

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH: NEW DELHI

Company Appeal (AT) (Insolvency) No. 691 of 2024

[Arising out of the Common Order dated 05.03.2024, passed by the 'Adjudicating Authority' (National Company Law Tribunal, New Delhi-III Bench in IA No. 6075 of 2023 in CP (IB) No. 440(ND)/2021]

IN THE MATTER OF:

New Okhla Industrial Development Authority

Main Administrative Building Sector 6,
Noida, Uttar Pradesh – 201 301

...Appellant

Versus

1. Manohar Lal Vij

Resolution Professional of Logix City
Developers Pvt. Ltd.
3rd Floor, 8/28 Abdul Aziz Road,
Karol Bagh, New Delhi-110005

...Respondent No.1

2. Gedpec Infratech Limited

7A Floor, Tower B, Plot No. 8,
Noida One, Block B, Sector 62,
Noida – 201 307

...Respondent No.2

Present:

For Appellant : Mr. Rachit Mittal, Mr. Kanishk Raj, Mr. Abhishek Sinha and Ms. Srishti Agarwal, Advocates

For Respondent : Mr. Vishal Hirawat and Mr. Abhishek Devgan, Advocates

J U D G M E N T
(Hybrid Mode)

[Per: Arun Baroka, Member (Technical)]

The present appeal is filed under Section 61(1) of Insolvency and Bankruptcy Code, 2016 ("Code") by the Appellant namely, New Okhla Industrial Development Authority against the order dated 05.03.2024 of the

Hon'ble National Company Law Tribunal, New Delhi, Bench-III in Interlocutory Application No. 6075 of 2023 in CP(IB) No. 440 (ND)/2021.

2. The Appellant seeks to set aside the order in the above-mentioned IA No. 6075/2023 and also to direct Respondent No.1 i.e. RP to admit the claim of the Appellant to the tune of Rs.6,07,74,76,966/-.

Submissions of the Appellant – NOIDA

3. Appeal has been filed on behalf of the New Okhla Industrial Development Authority (hereinafter referred to as 'Appellant') against the order dated 05.03.2024 (hereinafter referred to as 'Impugned Order') of the Hon'ble National Company Law Tribunal, New Delhi, Bench III in Interlocutory Application bearing IA No. 6075 of 2023 in CP (IB) No. 440 (ND)/2021 (hereinafter referred to as 'Application'). The Appellant was the Applicant in the aforesaid Application.

4. Appellant contends that the NCLT passed the impugned order on the assumption that the aforesaid application was filed by the Appellant/Applicant for non-compliance of the order dated 18.10.2023. However, it is contended that the Respondent No.1 admitted only a portion of appellant's claim, particularly excluding additional farmer compensation and time extension charges. Thus, the aforesaid application was vis à vis the admissibility and quantum of Appellant's claims as the secured operational creditor in the CIRP of the Corporate Debtor.

5. Appellant contends that on 08.06.2011, a Lease Deed was executed in the favour of the Corporate Debtor by the Appellant for Plot No. GH-02, Sector 143, Noida admeasuring a total area of 1,00,080.98 sq. mtrs.

6. Further, on 21.10.2011, the Hon'ble High Court of Judicature at Allahabad, in the case of **Gajraj & Ors. v. State of U.P. & Ors.**, rendered a judgment through a full bench, granting an additional 64.7% compensation to the farmers, with the liberty given to the Appellant herein to recover the same from the allottees. This judgment was subsequently upheld by the Hon'ble Supreme Court in **Savitri Devi v. State of U.P., reported in (2015) 7 SCC 21**. Thereafter, in terms of the aforementioned judgment of the Hon'ble Allahabad High Court, certain office orders dated 20.12.2013, 04.04.2014, 14.07.2014 and 04.08.2014 were issued by the Appellant to the Corporate Debtor. Office order dated 14.07.2014 categorically mentions that the enhanced compensation would be recovered from the allottees of the concerned land.

7. The Appellant vide letter dated 22.05.2017 informed the Corporate Debtor about the 64.7% additional compensation paid to farmers and also informed the Corporate Debtor to deposit an amount of Rs. 2,93,97,586.90 within 30 days of the issuance of the letter. [Note: This was for full one lakh sq. mtr. of leased land]

8. Furthermore, on 30.10.2018, out of the entire leased area of 1,00,080.98 sq. mtrs. allocated to the Corporate Debtor, the Appellant executed a sub-lease deed for 13,961 sq. mtrs. in favor of M/s Docile

Buildtech Private Limited, leaving 86,119.98 sq. mtrs. with the Corporate Debtor. While permission for sub-division was granted to the Corporate Debtor's subsidiaries, M/s. Docile Buildtech Pvt. Ltd. and M/s. Arable Builders Pvt. Ltd., the sub-lease deed was executed only in favor of M/s. Docile Buildtech Pvt. Ltd. The permission to sub-divide the land for M/s. Arable Builders Pvt. Ltd. was revoked due to the Corporate Debtor's failure to meet certain conditions. Consequently, the area intended for sublease to M/s. Arable Builders Pvt. Ltd. was never sub-leased and remains leased to the Corporate Debtor.

9. The Corporate Insolvency Resolution Process ("CIRP") qua the Corporate Debtor commenced vide an order dated 17.08.2022. The Appellant filed its claim on 01.09.2022 under Form 'B' as an Operational Creditor for an amount of Rs. 6,07,74,76,966/-, supported by all necessary documents, including detailed calculations. However, the Respondent No.1 – RP vide email dated 03.09.2022 provisionally admitted the claim of the Appellant only to the tune of Rs. 5,13,97,26,617/-. In the claim calculation sheet, no reasons were attributed with respect to farmer's compensation or time extension charges.

