

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1944 of 2025

[Arising out of Order dated 17.10.2025 passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi, Court – V, Division Bench), in I.A. No. 1439/2025 in CP (IB) No. 995/PB/2020]

IN THE MATTER OF:

**L & L Partners Litigation,
Through Authorized Representatives
Harneet Singh Chandhoke and Sudhir Sharma** **...Appellant**

Versus

**Jalesh Kumar Grover,
RP of Grandstar Realty Pvt. Ltd.** **...Respondent**

Present:

For Appellant : Mr. Sudhir Makkar, Sr. Advocate with Advocates present but appearance not marked.

For Respondent : Mr. Abhishek Anand, Mr. Karan Kohli and Ms. Palak Kalra, Advocates.

J U D G M E N T

ASHOK BHUSHAN, J.

This appeal has been filed by the appellant challenging the order dated 17.10.2025 passed by the adjudicating authority (National Company Law Tribunal, New Delhi, Court V, Division Bench) dismissing the I.A. No.1439/2025 filed by the appellant.

2. Brief facts of the case necessary to be noticed for deciding the appeal are:

- i. The appellant is a legal firm rendering legal services to the Company M/s. AKME Projects Limited. M/s. Akme Projects Limited has obtained

financial facilities amounting to Rs.63 crore from the Yes Bank. Account of AKME Projects Limited was declared as Non-Performing Asset (NPA) by Yes Bank. AKME Projects Limited has mortgaged its land admeasuring 9.856 acres.

- ii. Appellant claims that AKME Projects Limited in its Project AKME Raga Limited allotted 3 flats to the appellant on 09.03.2015 in lieu of appellant's professional legal fee.
- iii. Yes Bank issued a notice under Section 13(2) of the SARFAESI Act, 2002 to M/s. AKME Projects Limited on 23.09.2024.
- iv. The Bank filed an application under Section 14 of the SARFAESI Act, 2002 before the District Magistrate, Gurgaon, Haryana for taking possession of the asset/property.
- v. In the application which was filed by the Yes Bank, AKME Projects Limited appeared before the District Magistrate and filed the reply. It was pleaded that auction process by the Bank will adversely affect the rights of third parties.
- vi. The AKME Projects Limited itself annexed the list of 221 allottees in its reply. The District Magistrate passed an order on 10.11.2025, observing that secured creditors is entitled to take possession of the assets.
- vii. In the SARFAESI proceedings, the assets of the AKME Projects Limited was auctioned in favour of corporate debtor – Grandstar Reality Pvt.

Ltd. A sale certificate was issued in favour of Grandstar Reality Pvt. Ltd. dated 19.07.2016. Along with the sale certificate, a list of encumbrances was also attached as Annexure 1, which contained the list of 221 allottees. Sale of the schedule property was made free from all encumbrances except flats allotted to respective allottees as per list attached as Annexure 1.

- viii. The Corporate Insolvency Resolution Process (CIRP) against the corporate debtor commenced on 26.09.2023 in C.P. (IB) No.995/PB/2020. Interim Resolution Professional (IRP) issued a public announcement in 'Form-A' inviting claim till 10.10.2023. Insolvency proceedings were challenged by suspended director, which challenge was dismissed, the date for submitting claim was extended till 26.05.2024. IRP issued Request for Resolution Plan (RFRP) on 10.06.2024.
- ix. Resolution plans were considered and in the 15th CoC Meeting held on 15.11.2024, the resolution plan was approved. On 29.11.2024, the Resolution Professional (RP) filed application for approval of the resolution plan before the NCLT.
- x. The appellant filed its claim before the RP on 09.01.2025. In the claim, appellant claims to be allottee of 3 units. RP has sent a reply on 13.02.2025 refusing to admit the claim. RP informed that since the appellant claims allotment of flat in exchange of legal counsel fee, claim

was not secured by the Yes Bank and does not find mention in the order dated 10.11.2015 passed by District Magistrate, Gurgaon.

xi. RP advised the appellant to file claim in the CIRP of AKME Projects Limited. Appellant after rejection of its claim has filed the I.A.1439/2025 seeking condonation of delay in filing the claim and direction to RP to admit the claim. The said application came to be heard and rejected by the impugned order, aggrieved by which order, this appeal has been filed.

3. We have heard learned Sr. counsel Mr. Sudhir Makkar appearing on behalf of the appellant as well as learned counsel Mr. Abhishek Anand appearing on behalf of the RP.

