IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

IA NO. 89/2024 IN CP (IB) NO. 39/ALD/2023

(Application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of NCLT Rules, 2016)

IN THE MATTER OF:

Mr Mukesh Kumar Goel,
Son of Lt. Shri Moolchand
Resident of 802, Akansha Heights, NH-334, Dorlli,
Meerut, Uttar Pradesh, 25001

………Applicant No.1

Mrs Satviri
D/o Kartar Singh
Resident of House No. 13, Modipuram Bypass,
Golden Avenue – 3, Modipuram, Meerut, U.P., 250110

………Applicant No.2

Mr. Mahipal Singh
S/o Lt. Mr. Mahendra Singh
Resident of 112, 1st Floor, Major Harish Chand App;
Roorkee Road, Near Raj Mandap, Meerut, U.P., 250001.

………Applicant No.3

Mr. Ompal Singh
S/o Teekam Singh
H.No. T-77 Phase-2, Pallav Puram;
Modipuram, Mawana Meerut, U.P., 250001.

………Applicant No.4

Mr. Sudershan Kumar Rathi
S/o Gyan Singh Verma
182, Adarsh Nagar, Sardhana Road;
Meerut Cantt, Kanker Khera Meerut, U.P., 250001.

………Applicant No.5

Mr. Kamlesh Chandra Rai
S/o Dwarika Rai
H.No. 16 Laddawala Uttari-1;
Muzaffarnagar, U.P., 251002.

………Applicant No.6

Mr. Ramesh Kumar
S/o Dal Singh
Q-128, Pallavpuram, Phase-2
Modipuram, Meerut. Mawana, U.P., 250110.

………Applicant No.7

Mr. Ashok Gorver
S/o Sukh Dayal Grover
H.No.23, Samrat Enclave Near ICICI Bank,
Garh Road, Meerut, U.P., 250002.

………Applicant No.8

Mr. Dinesh Verma
S/o Shri Tejpal Singh
C-44, Lohia Nagar, Ghaziabad U.P., 201001.

………Applicant No.9

Mr. Rakesh Gupta
S/o Baburam gupta
Q-002, Vaibhav Khand, Aditya Mega City,
Indirapuram, Shipra Sun City, Ghaziabad, U.P., 201014**.**

………Applicant No.10

Mr. Devendra Gupta
G-93, Upper Ground Floor, G-Block Saket, Near Park,
Distt. Court Complex, Saket Malviya Nagar,
Hauz Khas South Delhi, 110017.

………Applicant No.11

Mrs. Manisha Gupta
W/o Devendra Gupta
G-93, Upper Ground Floor, G-Block Saket, Near Park,
Distt. Court Complex, Saket Malviya Nagar,
Hauz Khas, South Delhi, 110017.

………Applicant No.12

Mrs. Sunita
W/o Satyapal Singh
H.No. 93B, Pallavpuramm Phase-1,
Roorkee Road, Modipuram Meerut U.P., 250110.

………Applicant No.13

Mr. Anip Rastogi
S/o Surendra Pal Rastogi
43, Chaitanya Puram, Nauchandi Shaheed Gate,
Meerut, Ghandi Asham Meerut U.P., 250002.

………Applicant No.14

Mr. Mayank Goel
S/o Mukesh Kumar Goel
802, Akansha Height, By Pass Road,
Gurukul Dorti Meerut U.P., 250001.

………Applicant No.15

Mr. Dr Prabhat Agarwal S/o R.N. Aggarwal
Laxmi Niwas. P.L. Sharma Road,
Meerut Cantt, Meerut U.P., 250001.

………Applicant No.16

Mr. Dr. Prabhat Agarwal
S/o R.N. Agarwal
(Son & Legal Heir of Late R.N. Agarwal)
Laxmi Niwas. P.L. Sharma Road,
Meerut Cantt, Meerut, U.P., 250001.

………Applicant No.17

Mrs. Neelima Agarwal
W/o Dr Prabhat Agarwal
Laxmi Niwas. P.L. Sharma Road,
Meerut Cantt, Meerut U.P., 250001.

