

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH, COURT-II**

**IA No. 3987 of 2023**  
**In**  
**CP (IB) 2517(MB) of 2018**

Under section 60(5) of the Insolvency and  
Bankruptcy Code, 2016 read with Rule 11 of  
the N.C.L.T. Rules, 2016

**IN THE MATTER OF**

**Mr. Rajan Shivkumar Mangave**  
1141, E-Ward, Sykes Extension,  
Kolhapur, Maharashtra-416001.

**... Applicant**

V/s.

**Mr. Arun Kapoor**  
Resolution Professional of Monarch  
Brookefields LLP  
G-601, Army Co-operative Housing Society,  
Sector- 9, Nerul (East), Navi Mumbai,  
Maharashtra - 400706.

**... Respondent**

**IN THE MATTER OF**

**M/s. Capri Global Capital Ltd.**  
502, Tower-A, Peninsula Business Park,  
Senapati Bapat Marg Lower Parel Mumbai,  
Maharashtra.

**... Financial Creditor**

V/s.

**M/s. Monarch Brookefields LLP**

Survey No. 113/O Akurli, Village Panvel,  
Raigarh, Maharashtra - 410206

**... Corporate Debtor**

**Order delivered on: - 02.02.2024**

**Coram:**

**Hon'ble Shri Kuldip Kumar Kareer, Member (Judicial)**

**Hon'ble Shri Anil Raj Chellan, Member (Technical)**

*Appearances (Hearing in Hybrid Mode):*

For the Applicant (in VC Mode) : CA. Udayraj Patwardhan.

For the Respondent/RP : Counsel Mr. Amir Arsiwala.

**ORDER**

***Per: - Coram***

1. The present Interlocutory Applicant is filed by the Applicant seeking directions to the Respondent to consider and admit the claim of the Applicant and thereby set aside the rejection order of the Respondent vide e-mail dated August 28, 2023. The claim of the Applicant that was rejected by the Respondent is INR 93,16,601.92/-, which was filed on August 25, 2023.
2. Brief facts necessary for disposal of the present Application are as follows:
  - a. Corporate Insolvency Resolution Process (CIRP) against M/s Monarch Brookefields LLP (the Corporate Debtor) was initiated

vide Order of the Tribunal dated 27.09.2019 and Mr. S Gopalakrishnan was appointed as Interim Resolution Professional (IRP).

- b. IRP issued a public announcement in Form 'A' inviting claim under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and the last date for submission of claim was 07.12.2019.
- c. As per the order of Tribunal dated 03.08.2021, the IRP was replaced and Mr. Arun Kapoor was appointed as Resolution Professional (RP) of the Corporate Debtor. The erstwhile IRP issued a public announcement dated 25.02.2021 for inviting Expression of Interest (EoI) from prospective resolution applicants. After receiving resolution plan from the prospective resolution applicants, two plans were considered and put to vote and the resolution plan submitted by Planet Builders and Developers was unanimously approved by the members of CoC. Hence, the Respondent filed an I.A. No. 70/2022 for approval of a Resolution Plan before the Tribunal. The said Application for approval of Resolution Plan is pending adjudication before this Hon'ble Tribunal.
- d. On 25.08.2023, the Applicant filed his proof of claim electronically in Form CA for an outstanding sum of Rs. 93,16,601.92, out of which the principal sum is of Rs. 35,00,000/- arising in respect of the purchase of the Flat (viz. Flat No. 1105, 11<sup>th</sup> Floor, Wing-Arizona, in the project known as "Monarch Brookfields", situated at Plot No. 03, Sector 20, Kalamboli, Navi Mumbai) and the remainder of the claim is in

respect of Parking, Maintenance and other charges, compensation and costs as awarded by the Hon'ble Maharashtra Consumer Disputes Redressal Commission vide Order dated September 23, 2019 in Consumer Complaint No. CC/18/838.