4. Learned Sr. counsel Mr. Sudhir Makkar appearing for the appellant submits that appellant has appropriately explained the delay in filing the claim in its application which has not been considered. It is submitted that the appellant's firm stood dissolved on 15.07.2022 and Arbitration Proceedings is going on and there was no authorised person to take steps, due to which the delay was caused in filing the claim. It is submitted that adjudicating authority committed error in not condoning the delay in filing the claim and further adjudicating authority has erroneously distinguished the judgment of this Tribunal in **'Puneet Kaur' Vs. 'K.V. Developers Private Limited & Ors.'**, reported in **[2022 SCC OnLine NCLAT 245]**. It is submitted that order passed by District Magistrate, Gurgaon on 10.11.2025 did not contain any list of 221 allottees. It is submitted that notice of sale was "as is

where is”, “as is what is” and “whatever is basis”, hence the right of the appellant who was allotted units by AKME Projects Limited was fully protected. The corporate debtor took the assets “as is where is basis”, hence it was bound to discharge the liability of the appellant. It is submitted that AKME Projects Limited has issued the allotment letters and has also entered into Flat Buyers Agreement in March, 2015. Appellant’s claim has wrongly been rejected. RP committed error in not accepting the claim. The list shared by RP forming part of District Magistrate order was manipulated list. Rejection of the claim by the RP deserve to be set aside.

5. Learned counsel for the RP refuting the submissions of the appellant submits that RP’s email 13.02.2025 rejecting the claim of the appellant gives the detail reason for not accepting the claim apart from claim having been filed with delay, after approval of the resolution plan, claim could not have been accepted. In the sale certificate which was issued in favour of the corporate debtor the list of 221 allottees was mentioned, hence the corporate debtor has obligation with regard to 221 allottees, whose claim was given by the Yes Bank in its application filed before the District Magistrate. Learned counsel for the RP submits that in the affidavit filed in this appeal, RP has filed the copy of the entire record of the proceedings before the District Magistrate, Gurgaon, which contains all documents which are part of the proceedings including the sale certificate which contains a list of 221 allottees. Name of the appellant is not mentioned in the list of 221 allottees, hence the claim of the appellant does not deserve acceptance. It is further submitted that claim of allotment by the appellant is in lieu of legal fee payable by AKME

Projects Limited. Learned counsel for the RP submits that there being no disbursement by the appellant in favour of the corporate debtor, appellant's claim is not a financial debt. Learned counsel for the RP has placed reliance on the judgment of this Tribunal in [**Comp. App. (AT) (Ins.) No. 1659/2024**] in the matter of '**M/s. Propertree Real Estate Solutions Pvt. Ltd.**' Vs. '**A. Viswanadha Sarma, Resolution Professional Sunibera Developers Pvt. Ltd.**'.

6. We have considered the submissions of the counsel for the parties and perused the records.

7. From the facts which has been brought on the record it is clear that claim was filed by the appellant vide letter dated 08.01.2025 claiming the allotment from AKME Projects Limited of 3 units G-601, G-701 & G-801 in AKME Raga total consideration for allotment is Rs.2,44,08,565/- which allotment was towards adjustment of bills of the appellant firm towards legal fee. The RP after receiving of the claim sent his reply by email 13.02.2025, which has been brought on the record by appellant itself at Page 354 to 356 of the appeal paper book. Claim was not admitted both on the ground of filing delay as well as on merits. The reply of the RP mentioned that name of the appellant is not included in the list of 221 allottees which are part of the order of District Magistrate dated 10.11.2025. CIRP was initiated by the homebuyers for not honouring the liabilities as per District Magistrate order dated 10.11.2025, hence the claim of the appellant cannot be dealt with in the CIRP of the corporate debtor.

8. Coming to the submission of the appellant that adjudicating authority committed error in not condoning the delay, we need to notice the reasons given by adjudicating authority in not accepting the claim of the appellant. Reliance on the judgment of this Tribunal in **'Puneet Kaur' (supra)** was also considered. Adjudicating authority observed that judgment of **'Puneet Kaur' (supra)** was with respect to plight of the poor homebuyers and cannot be taken benefit by firm as the appellant. It was also noticed by the adjudicating authority that plan has already been approved by the Committee of Creditors (CoC) and is under consideration before the adjudicating authority. This Tribunal in **'Puneet Kaur' (supra)** had observed that when records of the corporate debtor reflect the payments made by homebuyer to the corporate debtor, it is the obligation of the RP to collate such claims irrespective of the fact whether claim has been filed by the homebuyer or not. The present is a case where adjudicating authority has returned a finding that claim of the appellant was not reflected in the record of the corporate debtor, appellant thus cannot claim any benefit of the judgement of **'Puneet Kaur' (supra)** in the facts of the present case.