………Applicant No.19

Versus

Mr. Kunwarpreet Singh,
Resolution Professional
Raghupati Constructions Private Limited (Under CIRP)
IBBI Regn. No: IBBI/IPA-002/IP-Po1150/2021-2022/13788
Address: 77, Ground Floor, Sant Nagar, South Delhi, New Delhi-110065

………RESPONDENT

-Sd- -Sd-

AND IN THE MATTER OF:

Avargreen Organic Foods Private Limited

………. Financial Creditor

Versus

M/s Raguhpati Construction Private Limited

………. Corporate Debtor

Order Pronounced On: 03rd November, 2025

Coram:

Mr Praveen Gupta	:	Member (Judicial)
Mr Ashish Verma	:	Member (Technical)

Appearances:

Sh. Nilotpal Shyam with Ms. Babita Jain, Ms. Shivali & Ms. Tejas Mishra, Advs.	:	*For Applicant in IA No.89/2024*
Sh. Sunil Fernandes, Sr. Adv. Assisted by Sh. Shivanshu Kumar with Ms. Anshika Verma, Advs.	:	*For the Res./RP, Mr Kunwarpreet Singh, present in person*
Sh. Dinkar Singh, Adv.	:	*For the SRA*

ORDER

1. This present Application has been filed on 30.01.2024, by Mr. Mukesh Kumar Goel and Others ("Applicants") against the Resolution Professional ("Respondent/RP") of M/s Raghupati Construction

-Sd- -Sd-

Private Limited ("Corporate Debtor") under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking, inter alia, the following reliefs:

> *a. To allow the present Application;*
> *b. To direct the Respondent–Resolution Professional to admit the claims of the Applicants as Financial Creditors and induct them into the Committee of Creditors (CoC) of the Corporate Debtor;*
> *c. To stay further CoC meetings till the disposal of the present Application and allow the Applicants to be part of the CoC; and*
> *d. To pass any such further order(s) as this Hon'ble Tribunal may deem fit and proper.*

2. The Applicants submit that the Corporate Debtor, Raghupati Construction Private Limited (formerly M/s Kalindi Construction Company Private Limited), was incorporated on 25.01.2005 and had purchased land measuring 2.0450 hectares situated at Village Roshanpur Dorli, Meerut during the period 2005–2006. On 03.06.2011, the Corporate Debtor entered into an Agreement to Sell with M/s Shreenath Developers & Promoters and M/s Pristine Buildwell Private

Limited for the sale of 19,515 sq. meters out of the said land for a total consideration of Rs. 8,96,28,460/-.

3. It is submitted that upon the withdrawal of M/s Pristine Buildwell Private Limited, Mr. Shyam Sundar Yadav, partner of M/s Shreenath Developers & Promoters, entered into a fresh agreement dated 28.03.2012 with Mr. Rajendra Prasad Tayal and his group to acquire the Corporate Debtor, whereby Mr. Yadav and Mr. Tayal were to hold 40% and 60% of the shareholding respectively, with the existing shareholders consenting to dilute their shares at a pre-determined rate. Pursuant thereto, both individuals were appointed as Additional Directors in the 36th Board Meeting of the Corporate Debtor held on 31.05.2012, and Mr. Yadav continued as Director until 27.11.2012.

4. During his tenure, Mr. Yadav is stated to have issued receipts to several flat buyers in the name of M/s Shreenath Developers & Promoters for cash amounts collected towards the purchase of residential units, assuring delivery of possession. Thereafter, fresh receipts were issued in the name of M/s Kalindi Construction Company Private Limited which later on was renamed as M/s Raghupati Construction Private Limited. The construction activities were partly executed from funds collected from homebuyers. However, due to disputes among the management, construction halted, and the project site was closed towards the end of 2013.