10. Appellant further claims that despite receiving all the relevant documents, including calculation sheets, through various emails dated 23.03.2023, 01.04.2023, 12.04.2023, and 21.04.2023, Respondent No.1 – RP failed to admit the entire claimed amount, admitting only 600,92,77,327 out of the total claim submitted, initially reasoning that the farmer's compensation clause was not part of the lease deed. However, after the Hon'ble NCLT, by order dated 18.10.2023 in IA No. 2972 of 2023, directed

Respondent No. 1 to admit the claim based on judicial pronouncements. Respondent No. 1 then shifted its position and began demanding documents that fall beyond the scope of the current CIRP. This refusal to admit the aforesaid claims is in direct contravention of Section 25(2)(e) of the IBC, which mandates the RP to collect and verify all claims against the Corporate Debtor. The subsequent demand for additional documents, despite the NCLT's clear direction vide order dated 18.10.2023, is unjustified and exceeds the RP's authority under the IBC.

11. Appellant further contends that the Respondent No. 1 had already been provided with a copy of the order in the **Gajraj judgment** (supra) and the required calculations as requested in the initial emails. Nevertheless, Respondent No. 1, despite receiving all necessary documents and calculations, has failed to admit certain amounts under the heads of time extension charges and additional farmers' compensation, which constitutes a dereliction of the duties entrusted to the RP.

12. Subsequently, the Appellant filed an application bearing the IA No. 6075 of 2023 before NCLT, seeking admission of entire claim for a tune of Rs. 6,07,74,76,966/-. However, the Hon'ble NCLT vide Impugned Order dated 05.03.2024 observed that the Respondent No.1 has complied with the order dated 18.10.2023 and disposed of the aforementioned Application. Aggrieved by this decision, the instant appeal has been preferred by the Appellant before this Hon'ble Court.

13. Appellant contends that the Resolution Professional's duty extends to admitting and verifying claims but does not encompass adjudicating them. In the instant case, the exclusion of substantial portions of the Appellant's claim, specifically Rs. 6,81,99,639/- out of the total claim amount of Rs.6,07,74,76,966/-, undermines the Appellant's rights as a secured creditor. Furthermore, NCLT's impugned order reflects a misinterpretation of the facts and law, particularly the binding nature of the judicial orders regarding the land acquisition and related compensation passed by Hon'ble Supreme Court and Hon'ble Allahabad High Court. The aforesaid impugned order fails to recognize the statutory and contractual obligations of the Corporate Debtor towards the Appellant. Additionally, the legal obligations under the lease deed and subsequent orders are clear and unequivocal, warranting the full admission of the Appellant's claims. It is also pertinent to note that the Hon'ble NCLT, vide its order dated 18.10.2023 in IA No. 2792 of 2023, acknowledged the correctness of the Appellant's time extension calculations. Further, the documents provided for farmer's compensation was also deemed sufficient, thereafter, Hon'ble NCLT directed Respondent No. 1 for full admission of the Appellant's claims.

14. The NCLT has failed to enforce its own order dated 18.10.2023, which directed the RP to admit the entire claim sought by the Appellant. Despite this order, the RP continued to demand unnecessary documentation from the Appellant. Furthermore, the RP's refusal to admit the Appellant's claim violates the terms of the lease deed and disregards binding judicial precedents. The Respondent No.1 does not have the authority to override

these terms or to adjudicate claims, as its role is strictly limited to verification under the IBC. Thus, this brazen abuse of law and conduct by the Respondent No.1 is in direct violation of the order dated 18.10.2023 passed by the Hon'ble NCLT which undermines the integrity of the judicial process.

15. The Respondent No.1's refusal to properly verify the Appellant's claim, despite being provided with all relevant documents, demonstrates a failure to apply judicial mind as required under Regulation 13 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This failure has resulted in significant prejudice to the Appellant's position as a secured creditor.

16. Furthermore, NCLT has failed to consider the binding judgment in **Gajraj (supra)**. Respondent No. 1's refusal to admit approximately Rs. 7 crores of the Appellant's claim blatantly disregard the Appellant's rights under these binding judicial precedents, thereby undermining the Appellant's position as a secured creditor. Notably, the Hon'ble NCLT's omission to consider the material facts and evidence presented by the Appellant has led to an erroneous decision, unsupported by evidence or records, and fails to adequately recognize the Appellant's legal and factual standing.

17. The Appellant contends that the Corporate Debtor was informed the corporate debtor about the 64.7% additional compensation paid to the farmers and also raised the demand to the tune of Rs.2,93,97,586.90 as share of additional compensation vide letter dated 22.05.2017 and the same has not been disputed by the Corporate Debtor up to the date of commencement of

CIRP. Now the Resolution Professional, on one pretext or the other is trying to reject and has rejected the claim qua the farmer's compensation.

18. Appellant further claims that the second claim qua the time extension has already been clarified vide letter dated 01.11.2023 mentioning that the time extension charges up to 17.08.2022 comes to Rs.47,34,10,209.88, which initially was Rs.47,73,81,468/- (calculated up to 07.09.2022). Whereas, the Resolution Professional has admitted an amount of Rs.46,82,53,478/- instead of Rs.47,34,10,209.88, leaving unadmitted amount qua time extension of Rs.51,56,731.88. Therefore, the total unadmitted amount which includes unadmitted claim amount and unadmitted time extension amount is Rs.6,42,28,380.88 [Rs.5,90,71,649 + 51,56,731.88].