9. Judgment of the Hon'ble Supreme Court in **'RPS Infrastructure Ltd.' Vs. 'Mukul Kumar & Anr.'** reported in **[(2023) 10 SCC 718]**, was relied, in which judgment Hon'ble Supreme Court in paragraphs 21 to 24 laid down following:

“24. We have thus come to the conclusion that Nclat's impugned judgment [Mukul Kumar v. RPS Infrastructure Ltd., 2021 SCC OnLine NCLAT 648] cannot be faulted to reopen the chapter at the behest

of the appellant. We find it difficult to unleash the hydra-headed monster of undecided claims on the resolution applicant.

23. *The mere fact that the adjudicating authority has yet not approved the plan does not imply that the plan can go back and forth, thereby making the CIRP an endless process. This would result in the reopening of the whole issue, particularly as there may be other similar persons who may jump onto the bandwagon. As described above, in Essar Steel [Essar Steel (India) Ltd. (CoC) v. Satish Kumar Gupta, (2020) 8 SCC 531 : (2021) 2 SCC (Civ) 443] , the Court cautioned against allowing claims after the resolution plan has been accepted by the COC.*

22. *Section 15 IBC and Regulation 6 of the IBBI Regulations mandate a public announcement of the CIRP through newspapers. This would constitute deemed knowledge on the appellant. In any case, their plea of not being aware of newspaper pronouncements is not one which should be available to a commercial party.*

21. *The second question is whether the delay in the filing of claim by the appellant ought to have been condoned by Respondent 1. The IBC is a time bound process. There are, of course, certain circumstances in which the time can be increased. The question is whether the present case would fall within those parameters. The delay on the part of the appellant is of 287 days. The appellant is a commercial entity. That they were litigating against the corporate debtor is an undoubted fact. We believe that the appellant ought to have been vigilant enough in the aforesaid circumstances to find out whether the corporate debtor was undergoing CIRP. The appellant has been deficient on this aspect. The result, of course, is that the appellant to an extent has been left high and dry.”*

10. The reasons given by the adjudicating authority in refusing to condone the delay in filing the claim by the appellant a legal firm cannot be said to arbitrary or without any basis. Admittedly, the resolution plan was approved by the CoC much before filing of the claim by the appellant and plan is pending consideration before the adjudicating authority. Judgment of the

Hon'ble Supreme Court in '**RPS Infrastructure Ltd.**' (**supra**) was also case where claim of a commercial entity was under consideration. Appellant is a legal firm which cannot place on the same footing as homebuyers of a residential unit, whose case was under consideration in '**Puneet Kaur**' (**supra**).

11. We thus are of the view that no error has been committed by the adjudicating authority in refusing to condone the delay in filing the claim by the appellant, resolution plan having already approved and pending consideration before the adjudicating authority.

12. Learned counsel for the appellant has also submitted that the order of District Magistrate which is relied by the respondent did not contain any list of the homebuyers (220 in numbers). He submits that there being no list of homebuyers in the order of the District Magistrate benefit ought to have been extended to all homebuyers who were allotted units in the AKME Projects. Even if the submission of the appellant is accepted that order of District Magistrate did not contain any list of 220 homebuyers, sale certificate which was issued in pursuance of auction sale in favour of the corporate debtor under SARFAESI Act, 2002 is part of record which sale certificate clearly refers to the list of 220 homebuyers which was attached as Annexure 1 to the sale certificate. Order of the District Magistrate was an order to take possession under Section 14 of the SARFAESI Act 2002 by the secured creditors. Respondents in their affidavit has brought the entire records of the proceedings under Section 13(4). It has been noticed that in the reply which

was filed by AKME Projects, list of homebuyers was also annexed. It is thus undisputed fact that encumbrances of 220 homebuyers was noticed in the sale certificate. Admittedly the name of the appellant does not figure in the list of 220 homebuyers.