5. It is further submitted that though Mr. Yadav was removed as Director with effect from 27.11.2012 (public notice dated 02.08.2013), he continued to retain control of the site. In 2015–2016, a mutual settlement was attempted wherein Mr. Yadav was to take over the project, resell the units, and refund the homebuyers through post-dated cheques and MOUs. However, the said cheques were dishonoured, leading to the registration of FIR dated 10.11.2017. Upon investigation, the police filed a charge sheet confirming that the directors had collected cash from flat buyers. Thereafter, the Hon'ble Allahabad High Court, in its order dated 19.07.2019, passed in Application U/s 482 No. 24772/2019, also upheld the findings that the accused were indeed involved in the day-to-day affairs of the company and had received money from allottees.

6. The Applicants submit that several proceedings ensued thereafter, against Mr. Ram Kishore, Director, before the Hon'ble High Court, against Mr. Shyam Sundar Yadav before the Hon'ble Supreme Court, and also before the Hon'ble Uttar Pradesh Real Estate Appellate Tribunal ("UP REAT"). The Applicants contend that the Corporate Debtor had issued valid receipts and letters of allotment acknowledging consideration received from homebuyers, thereby creating privity of contract.

7. The Applicants further submit that most of the homebuyers are middle-class individuals and farmers who dealt in cash, and questioning their financial capacity to invalidate their ownership rights would defeat the consumer protection intent underlying RERA and the IBC.

8. The Applicants submit that pursuant to publication of Form-A by the Respondent/RP on 22.10.2023, they individually filed their respective claims with respect to the outstanding amount as defined above, which were not admitted and were instead classified as "contingent claims" on the ground that appeals were pending before the UP REAT. However, the UP REAT, vide order dated 16.01.2024, took note of the order dated 19.10.2023 passed by this Hon'ble Tribunal in CP (IB) No. 39/ALD/2023 (Avargreen Organic Foods Private Limited v. Raghupati Construction Private Limited), wherein a moratorium under Section 14 of the Code had been declared, prohibiting initiation or continuation of

proceedings against the Corporate Debtor. Consequently, the UP REAT kept the pending appeals in abeyance.

9. The Applicants submits that the Respondent/RP, misconstruing the effect of the moratorium, vide email dated 20.01.2024, classified the Applicants' claims as "contingent liabilities", however, as contended by the applicants, such classification is erroneous, as once the moratorium was imposed, no proceeding could continue against the Corporate Debtor before any authority. Therefore, the pendency of the appeal before UP REAT cannot render the Applicants' claims contingent.

10. Reliance is placed on the judgment of the Hon'ble Supreme Court in *Pioneer Urban Land and Infrastructure Limited v. Union of India (W.P. (C) No. 43 of 2019)*, wherein it was held that a "debt" arises from a "claim" representing a right to payment, whether or not such right is reduced to judgment. The Applicants contend that the Respondent's treatment of their claims as contingent, merely due to the pendency of the appeal, is contrary to settled legal principles.

11. The Applicants further submit that the homebuyers' claims cannot be denied merely because proceedings before the REAT have been kept in abeyance. Such classification places the Applicants at a serious disadvantage, and given that the CIRP is a time-bound process under the Code, continued exclusion would cause grave prejudice and financial loss to genuine homebuyers.

12. It is submitted that the Respondent/RP has also objected to the payments being made in cash by the Applicants. Such an objection is untenable, since large cash transactions were prevalent during the period 2011–2012. Further, if any irregularity existed, recourse ought to have been taken with the Income Tax Department, rather than denying the legitimacy of the Applicants' claims under the Code.

13. It is further submitted that, as per the list of claims uploaded on the IBBI website, only one claim of Rs. 1 crore filed by *M*/s Avargreen Organic Foods Private Limited, the sole CoC member, has been admitted, while claims of 18 Financial Creditors, Applicants herein, aggregating to Rs. 11,00,73,550/- have not been admitted. In view of Section 238 of the Code, which confers overriding effect on the provisions of the IBC over other enactments, including RERA, the Applicants assert that the provisions of the Code must prevail.

14. The Applicants allege that the Respondent/RP is proceeding with the conduct of CoC meetings to the exclusion of the Applicants, despite their substantial financial stake as homebuyers, which is arbitrary, unjust, and contrary to the principles of natural justice. Hence, the Applicants has filed the present application.