19. In light of the foregoing submissions, the Appellant prays that the appeal of the appellant may be allowed and Resolution Professional may be directed to admit the unadmitted claim amount of Rs.6,42,28,380.88.

Submissions of the Respondent No. 1 – RP

20. The Appellant, NOIDA, had filed claim for Rs. 6,07,74,76,966/- in the CIRP of the Corporate Debtor. Respondent No.1 – RP, verified the aforesaid claim submitted by Appellant and provisionally admitted the claim to the tune of Rs. 5,13,97,26,671/- and informed the Appellant vide email dated 03.09.2022.

21. Subsequently, Appellant filed an Application before Ld. NCLT seeking directions for admission of part of the claim filed by Appellant, which was rejected by the Respondent for non-submission of sufficient

documents/clarifications. Some additional documents were annexed with the application to substantiate its claim. Ld. NCLT vide Order dated 18.10.2023 directed the Answering Respondent to examine all the issues and take appropriate decision in accordance with law.

22. Consequent to the Order dated 18.10.2023 passed by the Ld. NCLT, Respondent No. 1 – RP vide email dated 31.10.2023 apprised Appellant regarding the Order passed by Ld. NCLT and sought certain clarifications/details for admitting the remaining portion of the claim. Subsequently, Respondent No. 1 – RP admitted the claim of Appellant to the extent of Rs.600,92,77,327/- and apprised the Appellant vide email dated 06.11.2023.

23. Thereafter, Appellant filed another IA No. 6075/2023 before the Ld. NCLT seeking directions for admission of remaining claim amount, i.e. Rs.6,81,99,639/-. The Ld. NCLT vide Order dated 05.03.2024 disposed of the IA filed by Appellant and noted that there is no non-compliance of the Order dated 18.10.2023.

24. Present Appeal has been preferred by the Appellant, seeking admission of entire claim of Appellant to the tune of Rs. 6,07,74,76,966/-. It is apposite to note that Appellant in its revised calculation has itself reduced the claim towards time extension charges by Rs.39,71,258.12, thus reducing the claimed amount to Rs. 6,07,35,05,708/-, yet in the present Appeal, Appellant has sought for admission of claim of Rs. 607,74,76,966/-.

25. As a background it is to be noted that Appellant, by way of registered lease deed dated 08.06.2011 leased out Plot No. GH-02, Sector 43, Noida,

admeasuring 1,00,080.98 sq. mtr. in favour of Corporate Debtor, for a period of 90 years commencing from 08.06.2011, against the consideration agreed between the parties, for development of group housing project on the leased land. Thereafter, a tripartite sub-lease deed dated 30.10.2018 was executed between Corporate Debtor, Appellant and Docile Buildtech Private Limited, and the Land admeasuring 13,961 sq. mtr. was sub-leased in favour of Docile Buildtech Private Limited. Further, the net liability towards Appellant, as on the date of sub-lease deed, was divided between the Corporate Debtor and Docile Buildtech Private Limited in proportion to the land area leased/sub-leased to the respective parties. Accordingly, liability of Corporate Debtor is only limited to 86,119.98 sq. mtr. of land.

26. The Appellant's claim comprises of six distinct components. Of these, four components have been fully admitted, whereas the claims relating to farmers' compensation and time extension charges remain contested.

27. Initially, the Appellant in its claim had computed farmers' compensation for 100080.98 Sq. Mtr., despite the fact that the claim of Corporate Debtor was limited to only 86,119.98 Sq. Mtr. of land. The claimed amount towards farmers' compensation was for Rs. 5,90,71,649/-. Subsequently, Appellant provided another calculation sheet for farmers' compensation, wherein land area has been simply changed from 100080.90 Sq. Mtr. to 86,119.98 Sq. Mtr. without any claim to the amount of claim. In both the calculation sheets submitted by the Appellant regarding farmer's compensation, the initial amount due is shown as Rs. 2,93,97,587/- as on 22.06.2017. Accordingly, for substantiation of claim the Respondent vide

email dated 31.11.2023 sought following details to authenticate amount of Rs. 29397587 and accrued interest thereon:

- a. Total additional compensation paid
- b. Total area for which compensation paid
- c. Total percentage of land belonging to Corporate Debtor out of total land
- d. % Share of Corporate Debtor in the compensation
- e. Date of payment of compensation (to check interest calculation).

28. Till date the Appellant has not provided any of the aforementioned details and hence, the claim towards farmers' compensation remains unsubstantiated and hence, has not been admitted.

29. The time extension charges are to be computed at the specified rate on the allotment rate. Allotment of land admeasuring 100,080.98 sq. mtr. was made at Rs. 235,69,07,079/-. Subsequently, land admeasuring 13,961 sq. mtr. was sub-leased and only 86,119.98 sq. mtr. of land remains to be leased to the Corporate Debtor. Thus, the proportionate allotment rate for 86,119.98 sq. mtr. is computed to be Rs. 202,81,25,529 $[235,69,07,079 \times 86,119.98/100,080.981]$.

