IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.09
IAs. 101, 117,118/2021, IA (IBC) 622/2025,
547, 550/2026 in
C.P.(IB) No. 159/BB/2019

IN THE MATTER OF:

M/s Cholamandalam Investments &
Finance Company Ltd ... Petitioner

Vs.

M/s SA Rawther Spices (P) Ltd ... Respondent

Petition under Section 7 of IBC 2016

Order delivered on: 12.06.2026

CORAM:

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

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For Suspended Directors /
objector in IA.117/2021 : Shri Abhijit Atur
For I.A No.622/2025 : Mr. Mohammed Ismail, *for J & K Bank*

ORDER

1. Arguments on the Resolution Plan in **IA.117/2021** and opposition thereto of dissenting financial creditor/HDFC Bank in **IA.101/2021** as well as Shri Aneesh Mohammed Rawther, Suspended Director of Corporate Debtor, have been heard.
2. **List the case on 14.07.2026, for orders.**

IA.No.622/2025

1. The application of RP for directing COC for payment of CIRP Costs is **allowed vide separate order.**

<u>IA (IBC) 547/2026 & 550/2026</u>

1. These applications have been heard on behalf of Applicants as well as RP as latter does not want to file their formal reply.
2. List the IAs for **orders on 14.07.2026.**

-Sd/-	**-Sd/-**
RADHAKRISHNA SREEPADA **MEMBER (TECHNICAL)**	**SUNIL KUMAR AGGARWAL** **MEMBER (JUDICIAL)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU

(Exercising powers of Adjudicating Authority under The Insolvency and Bankruptcy Code, 2016)

I.A. No. 622/2025

in

C.P. (IB) No. 159/BB/2019

(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:

Ms. Aneetha Subramaniam
Liquidator of ***M/s. SA Rawther Spices Private Limited***
A2, Sarada Apartments, 17/6, Sringeri Mutt Road,
RA Puram, Chennai – 600 028 …. Applicant/Liquidator

Versus

1. **Jammu & Kashmir Bank**
   Registered Office at: MA Road, Srinagar,
   Jammu & Kashmir – 19001 … Respondent No.1/ CoC Member

2. **RBL Bank,**
   Registered Office at One Indiabulls Centre, Tower 2B,
   20th Floor, 841, Senapati Bapat Marger,
   Lower Parel West, Mumbai – 400013 ....Respondent No.2/ CoC Member

3. **HDFC Bank**
   Department of Special Operations,
   2nd Floor, Essel Chambers, 7 & 7/1, Lalbag Road,
   Near Richmond Circle, Bangalore – 560027 ….Respondent No.3/ CoC Member

4. **Cholamandalam Investments and Finance Company Limited**
   Dare House, No. 2, NSC Bose Road,
   Parrys, Chennai – 600001 ….Respondent No.4/ CoC Member

5. **Assistant Commissioner of Central Tax**
   2nd Floor, Above Max Showroom,
   College Road, Hospet – 583201 ….Respondent No.7/ CoC Member

IN THE MAIN MATTER OF:

M/s. Cholamandalam Investment and Finance Company Limited
Regd. Off: 'Dare House', No.2, N.S.C. Bose Road
Parrys, Chennai – 600 001. …Petitioner / Financial Creditor

Versus

M/s. SA Rawther Spices Pvt. Ltd.
No.17, 4th Main, 4th Block, Goraguntepalya,
Tumkur Road, New Ring Road
Bangalore – 560 022 … Respondent / Corporate Debtor

Order Delivered on: 12.06.2026

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

Counsels Present:

For the Applicant	:	Shri Avinash Krishnan Ravi
For the Respondent	:	Shri Vakiti Vineet Reddy

ORDER

1. This Application has been filed on 18.07.2025 by **Ms. Aneetha Subramaniam** Liquidator of Corporate Debtor ***M/s. SA Rawther Spices Private Limited*** for following reliefs:
   a. *Direct the Respondents to bear the costs, both present and future, in relation to complying with the Summons issued by the Enforcement Directorate;*
   b. *Direct the Respondents to cooperate with the investigation conducted by the Enforcement Directorate in relation to the affairs of the M/s. SA Rawther Spices Private Limited (CD).*
   c. *Pass such other order or directions as this Hon'ble Tribunal may deem fit and proper in the interest of justice.*

2. Brief facts relevant for adjudication of the present Application are as follows:
   a. The Corporate Insolvency Resolution Process (CIRP) against M/s. SA Rawther Spices Private Limited was initiated vide order dated 21.08.2019 and the Applicant was appointed its Resolution Professional.

b. During the continuation of the CIRP, the Enforcement Directorate (ED) has initiated proceedings in relation to the affairs of the Corporate Debtor and issued summons requiring the Applicant to produce various records, documents and financial information.

c. The Applicant complied with the summons and furnished documents, explanations and clarifications sought by the Enforcement Directorate from time to time. The Applicant further contends that substantial efforts are required for compilation, segregation, collation and production of historical records and financial data pertaining to several years.