REPLY FILED BY THE RESPONDENT/RP

15. The Respondent/RP, through its reply, having Dairy No. 650 dated 12.03.2024, countered the averments of the present applications on the following grounds:

a. The Respondent/RP foremostly submits that it is an admitted fact that, vide UP RERA order dated 25.02.2022, passed prior to the initiation of the CIRP of the Corporate Debtor, the Applicants were not considered as homebuyers/allottees of the Corporate Debtor. The said RERA order was subsequently challenged by the Applicants before the UP REAT in Appeal No. 237 of 2022, which is presently pending consideration. However, no order granting a stay on the operation of the impugned RERA order has been placed on record by the Applicants. Consequently, the Respondent/RP is bound by the said findings, and the order assumes significance for verification of the Applicants' claims.

b. The Respondent/RP contends that, through the present application, the Applicants seek to make the Adjudicating Authority to act as an Appellate Authority over the RERA and re-determine their rights, which have already been adjudicated by RERA. Consequently, the reliefs sought fall beyond the jurisdiction of this Tribunal and cannot be entertained, as the present proceedings pertain solely to the insolvency resolution of the Corporate Debtor.

c. The Respondent/RP submits that he has made all possible efforts, despite facing non-cooperation from the suspended management of the Corporate Debtor, to invite claims from all stakeholders. Further, the Respondent/RP has no intention of excluding any creditor from the CoC. However, the Respondent/RP does not possess the discretion to include claimants as members of the CoC if they are unable to establish their claims as financial debt.

d. With respect to the averment of the Applicants that their claims were wrongly treated as contingent by the RP, the Respondent/RP submits that the claims of the Applicants cannot be admitted in light of the findings of the UP RERA order dated 25.02.2022. However, these claims have been kept under the category of contingent claims till the final decision of UPREAT comes against the appeal filed by the Applicants. It is further submitted that since, the Applicants' claims are duly reflected under contingent liabilities in the Information Memorandum, the PRA may make provision for the same in the resolution plan to ensure that the interests of the Applicants are protected during and after the present CIRP.

e. The Respondent/RP lastly contends that the RP does not possess any adjudicatory powers to determine the facts and circumstances presented by the Applicants. He is duty-bound to collate and verify

-Sd- -Sd-

the claims solely based on the information and documents available to him, which includes the order passed by UP RERA.

REJOINDER FILED BY THE APPLICANTS

16. The Applicants filed a rejoinder, having Dairy No. 726 dated 20.03.2024, countering the contentions raised in the reply on the following grounds:

a. The Applicants submits that the Respondent/RP, while not admitting their claims, has ignored the order dated 19.07.2017 passed by the Hon'ble High Court and has instead unreasonably taken into consideration the RERA order dated 25.02.2022. It is further submitted that the Respondent's classification of the Applicants' claims as "contingent" merely on the ground that the appeal is pending before the UP REAT Tribunal is a wrongful reliance. The UP REAT has, in fact, kept the proceedings in abeyance in view of the moratorium imposed under Section 14 of the Code and by the time CIRP concludes, such treatment of claims would cause serious prejudice and financial loss to the homebuyers.

b. The Applicants further submits that the RERA order dated 25.02.2022 has failed to appreciate several material aspects, namely:

i. The payment receipts and allotment letters issued during June–July 2012, i.e., the period when Mr. Yadav was

-Sd- -Sd-

serving as Director of the Corporate Debtor, evidencing payments made by the allottees (Applicants herein).

ii. The order, while acknowledging that Mr. Yadav had received money from the homebuyers, has erroneously denied any nexus between him and the Corporate Debtor.

iii. The agreements dated 28.03.2012 executed between M/s Shreenath Developers & Promoters (through Mr. Yadav) and Mr. Tayal were ignored, despite the fact that pursuant to the said agreement, Mr. Yadav, along with Mr. Tayal, took over the Corporate Debtor and merged his project with that of the Company.