30. The Appellant initially claimed an amount of Rs. 47,73,81,468/- towards time extension charges, out of which Rs. 46,82,53,478/- was admitted. Subsequently, the Appellant itself reduced the claim to Rs.47,34,10,209.88, reflecting a reduction of Rs. 39,71,258.12 due to an

incorrect calculation. However, in the present Appeal, the Appellant has arbitrarily reverted to the original claim of Rs. 47,73,81,468/-contradicting its own prior admissions of wrong calculation. It is noteworthy that the reduced admission of claim by the Answering Respondent is solely attributable to the Appellant's erroneous mathematical calculation.

31. Initially, Appellant computed the time extension charges of Rs. 47,73,81,468/- till 07.09.2022 whereas the CIRP commencement date was 17.08.2022. The same was also observed by the Ld. NCLT in its Order dated 18.10.2023.

32. Consequently, Appellant submitted revised calculation sheet for claim of Rs. 47,34,10,209.88 computed till CIRP Commencement date i.e. 17.08.2022. Appellant while computing the time extension charges for 5th year has made some mathematical error and derived amount of Rs.3,65,91,251.58, whereas the correct amount would be Rs. 3,11,16,446/- [Rs. $202,81,25,529 \times 70 \times 8 / 100 \times 365$]. Hence, the difference is admitted and claimed amount.

Analysis and Evaluation

33. We have heard both sides and also perused the material placed on record.

34. We note that the Appellant-NOIDA, by way of registered lease deed dated 08.06.2011, leased out Plot No.GH-02, Sector 43, Noida, admeasuring 1,00,080.98 sq. mtr. in favour of Corporate Debtor-Logic City for a period of 90 years commencing from 08.06.2011, against the between the parties, for

development of a group housing project on the leased land. Subsequently, in the year 2013, the Corporate Debtor by way of joint development agreement transferred development rights for 13,961 sq. mtr. of land to Saha Infratech Private Limited and for 12,486.08 Sq. mtr. of land to Dream Procon Private Limited. Hence, only 73,633.90 Sq. mtr. of land was being developed by the Corporate Debtor and remaining portion of land was being developed by Saha Infratech and Procon respectively. Details regarding development of land as per records is as extracted below:

#	DEVELOPER	PROJECT	AREA
1.	Logix City Developers Private Limited (Corporate Debtor)	Blossom Zest	73,633.90 sq. mtr.
2.	Saha Infratech Private Limited	Amadeus	13,961 sq. mtr.
3.	Dream Procon Private Limited	Victory Ace	12,486.08 Sq. mtr.

35. Thereafter, in the year 2018, Corporate Debtor had approached Appellant and requested to sub-divide the Land. Later, request of Corporate Debtor was accepted and Appellant vide letter dated 07.06.2018 approved the sub-division of Land in the following manner:

S.N	ENTITY	AREA
1.	Logix City Developers Private Limited (Corporate Debtor)	73,633.90 sq. mtr.
2.	Docile Buildtech Private Limited – wholly owned subsidiary of Corporate Debtor	13,961 sq. mtr.
3.	Arable Builders Private Limited- wholly owned subsidiary of Corporate Debtor	12,486.08 Sq. mtr.

36. It was also brought to our notice by the RP that all of the three developer companies are presently under CIRP. Further RP brings to our that a tripartite sub-lease deed dated 30.10.2018 was executed between Corporate Debtor, Appellant and Docile Buildtech Private Limited for transferring Land admeasuring 13,961 sq. mtr. in favour of Docile Builtech Private Limited. Further, as per terms of sub lease deed, net liability of the corporate debtor towards said portion of land, payable to Appellant, as on the date of sub-lease deed, was also transferred to Docile Buildtech Private Limited. Pertinently, the land sub-divided in favour of Arable Builders Private Limited was not sub-leased and hence, that portion of land, i.e. 12,486.08 sq. mtr. of land, even though being developed by some other company is still in the name of Corporate Debtor. Hence, as on date the land is divided as under:

#	Lessee/ Sub-lessee	AREA
1.	Logix City Developers Private Limited (Corporate Debtor)	86,119.98 sq. mtr.
2.	Docile Buildtech Private Limited (Sub-lessee)	13,961 sq. mtr.

37. In view of the above, we agree with the arguments of the RP, accepted by the AA, that the liability of Corporate Debtor is only limited to 86,119.98 sq. mtr. of land subject to the assumption that NOIDA has not filed/shall not claim any amount from Dream Procon Private Limited (under CIRP) for the land admeasuring 12,486.08 sq. mtr. which is being developed by Dream Procon Private Limited.

38. We find that initially the Appellant had filed claim of about Rs. 607.75 crores (approx.) in the CIRP in the Corporate Debtor. The RP provisionally

admitted the claim to the tune of about Rs. 514/- Crores and informed the Appellant vide email dated 03.09.2022. The claim submitted by the Appellant comprised of the following components:

- a. Instalments along with interest
- b. Re-scheduled instalments along with interest
- c. Lease rent dues along with interest
- d. 64.7% Farmers Compensation along with interest
- e. Time Extension Charges
- f. Water & Sewer Charges

39. Subsequently, RP verified the aforesaid claim submitted by Appellant and provisionally admitted the claim to the tune of Rs. 5,13,97,26,671/- and informed the Appellant vide email dated 03.09.2022. Answering Respondent had also shared excel sheet to show how the claim of the Appellant was calculated and admitted. The following components of the claim were not admitted or reduced amount was admitted:

- 64.7% Farmers Compensation along with interest
- Time Extension Charges
- Water & Sewage Charges
- Installment & Reschedulement charges

40. We note that the claim of Appellant was admitted on 03.09.2022 and the Appellant neither raised any objection nor challenged the decision of Answering Respondent until 23.03.2023. Thereafter, multiple emails were exchanged relating to non-substantiation of unadmitted portion of claim as

Appellant failed to provide requisite clarification/documents, necessary for verification and admission of balance claim amount.