13. Learned counsel for the parties have also addressed submission on the merits of admissibility of the claim of the appellant, hence we proceed to examine the respective contentions. From the facts which have been brought on the record, it is clear that appellant's claim is allotment of units by AKME Projects Ltd. in lieu of legal fee which was payable by AKME Projects Limited. Yes Bank who had security with respect to the loan sanctioned to the AKME Projects Limited enforced its securities, under which the Grandstar Reality Pvt. Ltd., the corporate debtor has purchased the assets. Sale certificate is part of the record. It is useful to notice sale certificate Annexure A-4 to the affidavit of respondent:

“SALE CERTIFICATE

(For Immovable Property)

Under Rule 9(6)

Whereas, the undersigned Ashok Kumar S/o Sh. Sant Ram aged 41 years being the Authorized Officer of YES Bank Ltd under Securitisation and-Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of the powers conferred under section 13 read with Rule 9 of the Security Interest (Enforcement) rules, 2002 sold on behalf of the YES Bank Ltd in favour of M/s Grandstar Realty Pvt. Ltd. having registered office at H-65, Connaught Circus, New Delhi- 110001, the immovable property shown in the schedule below secured in favour of YES Bank Ltd by M/s Akme Projects Ltd, having registered Office at B-1/E-3, Mohan Cooperative Industrial

Estate, Mathura Road New Delhi 110044 towards the financial facilities offered by YES Bank Ltd. The undersigned acknowledges the receipt of INR. 40.75 Crore/- (Rupees Forty Crores Seventy Five Lakhs only) being the sale price in full as the highest bid amount in the auction and handed over the delivery and possession of the scheduled property. The sale of the scheduled property was made free from all encumbrances known to the secured creditor listed below on deposit of the money demanded by the undersigned.

Description of the Immovable property

*All that part and parcel of the property in Village Lakhnaula, Tehsil Manesar, District Gurgaon, Haryana measuring 9.856 acres out of total 10.881 acres falling under Rect. No. and Killa No. mentioned as under:**

<i>RECT. NO.</i>	<i>KILLA NO.</i>	<i>AREA IN KANAL-MARLA</i>
45	21/2	2-14
50	1	8-0
	2/1	3-16
45	22/1	2-0
	22/1	4-4
	22/2	3-16
	21/3	3-6
	11	8-0
46	6/2	3-16
	15/2	3-0
	16/1	3-0
	25/2/2	0-6
45	1/3	1-11
	10/1	5-8
	10/2/2	2-11
	12/1 MIN	3-18
	19 MIN	6-2
	2/2	5-13
	9/1	2-16
	9/2	5-4
	20	8-0
	TOTAL	

*Covered under Doc. No. 2768 dated 23.11.2013
registered before Sub Registrar Office, Manesar,
Haryana*

List of encumbrances

*1. Nil except flats allotted to respective allottees as per
list attached as Annexure-1.*

*Date: 19 .07.2016
(Authorized Officer)*

*Place: Delhi
YES Bank Ltd.*

** The possession of Flat No. F-1702 was not taken in
compliance of order as described in sale confirmation
letter.”*

14. The sale certificate contains a list of encumbrances which uses the expression “except flats allotted to respective allottee as per list attached as Annexure 1”. Annexure 1 attached to the sale certificate is the list of 220 allottees. It is undisputed that name of the appellant is not shown in the said list as the allottee. The submission of the appellant that since sale was “as is where is basis”, the corporate debtor was obliged to discharge all its liabilities against the allottees. When there is a list of allottees totalling 220, which is part of the sale certificate in which list the name of the appellant is not there, we are not persuaded to accept the submission that there was any liability on the corporate debtor towards the appellant.

15. RP in its email dated 13.02.2025 has given the detailed reply for not accepting the claim of the appellant. In the email dated 13.02.2025 with regard to status of claim by the appellant, following has been mentioned by the RP:

“Status of claim submitted by you

Further as mentioned in the claim form submitted by you, flats were allotted to you on discounted price in exchange of legal counsel fee bills for legal services provided by you to Akme Projects limited. Therefore, your claim for the flats claimed was not secured by Yes Bank and vide DM order dated 10.11.2015 were never made part of assets/ estate of the Corporate Debtor (GRPL). Since the CIRP is initiated by Home Buyers for not honoring the liabilities as per district magistrate order dated 10.11.2015, therefore, your claim cannot be dealt in the CIRP of the Corporate Debtor (GRPL) and the same is not liable to be admitted in the CIRP of the Corporate Debtor (GRPL).

Suggested Action

However, your claim can be addressed in the CIRP of Akme Projects Ltd., which is also under process, stayed earlier and now an application for extension of CIRP period is pending with Hon'ble NCLAT. You are therefore requested to forward your claim to the following email id of Akme Projects Ltd., if the same was not filed earlier; ip.akmeprojects@gmail.com”

16. We thus do not find any substance in the submission of the appellant that claim of the appellant was also entitled to be accepted as obligation of the corporate debtor.