d. In order to comply with the directions of Enforcement Directorate, expenses were incurred towards printing, scanning, binding of documents, extraction and organization of ledger and Tally data, travel, accommodation, professional assistance and other incidental expenses.

e. The Applicant placed the issue before the Committee of Creditors during the 20th CoC Meeting held on 05.03.2025 and expressed the view that the expenses incurred in complying with statutory obligations cast upon the Resolution Professional ought to be treated as the Corporate Insolvency Resolution Process Costs.

f. One of the CoC members, namely Jammu & Kashmir Bank, expressed the view that the said expenses would not qualify as CIRP Costs and suggested that appropriate directions may be sought from this Tribunal under Section 60(5) of the Insolvency and Bankruptcy Code.

g. The Applicant also contends that compliance with the summons issued by the Enforcement Directorate forms part of the statutory obligations of the Resolution Professional under the Code and therefore seeks appropriate directions regarding reimbursement and treatment of such expenses.

h. The present Application has been filed by the Applicant seeking directions to the members of the (CoC) to bear the costs incurred and to be incurred in complying with summons issued by the ED under Section 50 of the Prevention of Money Laundering Act, 2002 (PMLA).

3. The Respondent No. 1/**Jammu & Kashmir Bank** has filed reply on 09.09.25 stating as under

    a) The application concerns expenses allegedly incurred in complying with summons issued by the ED in connection with investigations conducted under the PMLA, 2002 which do not qualify as CIRP costs under Section 5(13) of the Insolvency and Bankruptcy Code, 2016, since the same do not relate to running the Corporate Debtor as a going concern or facilitating the insolvency resolution process.

    b) The Applicant has incorrectly sought to classify expenses incurred in connection with investigation of alleged historical transactions of the Corporate Debtor as CIRP Costs and has failed to establish any statutory basis for reimbursement by the members of the Committee of Creditors.

    c) During the 20th CoC Meeting, Applicant had informed the CoC regarding the summons received from ED and sought approval to treat the related expenses as CIRP Costs but the authorised representative of Respondent No.1 had expressed the view, based on legal opinion obtained, that such expenses do not qualify as CIRP costs and advised the Applicant to seek appropriate directions from this Tribunal.

    d) The CoC is of the view that an ED investigation under PMLA is distinct from ordinary operations or facilitation of the CIRP and these costs relating to investigating alleged past criminal/economic offences, not costs for “running the business of the corporate debtor as a going concern” or any government expense to facilitate the insolvency resolution process.

    e) Mere compliance with statutory summons by the ED to the Applicant do not automatically convert expenses incurred for investigation of past transactions, into CIRP Costs and the fact that the RP, as custodian of the Corporate Debtor, must respond to statutory summons does not convert expenses of investigating alleged historical wrongs, into CIRP costs, which are intended to preserve and maximize value during resolution and therefore no directions can be issued against the Financial Creditors to bear such expenses. Accordingly, the dismissal of the Application has been urged.

4. The rejoinder of Applicant is to the following effect:

   a) The allegation that any contradiction, suppression or misrepresentation has been made regarding the position from the Committee of Creditors is denied. The compliance with ED summons is a part of the RP's statutory duties under Section 25(2)(b) of the Insolvency and Bankruptcy Code, 2016.

   b) The Resolution Professional was required to comply with the summons issued by the ED in discharge of statutory duties under the Insolvency and Bankruptcy Code, 2016 and that the expenses incurred were directly connected with RP's statutory duties under Section 25(2) (b) of the Insolvency and Bankruptcy Code, 2016.

   c) The expenses were incurred solely for the purpose of complying with statutory obligations cast upon the Resolution Professional under Section 25(2) (b) of the Insolvency and Bankruptcy Code, 2016 including representing the Corporate Debtor before 3rd parties and appointing accountants (and/or other professionals) is enshrined as prescribed duties of the Resolution Professional within the tenets of the Code, 2016 to preserve the assets of the Corporate Debtor.

   d) The Applicant has only performed her duties as a Resolution Professional, as mandated by the Code, 2016 and as such the costs that are incurred during the course of the performance of such duties as a Resolution Professional ought to be included as CIRP costs and It is also submitted that duties of the Resolution Professional as per Section 25 of the Code, 2016, are for the protection and preservation of the assets of the Corporate Debtor, and that the representation of the Applicant before the ED, would have a bearing on the preservation of the assets of the Corporate Debtor and as such costs associated there with qualify as CIRP costs.

5. The other Respondents have neither filed their reply nor come forward to address arguments.

6. Heard Learned Counsels for the attending Parties and perused the material on record

7. This Application has been filed by Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, seeking directions from this Tribunal to the members of the CoC to bear/reimburse the costs incurred amounting to Rs.3,46,037 in complying with summons and proceedings initiated by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act, 2002 (PMLA), treating the same as Corporate Insolvency Resolution Process (CIRP) Costs.