41. Subsequently, on 16.05.2023, 9 months after the commencement of CIRP, Appellant filed IA No. 2792/2023 before the Ld. NCLT seeking directions against the Answering Respondent herein to admit the claim of Appellant to the tune of Rs. 6,07,74,76,966. The Adjudicating Authority vide its order dated 18.10.2023 directed the RP to examine all the issues and take appropriate decision in accordance with law. Consequently, the Respondent No.1 – RP sought certain clarifications / details for admitting the remaining portion of the claim. Basis the reply, the RP admitted the claim of the Appellant to the extent of Rs.601 Crores (approx.) and apprised the Appellant vide email dated 06.11.2023. The heads under which the claim amount was admitted / not admitted have been reproduced hereunder for convenience of this Hon'ble Tribunal:

S. No.	Head	Amount claimed	Amount admitted	Remark
1.	Installment along with interest due	4226281359	4226281359	Entire amount admitted
2.	Rescheduled installments	929521861	929521861	Entire amount admitted
3.	Lease rental due	373892471	373892471	Entire amount admitted
4.	Water & sewer charges	11328158	11328158	Entire amount admitted
5.	Farmers compensation	59071649	0	No detail to substantiate claim amount received.
6	Time extension charges	477381468	468253478	The value of 5th Year is incorrectly calculated till 07.09.2022. Proportionate claim as on 17.08.2022 (CIRP commencement date) has been admitted. Detail calculation given below: 2028125529*70*8/36500= 31116446.
	Total	6077476966	6009277327	Rs. 6,81,99,639/- has not been admitted for the reasons stated above.

42. RP brings to our notice that the claim towards farmers' compensation was not admitted as Appellant had failed to submit necessary clarifications/ documents to substantiate its claim amount. Further the time extension charges were reduced as the Appellant had claimed extension charges upto 07.09.2022, whereas the CIRP Commencement date is 17.08.2022 and accordingly, proportionate claim was admitted.

43. Thereafter, the Appellant filed another IA No. 6075/2023 before NCLT seeking directions for admission of the remaining claim amount of Rs.6,81,99,639/-. However, NCLT vide order dated 05.03.2024 disposed of the IA filed by the Appellant and noted that there is no non-compliance of the order dated 18.10.2023.

44. In the present appeal, we note that the Appellant is seeking admission of the entire claim amount of Rs.6,07,74,76,966/-. To find out the merits of this claim, we now look into the two major issues -one relating to non-admission of claim towards farmers' compensation and the other relating to extension of time, which are the main issues raised by the Appellant in this appeal.

45. With respect to the reasons for non-admission of claim towards farmer's compensation we find that the Appellant had claimed Rs. 5,90,71,649/- towards farmers' compensation. As per the initial calculation sheet submitted by Appellant, the said amount had been calculated for entire 100080.98 Sq. mtr. of land, whereas, the Corporate Debtor's liability was limited for 86,119.98 sq. mtr. of land only. Subsequently, the Appellant submitted

another calculation sheet for farmers' compensation. wherein the land area has been simply changed from 100080.98 Sq. mtr. to 86,119.98 sq. mtr. without any change in the amount of.

46. We also find that both the calculation sheet for the farmer's compensation, indicate an outstanding amount of Rs. 2,93,97,587/- as of June 22, 2017. Subsequently, interest at a rate of 14% has been computed on this sum. However, we find that the Appellant has not provided any document to explain the basis for arriving at the figure of Rs. 2,93,97,587/-. We find that the resolution professional had requested the appellant vide emails dated October 31, 2023, November 21, 2023, and a reminder email on November 25, 2023, yet the Appellant has failed to substantiate the farmer's compensation claim.

47. The Appellant claims that the resolution professional cannot adjudicate over the claims. It relies upon various judicial pronouncements that the adjudicatory power does not lie with the resolution professional. In the present matter, the RP has gone beyond the powers so envisaged for him and has, despite being provided with requisite documents and explanations, failed to verify the total amount of the claim of the Appellant as was filed by it. We find that a Resolution Professional is empowered to seek evidence or clarifications as he deems fit from a creditor for substantiating the whole or part of its claim as per Regulation 10 of the CIRP regulations governing the insolvency of corporate persons. Therefore, the Appellant cannot question the information being sought by the Resolution Professional and cannot claim that the Resolution Professional has not done its duty. The argument

canvassed by the NOIDA that the resolution professional's duty is only extended to the admission and verification of the claims but does not encompass adjudication of the claims. In the facts and circumstances of the case, we do not find that the resolution professional was adjudicating the claims. It was only seeking additional information to verify the claims, and such an argument of the applicant is therefore unsustainable and rejected.