- e. The Respondent rejected the claim of the Applicant vide E-Mail dated August 28, 2023 on the following terms:

*“We refer to your claim submitted to the undersigned vide email dated August 25, 2023.*

*In view of your claim, we hereby inform you that the Resolution Plan has been approved by members of the Committee of Creditors and the same has been filed by the undersigned before the Hon'ble NCLT, Mumbai Bench on 2 December 2021.*

*Since the resolution plan has already been filed with the Hon'ble NCLT, we are not in the position to admit your claim.”*

- f. Being aggrieved by the rejection of his claim, the Applicant herein has filed this application before the Hon'ble Tribunal impugning the rejection of claim by the Respondent.

### 3. **Submissions on behalf of the Applicant:**

- a. Counsel for the Applicant submits that the Applicant came to know about the CIRP of the Corporate Debtor only in the month of August, 2023. The Applicant took some time to scout and engage the professionals dealing in insolvency and bankruptcy laws and soon thereafter, the Applicant filed his claim on August 25, 2023 with the Respondent.
- b. Counsel for the Applicant has relied upon the judgment of Hon'ble NCLAT in the case of Puneet Kaur v/s. K.V.

Developers Pvt Ltd (2022 SCC Online NCLAT 245) wherein it was held that extinguishment of claims take place only upon approval of the resolution plan by the Adjudicating Authority and not otherwise. To buttress his submissions, Ld. Counsel drew our attention to Para 27 of the judgment wherein the Hon'ble NCLAT had held that the claim of those homebuyers, who could not file their claims, but whose claims were reflected in the record of the Corporate Debtor ought to have been included in the Information Memorandum and the Resolution Applicant ought to have taken note of the said liabilities and should have appropriately dealt with them in the resolution plan. The Hon'ble NCLAT further held that non-consideration of such claims, which are reflected from the record, leads to inequitable and unfair resolution. Hence, the Counsel for the Applicant asserts that even if the Applicant's claim was not filed within time, his claim should have been considered and included in the Information Memorandum prepared by the RP, more so when the claim against the Corporate Debtor has been adjudicated by the Hon'ble State Consumer Disputes Redressal Commission, Maharashtra upon the complaint filed by the Applicant vide CC/18/838 under the provisions of the Consumer Protection Act, 1986.

- c. As regards the outer time limit of filing the claim within 90 days of the insolvency commencement date under Regulation 12 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016, Counsel for the Applicant submits that the said time limit is directory and not mandatory in nature. In this regard, Counsel for the Applicant has relied upon the Judgment

of Hon'ble Supreme Court of India in State Tax Officer v/s.  
Rainbow Paper Ltd (Civil Appeal No. 1661 of 2020).

4. **Submissions of the Respondent:**

- a. The Respondent submitted that the Resolution Plan submitted by Planet Builders and Developers was unanimously approved by the Members of the CoC in its 13<sup>th</sup> meeting held on 15<sup>th</sup> November, 2021 and 19<sup>th</sup> November, 2021 and an I.A. No. 70 of 2022 has been filed with the Tribunal for approval of the Resolution Plan, which is currently pending. The Information Memorandum (IM) had been prepared on 26.07.2021 and the same was circulated to the prospective Resolution Applicants on 29.05.2021. The Resolution Plans were submitted pursuant to the above IM.
- b. Since the IM was published way before the filing of claim by the Applicant, there was no occasion to incorporate the claim of the Applicant in the IM. The claim of the Applicant had not been recorded with any Information Utility or in the books of accounts of the Corporate Debtor.
- c. To buttress the contentions, the Respondent relied upon the decisions laid down by the Hon'ble Supreme Court in the case of M/s R.P.S Infrastructure Limited v. Mukul Kumar and Anr. (Civil Appeal No. 5590 of 2021) and Committee of Creditors of Essar Steel India Limited through authorized signatory v. Satish Kumar Gupta and Ors. ((2020) 8 SCC 534) wherein it was held that a Resolution Professional cannot be compelled to admit claims which are received after the approval of the Resolution

Plan by the CoC.

