates that an operational creditor shall submit all documents and records evidencing the debt and the default and interest and the Resolution Professional is under a statutory duty to independently verify every claim and is not empowered to admit any amount in the absence of sufficient, cogent, and corroborative documentary proof. The Resolution Professional cannot act merely on the basis of assertions or unilateral confirmations without independent verification, especially when suspended

directors has taken contrary stands in its letter dated 28.03.2022 to the applicant where he has stated than a compound interest of 24 percent will be paid by Corporate Debtor to the applicant whenever the loan will be repaid but explicitly stated in letter dated 03.11.2025 to the Respondent/RP that the books of the Corporate Debtor reflect only the principal sum of Rs.2,19,64,250/- and that not even simple interest is payable and the contrary stand taken by the suspended Director Mr. BS Praveen Singh is questionable more so when he has not questioned the authenticity of his signatures in the balance confirmation letters dated 11.03.2022, 1.04.2021 and 1.04.2020 but taken contrary stand in the letter dated 02.11.2025 to the Respondent/RP.

10. In the present case, it is an admitted position that the Applicant's claim for compound interest @ 24% p.a. is exclusively founded upon balance confirmation letters dated 11.03.2022, 1.04.2021 and 1.04.2020 and a single acknowledgement letter dated. 28.03.2022 by the Suspended Director BS Praveen Singh Despite a specific request vide email dated 17.06.2025 for additional proof of any formal agreement or contract for compound interest no such document has been produced before the Resolution Professional or before this Authority. The balance confirmation letter dated 31.03.2012 states that Compound interest will be paid as decided in the minutes of meeting dated 08.04.2009 of which neither the background has been disclosed in pleadings nor the document itself has been produced by the Applicant. An adverse inference in this behalf is liable to be drawn against him for withholding essential document.
11. The suspended director Shri BS Praveen Singh, who has not denied his signatures on the balance confirmation & acknowledgment letters, has manifestly signed the documents forming the basis of applicant's claim, in the absence of any Board Resolution authorising him to represent the Corporate Debtor. No general resolution authorising the CD Directors to bind the company by owing liability/ies has either been produced. As there is not even regular seal/stamp of the Corporate Debtor on the vital documents, it cannot be discerned that the same were issued/executed on behalf of Corporate Debtor at all. No record or even covering letter of Corporate Debtor has been adduced to reflect that CD is even aware of

such documents having been executed on its behalf, as to be accounted for in its financial statements. Legitimately therefore, it may be culled that these documents may have been signed by Sh. Singh in his personal capacity which do not bind the Corporate Debtor.

12. Moreover, it is pertinent to note that though the Applicant states that his balance sheet and also that of Corporate debtor are acknowledging liability but nothing has been filed on record reflecting inclusion of compound interest on outstanding principal from CD. The Applicant despite his own assertion and demand of respondent failed to submit his ITRs filed by including the compound interest on accrual basis after payment of due tax. So far as the books of Cd are concerned, they only talk about liability of principal and not of interest. The Applicant thus could not substantiate his claim for compound interest by placing relevant antecedent documents.
13. So far as the admission order dated 04.09.2024 of this Authority is concerned, it cannot be construed as having adjudicated upon or endorsed the assertion of petitioner of levy of compound interest. Said order was passed solely for the purpose of satisfying the jurisdictional requirements under Section 9 of the Code i.e. existence of a debt exceeding Rs.1 crore and the nature of debt due to the Operational Creditor from the Corporate Debtor. There was no legal requirement to undertake an exercise of quantification of the claim or determination of the rate of interest when the principal amount itself is above prescribed threshold. The verification and Collation of the claims is a function exclusively entrusted to the Resolution Professional under the scheme of the Code during the CIRP of the Corporate Debtor.
14. The legal opinion dated 24.06.2025 obtained by the Applicant from a Senior Advocate does not constitute documentary evidence required under Regulation 7(2) (b) of the CIRP Regulations as the legal opinion does not cite any precedent in its support to admit the claim with compound interest and therefore cannot substitute for primary documents such as a written agreement, or contemporaneous records evidencing the mutual understanding of the parties regarding payment of compound interest.

15. As per the material on record it is clear that the Resolution Professional has not acted arbitrarily, whimsically, or in violation of the provisions of the Code in the instant matter pertaining to admission of the claim of the Applicant. On the contrary, the Resolution Professional has demonstrated prudence by admitting a substantial portion of the claim at simple interest @ 24% p.a. on the basis of whatever limited documents were available and by keeping the remaining claim under verification pending production of adequate proof and in view of the contradictory stand taken by the suspended directors. It would also not be out of place to observe that the applicant seems to have made a lopsided/exaggerated/inflated claim of interest with a motive to usurp the left over estate of CD by having unfounded lion's share and gain higher voting share in the CoC in order to control it. Such attempt is against the object of Insolvency enactment as it has all the potential of derailing the genuine efforts to revive and rehabilitate the Corporate Debtor.
16. In the peculiar facts and circumstances of the case which looks like an attempt made by the Applicant for money recovery instead of resolution of the Corporate Debtor and for the detailed reasons set out hereinabove, this Authority is of the considered view that the Resolution Professional has acted fairly, reasonably, and strictly in compliance with the provisions of the Code and the CIRP Regulations, 2016. The Applicant, on the other hand has abjectly failed to substantiate the claim for compound interest. **His application, therefore, is found to be baseless and devoid of merits, hence dismissed.**

-Sd/-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

-Sd/-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**