48. The Appellant has placed its reliance on the following judicial pronouncements in support of the aforementioned contention of the Appellant:

XXX

- **Swiss Ribbons Pvt. Ltd. vs. Union of India**

(2019) 4 SCC 17 (Para No. 88 to 91)

Resolution professional has no adjudicatory powers

88. It is clear from a reading of the Code as well as the Regulations that the resolution professional has no adjudicatory powers. Section 18 of the Code lays down the duties of an interim resolution professional as follows:

“18. Duties of interim resolution professional.—(1) The interim resolution professional shall perform the following duties, namely—
(a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to—
(i) business operations for the previous two years;
(ii) financial and operational payments for the previous two years;
(iii) list of assets and liabilities as on the initiation date; and
(iv) such other matters as may be specified;
(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under Sections 13 and 15;
(c) constitute a Committee of Creditors;
(d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the Committee of Creditors;

(e) file information collected with the information utility, if necessary; and

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including—

(i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;

(ii) assets that may or may not be in possession of the corporate debtor;

(iii) tangible assets, whether movable or immovable;

(iv) intangible assets including intellectual property;

(v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;

(vi) assets subject to the determination of ownership by a court or authority;

(g) to perform such other duties as may be specified by the Board.

Explanation.—For the purposes of this section, the term “assets” shall not include the following, namely—

(a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment;

(b) assets of any Indian or foreign subsidiary of the corporate debtor; and

(c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.”

89. Under the CIRP Regulations, the resolution professional has to vet and verify claims made, and ultimately, determine the amount of each claim as follows:

“10. Substantiation of claims.—The interim resolution professional or the resolution professional, as the case may be, may call for such other evidence or clarification as he deems fit from a creditor for substantiating the whole or part of its claim.

* * *

12. Submission of proof of claims.—(1) Subject to sub-regulation (2), a creditor shall submit claim with proof on or before the last date mentioned in the public announcement.

(2) A creditor, who fails to submit claim with proof within the time stipulated in the public announcement, may submit the claim with proof to the interim resolution professional or the resolution professional, as the case may be, on or before the ninetieth day of the insolvency commencement date.

(3) Where the creditor in sub-regulation (2) is a financial creditor under Regulation 8, it shall be included in the committee from the date of admission of such claim:

Provided that such inclusion shall not affect the validity of any decision taken by the committee prior to such inclusion.

13. Verification of claims.—(1) The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it.

(2) The list of creditors shall be—

(a) available for inspection by the persons who submitted proofs of claim;

(b) available for inspection by members, partners, Directors and guarantors of the corporate debtor;

(c) displayed on the website, if any, of the corporate debtor;

(d) filed with the adjudicating authority; and

(e) presented at the first meeting of the committee.

14. Determination of amount of claim.—(1) Where the amount claimed by a creditor is not precise due to any contingency or other reason, the interim resolution professional or the resolution professional, as the case may be, shall make the best estimate of the amount of the claim based on the information available with him.

(2) The interim resolution professional or the resolution professional, as the case may be, shall revise the amounts of claims admitted, including the estimates of claims made under sub-regulation (1), as soon as may be practicable, when he comes across additional information warranting such revision.”

It is clear from a reading of these Regulations that the resolution professional is given administrative as opposed to quasi-judicial powers. In fact, even when the resolution professional is to make a

“determination” under Regulation 35-A, he is only to apply to the adjudicating authority for appropriate relief based on the determination made as follows:

“35-A. Preferential and other transactions.—(1) On or before the seventy-fifth day of the insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under Sections 43, 45, 50 or 66.

(2) Where the resolution professional is of the opinion that the corporate debtor has been subjected to any transactions covered under Sections 43, 45, 50 or 66, he shall make a determination on or before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board.

(3) Where the resolution professional makes a determination under sub-regulation (2), he shall apply to the adjudicating authority for appropriate relief on or before the one hundred and thirty-fifth day of the insolvency commencement date.”

90. As opposed to this, the liquidator, in liquidation proceedings under the Code, has to consolidate and verify the claims, and either admit or reject such claims under Sections 38 to 40 of the Code. Sections 41 and 42, by way of contrast between the powers of the liquidator and that of the resolution professional, are set out hereinbelow:

“41. Determination of valuation of claims.—The liquidator shall determine the value of claims admitted under Section 40 in such manner as may be specified by the Board.

42. Appeal against the decision of liquidator.—A creditor may appeal to the adjudicating authority against the decision of the liquidator accepting or rejecting the claims within fourteen days of the receipt of such decision.”

It is clear from these sections that when the liquidator “determines” the value of claims admitted under Section 40, such determination is a “decision”, which is quasi-judicial in nature, and which can be appealed against to the adjudicating authority under Section 42 of the Code.

91. Unlike the liquidator, the resolution professional cannot act in a number of matters without the approval of the Committee of Creditors under Section 28 of the Code, which can, by a two-thirds majority, replace one resolution professional with another, in case they are unhappy with his performance. Thus, the resolution professional is really a facilitator of the resolution process, whose administrative

functions are overseen by the Committee of Creditors and by the adjudicating authority.