8. CIRP was initiated against the Corporate Debtor vide order dated 21.08.2019, and the Applicant was appointed its Resolution Professional (later Liquidator). The application pertains to CIRP period when ED had issued summons requiring production of records, documents, and financial information relating to the affairs of the Corporate Debtor which the Applicant claims to have complied with. The Applicant was directed to furnish details of costs incurred with documentary proof vide daily order dated 29.01.2026

9. In compliance thereof, the applicant has furnished details as tabulated below.

S. No.	**Particulars**	**Date**	**Amount (₹)**	**Status**	**Annexure**
1.	Conference with Applicant's Advocate	20.11.2024	10,000	Yet to be paid	A-1
2.	Accommodation Expenses	26–27.11.2024	5,141	Paid	A-2
3.	Food Expenses	26.11.2024	446	Paid	A-3
4.	Travel Expenses (Train)	26.11.2024	1,154.05	Paid	A-4
5.	Travel Expenses (Train)	27.11.2024	2,109.05	Paid	A-5
6.	Printing, Scanning & Binding Charges	13.02.2025	55,053	Paid	A-6
7.	Professional charges for ledger extraction, collation & analysis of Tally data (2012–2019)	03.03.2025	2,36,000	Yet to be paid	A-7
8.	Conference with Advocate (additional)	03.03.2025	15,000	Yet to be paid	A-8
9.	Vehicle Hire Charges	08.03.2025	21,050	Paid	A-9
10.	Additional Food Expenses	26.03.2026	84	Paid	A-10
Total (approximate)			3,46,037		

10. **Section 5(13)** defines insolvency resolution process costs to include **(a)** the amount of any interim finance and the costs incurred in raising such finance; **(b)** the fees payable to any person acting as a resolution professional; **(c)** any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern; **(d)** any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and **(e)** any other costs as may be specified by the Board;

11. Section 25 of the Insolvency and Bankruptcy Code imposes a duty on the RP to preserve and protect the assets of the Corporate Debtor which includes custody of business records, representation before third parties (including statutory authorities like the ED) in quasi-judicial proceedings and appointment of necessary professionals.

12. The ED summons required the RP to produce records, appear, and provide explanations in her capacity as the representative of the Corporate Debtor. This is not a personal obligation but a custodial and representational duty squarely covered under Section 25(2)(b). Compliance is essential to protect the assets and records of the Corporate Debtor from any adverse orders that could prejudice the CIRP or the CD estate. Non-compliance could expose the RP to contempt or other proceedings and potentially harm value maximization.

13. The contention that such expenses do not relate to "running the business as a going concern" is overly narrow. While going-concern costs are one category, the residuary clause and the overarching duty under Section 25(1) & (2) encompass actions necessary for preservation and protection of the estate. Representation before investigative agencies to safeguard records and explain the affairs of the CD is integral to the RP's role as its current lawful custodian.

14. We are of the considered view that expenses incurred for compliance with statutory summons and related proceedings by the RP in discharge of duties under Section 25 IBC form part of CIRP Costs because such costs are directly relating to the corporate insolvency resolution process as they arise solely because of the pendency of CIRP and the RP's statutory position. A different

view may undermine the RP's ability to keep the interest of CD paramount and secure as an essential part of duties and erode the efficacy of the IBC framework.

15. Having adopted above proposition, the Adjudicating Authority also need to be mindful of the scale of claim as the RP is expected to conserve the assets of already distressed CD and not burden it with unnecessary and inflated expenses. Being a trained and qualified professional RP is not required to engage another professional at the fall of hat. After all it is other's money that is being consumed. Even the other expenses should be realistic as against unconscionable.

16. The Hon'ble NCLAT, Chennai in ***Ravi Sankar Devarakonda v. Avasarala Technologies Ltd. and Ors., (2025) ibclaw.in 919 NCLAT*** at Para 21 had held

> *21.. ……**Claim to payment of a fee by a professional will always depend upon the principles of quid pro quo, meaning that entitlement of a fee would be only in lieu of the services discharged by the Interim Resolution Professional in his official capacity**. ……..*

17. Thus, a bare perusal of the S.No. 6 and 7 of the abovementioned table , we find that costs incurred by the applicant relating to Printing, Scanning & Binding Charges and Professional charges for ledger extraction, collation & analysis of Tally data for a period from 2012 to 2019 appears to be exaggerated and excessive

18. In light of the above, **this Application is Allowed** with the following directions:
    a. The expenses incurred by the Applicant in complying with ED summons and related proceedings are hereby **declared as CIRP Costs** under Section 5(13) of the IBC.
    b. The Respondents who are members of the CoC may take a call on the amount unpaid by deliberating amongst themselves pragmatically and make payment of the unpaid calibrated amount to the applicant within 1 month from the date of the order

19. **Accordingly, IA 622 of 2025 is Allowed and disposed of**

-Sd/-	**-Sd/-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**