- d. The Respondent further submitted that there are many claims received after the approval of the Resolution Plan and many Applications relating to such rejection of claim are pending before the Tribunal. Admitting the present Application would lead to several hydra heads popping up which would derail the implementation of the Resolution Plan.

**Analysis and Decision:**

5. We have heard the Counsel appearing for the parties and perused the records.
6. On perusal of the application of the Applicant, we find that admittedly the Applicant had lodged his claim before the Respondent on August 25, 2023 which came to be rejected by the Respondent on August 28, 2023. It is also not in dispute that Public Announcement in Form A was made by the erstwhile IRP on 24.11.2019 and the last date for submission of claims as per the aforesaid public announcement was 07<sup>th</sup> December, 2019. Thus, there is an unexplained delay of 1357 days or 3 years, 8 months and 18 days. No explanation has been offered by the Applicant about the delay in lodging the claim before the Respondent. The Applicant states in his application that he became aware about the CIRP of the Corporate Debtor in the month of August, 2023. However, in our opinion, this is not a satisfactory explanation as the public announcement concerning the CIRP of the Corporate Debtor was made on 24.11.2019. In our considered view, the Public Announcement of the CIRP of Corporate Debtor made through newspapers u/s 15 of the Code constitutes deemed knowledge

on the Applicant and therefore, ignorance of CIRP cannot be pleaded as a justifiable excuse for delay in filing the claim.

7. On perusal of records, we find that the Agreement for Sale is undated and unregistered. The Applicant has not annexed the copy of Demand Draft dated January 17, 2013 to show that he has made the payment of Rs. 35,00,000/- to the Corporate Debtor towards the sale consideration for purchase of the flat. The Applicant claims to have paid Rs. 10,85,750/- in cash to the Corporate Debtor, however, no receipt or any other document evidencing the payment(s) made in cash have been placed on record of this Tribunal by the Applicant. Further, we also find that the 'Receipt' annexed by the Applicant at 'Annexure-3' to the Application is undated, the said Receipt does not contain any reference to the Demand Draft dated January 17, 2013 and name of the place and names and signature of the witnesses in the said Receipt are also blank. The Respondent has contended in his Affidavit-in-Reply that the claim of Applicant is neither recorded in the books of accounts of the Corporate Debtor nor recorded with any information utility. Therefore, the Respondent had no reason to incorporate the purported claim of the Applicant into the Information Memorandum at any point of time.
8. Further, we find that the Resolution Plan submitted by Planet Builders and Developers was unanimously approved by the Members of the CoC in its 13<sup>th</sup> meeting held on 15<sup>th</sup> November, 2021 and 19<sup>th</sup> November, 2021 and an I.A. No. 70 of 2022 has been filed with the Tribunal for approval of the Resolution Plan, which is currently pending. CIRP is a process which is required to be completed in a time bound manner for achieving the purpose of value maximisation for all

creditors.

9. Counsel for the Applicant has relied upon the following precedents in support of his submissions:

- i. Judgment of Hon'ble NCLAT in the case of Puneet Kaur v/s. K.V. Developers Pvt Ltd. (2022 SCC Online NCLAT 245);
- ii. Order dated 03.03.2023 of NCLT in Company Appeal No. 9 of 2022 in CP(IB) No. 2517/MB/2018;
- iii. Judgment of the Hon'ble Supreme Court in the case of State Tax Officer v/s. Rainbow Paper Ltd (Civil Appeal No. 1661 of 2020);
- iv. Order dated 06.06.2019 in CA Nos. 1083(PB)/2019 & 1084(PB)/2019 of the Hon'ble NCLT, Principal Bench;
- v. Order dated 06.08.2018 of the Hon'ble NCLT, Kolkata Bench in CA(IB) Nos. 273, 629 & 671 of 2018 in CP(IB) No. 699/KB/2017;
- vi. Order dated 16/06/2022 of the Hon'ble NCLT, Indore Bench in IA No. 99(MP)/2022.