17. Learned counsel for the respondent has raised one more submission to support his case. It is submitted that allotment which is claimed by the appellant is in lieu of legal fee which was to be received from AKME Projects Limited and AKME Projects Limited has made allotment to the appellant in lieu of legal fee, no disbursement was made by the appellant in favour of the corporate debtor. It is submitted that appellant is not a financial creditor. Reliance has been placed on the judgment of this Tribunal in **‘M/s. Propertree Real Estate Solutions Pvt. Ltd.’ (supra)**, where this Tribunal in paragraph 37 laid down following:

“37. A significant aspect of the matter which may also be highlighted is that for the Builder Buyer Agreement executed allegedly for allotment of two flats nothing was paid by the appellant and only the due amount of brokerage has been shown as outstanding in MoU of 25.11.2021 as amended by MoU dated 03.02.2022 as consideration of these two flats. Thus no money in fact, was paid or disbursed by the appellant to the CD as a consideration of the two flats stated to be allotted under the agreement dated 25.11.2021 as amended on 03.02.2022. Thus it is a case where absolutely no disbursement of amount, which may have commercial effect of borrowing and there appears no raising of any amount from alleged allottee (appellants).”

18. Hon’ble Supreme Court has occasion to consider the definition of the financial creditor given in Section 5(8) of the IBC. Hon’ble Supreme Court has laid down that disbursement for time value of money is pre-condition for accepting any debt as a financial debt. We may refer to the judgment of the Hon’ble Supreme Court in **‘Anuj Jain, Interim Resolution Professional for Jaypee Infratech Limited’ Vs. ‘Axis Bank Ltd. & Ors.’** reported in **[(2020) 8 SCC 401]**, where in paragraph 46, Hon’ble Supreme Court laid down following:

“46. Applying the aforementioned fundamental principles to the definition occurring in Section 5(8) of the Code, we have not an iota of doubt that for a debt to become “financial debt” for the purpose of Part II of the Code, the basic elements are that it ought to be a disbursement against the consideration for time value of money. It may include any of the methods for raising money or incurring liability by the modes prescribed in clauses (a) to (f) of Section 5(8); it may also include any derivative transaction or counter-indemnity obligation as per clauses (g) and (h) of Section 5(8); and it may also be the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in clauses (a) to (h). The requirement of existence of a debt, which is disbursed against the consideration for the time value of money, in our view,

remains an essential part even in respect of any of the transactions/dealings stated in clauses (a) to (i) of Section 5(8), even if it is not necessarily stated therein. In any case, the definition, by its very frame, cannot be read so expansive, rather infinitely wide, that the root requirements of “disbursement” against “the consideration for the time value of money” could be forsaken in the manner that any transaction could stand alone to become a financial debt. In other words, any of the transactions stated in the said clauses (a) to (i) of Section 5(8) would be falling within the ambit of “financial debt” only if it carries the essential elements stated in the principal clause or at least has the features which could be traced to such essential elements in the principal clause. In yet other words, the essential element of disbursal, and that too against the consideration for time value of money, needs to be found in the genesis of any debt before it may be treated as “financial debt” within the meaning of Section 5(8) of the Code. This debt may be of any nature but a part of it is always required to be carrying, or corresponding to, or at least having some traces of disbursal against consideration for the time value of money.”

19. By explanation added in Section 5(8) of the Code by Second Amendment Act, 2018, any amount raised from an allottee under a Real Estate Project has been deemed to be an amount having commercial effect of borrowing. The explanation is as follows:

“Explanation.- For the purposes of this sub-clause,-

(i) any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and

(ii) the expressions, “allottee” and “real estate project” shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016;”

20. Amount raised from allottees under Real Estate Project has been deemed to be an amount having the commercial effect of borrowing. Thus,

when an amount is raised from allottees by a Real Estate Builder, the said amount becomes financial debt. Present is not a case where any disbursement was made by the appellant in favour of the corporate debtor. In view of the law laid down by the Hon'ble Supreme Court in paragraph 46 of '**Anuj Jain, Interim Resolution Professional for Jaypee Infratech Limited' (supra)**, as above, the claim of the appellant is not covered under the definition of a financial debt.

21. We thus do not find any merit in the present appeal filed by the appellant. The rejection of the claim of the appellant cannot be faulted. Appeal is dismissed.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

NEW DELHI

23rd April, 2026

himanshu