- **Anuj Jain, IRP of Jaypee Infratech Ltd. vs. Axis Bank Ltd. (2020) 8 SCC 401** (Para No. 53.2)

53.2. In the relevant part, the Court found that NCLAT had fallen in grave error in reading para 77 in *Swiss Ribbons* dehors the earlier paragraphs. In that context this Court said: (*Essar Steel case*, SCC pp. 605-06, paras 88-89)

“88. By reading para 77 dehors the earlier paragraphs, the Appellate Tribunal has fallen into grave error. Para 76 clearly refers to the UNCITRAL Legislative Guide which makes it clear beyond any doubt that equitable treatment is only of *similarly situated creditors*. This being so, the observation in para 77 cannot be read to mean that financial and operational creditors must be paid the same amounts in any resolution plan before it can pass muster. On the contrary, para 77 itself makes it clear that there is a difference in payment of the debts of financial and operational creditors, operational creditors having to receive a minimum payment, being not less than liquidation value, which does not apply to financial creditors. The amended Regulation 38 set out in para 77 again does not lead to the conclusion that financial and operational creditors, or secured and unsecured creditors, must be paid the same amounts, percentage wise, under the resolution plan before it can pass muster. Fair and equitable dealing of operational creditors’ rights under the said regulation involves the resolution plan stating as to how it has dealt with the interests of operational creditors, which is not the same thing as saying that they must be paid the same amount of their debt proportionately. Also, the fact that the operational creditors are given priority in payment over all financial creditors does not lead to the conclusion that such payment must necessarily be the same recovery percentage as financial creditors. So long as the provisions of the Code and the Regulations have been met, it is the commercial wisdom of the requisite majority of the Committee of Creditors which is to negotiate and accept a resolution plan, which may involve differential payment to different classes of creditors, together with negotiating with a prospective resolution applicant for better or different terms which may also involve differences in distribution of amounts between different classes of creditors.

89. Indeed, by vesting the Committee of Creditors with the discretion of accepting resolution plans only with financial creditors, operational creditors having no vote, the Code itself differentiates between the two types of creditors for the reasons given above. Further, as has been reflected in *Swiss Ribbons*, most financial creditors are secured creditors, whose security interests must be protected in order that they do not go ahead and realise their security in legal proceedings, but

instead are incentivised to act within the framework of the Code as persons who will resolve stressed assets and bring a corporate debtor back to its feet. Shri Sibal's argument that the expression "secured creditor" does not find mention in Chapter II of the Code, which deals with the resolution process, and is only found in Chapter III, which deals with liquidation, is for the reason that secured creditors as a class are subsumed in the class of financial creditors, as has been held in *Swiss Ribbons*. Indeed, Regulation 13(1) of the 2016 Regulations mandates that when the resolution professional verifies claims, the security interest of secured creditors is also looked at and gets taken care of."

- **GNOIDA Vs. Prabhjit Singh Soni**
(Civil Appeal No. 7590-7591 of 2023) (Para No. 21 to 22)

Greater Noida Industrial Development Authority v. Prabhjit Singh Soni, 2024 INSC 102 (Civil Appeal Nos. 7590-7591 of 2023; pp. 14–15 of the judgment)

21. Once a claim is submitted with proof under any of the Regulations (i.e., Regulations 7, 8, 8-A, 9 and 9-A), the IRP or the RP, as the case may be, as per Regulation 13, has to verify the claim, as on the insolvency commencement date, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it in terms of Regulation 12 A.

22. As it could be noticed from the CIRP Regulations, 2016, on submission of a claim with proof, the IRP or the RP, as the case may be, has to verify the claim and prepare a list of creditors containing names of creditors along with the amount claimed by them and security interest, if any, the logical conclusion derivable from the provisions analysed above would be that the Form in which a claim is to be submitted under the CIRP Regulations 2016 is directory and not mandatory. What is important is, the claim must be supported by proof.

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49. In the facts and circumstances of the case, we do not find that these judgments are of any assistance to the Appellant, as the resolution professional was well within its rights to seek additional evidence in support of the claim and was not doing an adjudication of the claims.

50. Now we look into the reasons for accepting the claim amounting to Rs.46,82,53,478/- against the asserted sum of Rs 47,73,81,468/- for time extension charges. The Appellant computed time extension charges up to September 7, 2022, despite the commencement date of the CIRP being August 17, 2022. This this has been noted by the adjudicating authority in its order dated 18.10.2023 and notes that *"There is no dispute that the Applicant has calculated the time extension charges up to 07.09.2022 even though the CIRP commenced on 17.08.2022."* Therefore, the resolution professionals' justification in accepting the reduced amount of at a value of Rs. 46,82,53,478/- as of August 17, 2022, on a proportional basis instead of the claimed amount of Rs. 47,73,81,468/- as of September 7, 2022 is fully justified, and the appellants' calculation cannot be accepted.

51. We find that the Respondent No.1 – RP had sought additional information from the Appellant to justify latter's claims for the farmer's compensation for the full land of about 1,00,080.98 sq. mtrs. Despite the fact that the land with the Corporate Debtor was limited to only 86,119.98 sq. mtrs., the claimed amount by the Appellant towards farmer's compensation was Rs.5,90,71,649/- for full land. Later on, Appellant provided another calculation sheet for farmer's compensation wherein the land area was reduced from 1,00,080.90 sq. mtrs to 86,119.98 sq. mtrs. but without any change in the total amount of claim. The appellant claims that no charge pertaining to land dedicated to M/s Docile was ever charged by the appellant from the Corporate Debtor.

52. However, we note that the farmer's compensation Rs.2,93,97,587/- remained same in the initial calculation sheet as well as in the revised calculation sheet. We note that the Appellant has not provided sufficient evidence to explain the basis for arriving at the figure of Rs. 2,93,97,587, which was an outstanding amount as of June 22, 2017 with respect to the farmers' compensation. We note that for substantiation of the claim, the Resolution Professional sought the following details to authenticate the amount of Rs. 2,93,97,587 and accrued interest thereon:

- Total additional compensation paid
- Total area for which compensation was paid
- Total percentage of land belonging to the corporate debtor out of the total land
- Percentage share of the Corporate Debtor in the compensation
- The date of payment of compensation to check the interest calculation period

However, till date, the Appellant has not provided any of the aforementioned details. Rightly, the claim towards former's compensation remains unsubstantiated, and the Resolution Professional was right in not admitting it.