10. In view of the law laid down by the Hon'ble Supreme Court in RPS Infrastructure Ltd v/s. Mukul Kumar & Anr. vide Judgment dated September 11, 2023 in Civil Appeal No. 5590 of 2021, the precedents of NCLT and NCLAT, which have been relied upon by the Counsel as above, are prior to the judgment of RPS Infrastructure Ltd (supra) and hence, those precedents do not hold the field anymore. Prior to the judgment of Hon'ble Apex Court in RPS Infrastructure Ltd (supra),

there were divergent views on whether the claim can be admitted after the approval of resolution plan by the CoC but before its approval by the Adjudicating Authority u/s 31 of the Code. In some of the cases, including the precedents relied upon by the Applicant, the Adjudicating Authority as well as the Appellate Authority under the Code, taking a lenient view, were inclined to condone the delay in admitting the belated claim of the claimant even if the same was filed after the approval of the resolution plan by the CoC but before its approval by the Adjudicating Authority u/s 31 of the Code on the reasoning that the resolution plan becomes final only upon its approval by the Adjudicating Authority u/s 31 of the Code and therefore, there was some room left to accommodate the belated claims by the creditors/claimants, which were filed after the approval of resolution plan but prior to its approval by the Adjudicating Authority u/s 31 of the Code.

11. While in some other cases, such as Mukul Kumar v. RPS Infrastructure Ltd. (Judgment dated 30<sup>th</sup> July, 2021 in Company Appeal (AT) (Insolvency) No. 1050 of 2020), the Hon'ble NCLAT had held as follows: *"34. With the aforesaid, we are of the view that when the Resolution Plan has already been approved by the CoC and it is pending before the Adjudicating Authority for approval, at this stage, if new claims are entertained the CIRP would be jeopardized and the Resolution Process may become more difficult. Keeping in view the object of the IBC which is resolution of Corporate Debtor in time bound manner to maximize the value, if such request of claimant is accepted the purpose of IBC would be defeated."* This matter went in appeal before the Hon'ble Supreme Court of India and the law in this regard, as discussed below, has now been settled by the Hon'ble Apex Court.

12. The Hon'ble Supreme Court has observed in the judgment of Committee of Creditors of Essar Steel India Limited through Authorised Signatory v. Satish Kumar Gupta and Ors. reported in (2020) 8 SCC 534 as follows: *“A successful resolution applicant cannot suddenly be faced with “undecided” claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant who would successfully take over the business of the corporate debtor. All claims must be submitted to and decided by the resolution professional so that a prospective resolution applicant knows exactly what has to be paid in order that it may then take over and run the business of the corporate debtor. This the successful resolution applicant does on a fresh slate, as has been pointed out by us hereinabove.”*

13. The Hon'ble Supreme Court in M/s. RPS Infrastructure Ltd v/s Mukul Kumar & Anr. (neutral citation: 2023 INSC 816) has observed as under:

*“21. 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, the Court cautioned against allowing claims after the resolution plan has been accepted by the COC.*

*22. We have thus come to the conclusion that the NCLAT's impugned judgment 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.”*

14. Hence, after having due regard to the law settled by the Hon'ble Supreme Court, as discussed above, we are of the considered view that the claim of the Applicant cannot be entertained at such a belated stage where the resolution plan has been unanimously approved by the Committee of Creditors and the same is pending for the approval of the Adjudicating Authority. At this stage, we cannot allow to unleash the hydra-headed monster of undecided claim(s) on the successful resolution applicant. Even otherwise, the Applicant has no good case on merits. Hence, the present application is liable to be dismissed.
15. In the facts and circumstances of the case and in view of the aforesaid discussions, we are not inclined to condone such a long, unjustified and unreasonable delay of 1357 days on the part of the Applicant in lodging his claim before the Respondent and hence, **we hereby dismiss IA No. 3987 of 2023** with no order as to costs.

Sd/-  
ANIL RAJ CHELLAN  
Member (Technical)

Sd/-  
KULDIP KUMAR KAREER  
Member (Judicial)