53. We have gone through the calculations provided by the Appellant as well as the Respondent No.1 – RP, gone into the justification provided by the both sides and I have also looked into the material placed on record.

54. We find that the Respondent No.1 – RP was justified in asking some additional information which was sought by it and which is noted as below:

- “a. Total additional compensation paid
- b. Total area for which compensation paid
- c. Total percentage of land belonging to Corporate Debtor out of total land
- d. % Share of Corporate Debtor in the compensation
- e. Date of payment of compensation (to check interest calculation).”

55. Therefore, we find that the farmers compensation remained unsubstantiated and Respondent No.1 – RP cannot be faulted in not admitting the claim as presented by the Appellant.

56. With respect to time extension charges, we note that the total allotment charges for the land was Rs.235,69,07,079/- for the land of 100,080.98 sq. mtrs. Once land of about 13,961 sq. mtrs. was taken away from the Corporate Debtor only 86,119.98 sq. mtrs. of land remained available on lease with the Corporate Debtor. Therefore, the proportionate allotment rate for 86,119.98 sq. mtrs. was correctly computed by Respondent No.1 – RP to the extent of Rs. 202,81,25,539/- ($235,69,07,079 \times 86,119.98 / 1,00,080.98$).

57. We further note that the Appellant had initially claimed an amount of Rs.47,73,81,468/- towards time extension charges, out of which 46,82,53,478/- was admitted. Subsequently, the Appellant reduced the claim to Rs.47,34,10,209.88 reflecting a reduction of Rs.39,71,258.12 due to an incorrect calculation. But we note that the present appeal still claims the original amount of Rs.47,73,81,468/-.

58. The Appellant computed the time extension charges of Rs. Rs.47,73,81,468/- till 07.09.2022, but it did not account for the insolvency commencement date of 17.08.2022. Accordingly, the RP had recalculated this

amount and the amount works out to be Rs.47,34,10,209.88, which was computed till the insolvency commencement date i.e. 17.08.2022.

59. Furthermore, we also notice that Respondent No.1 – RP had also brought to the notice of the Appellant about incorrect calculation with respect to the 5th year, which has been brought on record, which is calculated as follows:

“Instead of 365,91,251.58 the correct amount should be Rs.31116446
(202,81,25,529*70*8/100*365).”

60. Appellants’ claims that Respondent No.1 – RP had contravened Section 25(2)(e) of the Code, which mandates the RP to collect and verify all claims against the Corporate Debtor and it should not have sought additional documents. We have gone through the provisions of the Code and the Regulations and it clearly provides that the RP has to maintain and update list of claims and while doing so can seek additional documents and clarifications, is a part of its duty. This cannot be considered as an adjudicatory function.

61. The Adjudicating Authority while dismissing the appeal noted as follows:

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6. The Applicant filed its claim for Rs. 6,07,74,76,966/- and the respondent, verified and admitted the claim to the tune of Rs. 600,92,77,327/- and informed the Applicant. Accordingly, being aggrieved the Applicant has filed the instant application for admission of remaining portion of the claim, i.e., Rs. 6,81,99,639/- and for non-compliance of the Order dated 18.10.2023.

7. Pursuant to the Order passed in IA No. 2972 of 2023 dated 18.10.2023, the Resolution Professional has re-considered the claim of the Applicant as directed by this Adjudicating Authority arrived at the amount of Rs. 6,00,92,77,327/- based on the documents made available by the Applicant.

8. We do not consider that there is any non-compliance of the Order dated 18.10.2023 passed in IA No. 2972/2023. The Application (IA-6075/2023) is disposed of accordingly.

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62. We also note that the resolution applicant in its resolution plan for the Corporate Debtor has provided as under:

“Similarly, if admitted claim amount of Noida is revised upward by resolution professional after submission of this plan, Noida shall be paid proposed amount of rupees 20 crores as proposed in this plan and there shall be no additional burden on resolution applicant”

63. Moreover, we note from the material placed on record that Noida was aware about the submissions made by the resolution applicant in the resolution plan regarding the claims of Noida and this was noted by Noida in its rejoinder filed in IA 4907/2023 wherein it has averted as under:

“It may be noted that total value of the resolution plan is only Rs 363.24 crores, out of which the applicant (NOIDA) is being paid only rupees 20 crores, out of the total verified amount of rupees 513,97,26,613 as full and final settlement and will not revise even if this honorable tribunal considers and directs the resolution professional to verify total claimed amount of rupees 607,74,76,966”

64. In the above facts and circumstances and after going through the material placed on record, we do not find any infirmity in the actions of the Resolution Professional, who was well within its rights to seek additional information and Appellant provided limited information, which did not help the Resolution Professional to accept their claims to the fullest extent as claimed by the Appellant.

Order

65. Basis the facts placed before it, the Adjudicating Authority has rightly dismissed the Appeal. We also do not find infirmity in the orders of the Adjudicating Authority. Accordingly, the Appeal is dismissed and all related IAs are also disposed of. No orders as to costs.

**[Justice N Seshasayee]
Member (Judicial)**

**[Arun Baroka]
Member (Technical)**

**New Delhi.
June 30, 2026.**

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