iv. Mr. Yadav was appointed as Director on 31.05.2012 and thereafter commenced construction on the vacant plots using funds collected from flat buyers. The receipts initially issued in the name of M/s Shreenath Developers & Promoters were later replaced with those of M/s Kalindi Construction Private Limited. As per the Doctrine of Indoor Management, which safeguards third parties dealing in good faith with a company, outsiders are entitled to presume that internal procedures and authorisations within the company have been duly complied with.

v. The public notice dated 02.08.2013 regarding the removal of Mr. Yadav as Director was published nearly eight and a half months after his actual removal on 27.11.2012, thereby demonstrating delay and inconsistency.

-Sd- -Sd-

vi. During 2012, there was no legal prohibition on holding or transacting in substantial cash amounts, as Section 269SS of the Income Tax Act, 1961 (regarding restrictions on cash transactions) was substituted only by the Finance Act, 2015 with effect from 14.05.2015.

vii. The order further failed to consider the findings of the Hon'ble Allahabad High Court in its order dated 19.07.2019 in Application U/s 482 No. 24772 of 2019, wherein it was categorically observed that the Directors of the Company had received cash payments from allottees while acting on behalf of the Corporate Debtor.

c. The Applicants vehemently submitted that under Regulation 14 of the CIRP Regulations, the Resolution Professional is obligated to determine the amount of a claim that is uncertain or contingent based on the best estimate of the information available to him. The RP, under the Code, possesses only administrative powers and not adjudicatory powers, and therefore lacks the jurisdiction to decide or reject a claim on the merits. His role is confined to collating the claims based on the records and evidence available to the Corporate Debtor.

d. The Applicants, in support of their submissions, places reliance on the judgments in *S. Rajendran, Resolution Professional of PRC International Hotels Pvt. Ltd. v. Jonathan Mouralidarane (2019 SCC Online NCLAT 758)*; *Innoventive Industries Ltd. v. ICICI Bank & Anr.*, *(2018) 1 SCC 407*; *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*, *W.P. (C) No. 43 of 2019*;

Swiss Ribbons (P) Ltd. v. Union of India, *(2019) SCC Online SC 73*. Further, also relies on *Navneet Kumar Gupta v. Bharat Heavy Electricals Ltd. (Company Appeal (AT) (Insolvency) No. 743 of 2018)*, wherein it has been categorically held that a Resolution Professional cannot reject a claim without duly considering and evaluating the supporting evidence produced by the claimant.

17. In compliance with the order dated 15.10.2024, the Applicants have filed their written submission on 05.08.2025, emphasising adherence to Regulation 8A, noting that their claims had been duly submitted, but the Respondent/RP did not follow the mandate of the said regulation and solely relied upon the RERA order dated 25.02.2022 for the verification of the claims. It is also noted that the Applicants had earlier filed written submissions having Dairy No. 870 dated 18.04.2024. All these submissions have already been taken on record and are not repeated herein for the sake of brevity.

18. In compliance with the order dated 15.10.2024, the Respondent/RP has also filed his written submissions on 22.07.2025, wherein the following submissions have been made:

i. The Respondent/RP submits that the documents furnished by the Applicants include unverified cash receipts and an allotment letter purportedly issued in 2012; however, no

-Sd- -Sd-

corresponding entries exist in the books of accounts or records of the Corporate Debtor to substantiate such claims.

ii. The Respondent/RP submits that upon receipt of the Applicants' claims, the same were classified as *contingent* in view of the pending litigation before UP REAT, the lack of clarity regarding the Applicants' legal relationship with the Corporate Debtor, and the binding nature of the RERA order dated 25.02.2022, which had already held that the Applicants were not allottees of the Corporate Debtor.

iii. It is further submitted that by order dated 16.01.2024 in Appeal No. 237/2022, the UP REAT kept the proceedings in abeyance in light of the moratorium imposed by this Hon'ble Tribunal on 19.10.2023 under Section 14 of the IBC. The Respondent/RP contends that this order reinforces the correctness of classifying the claims as contingent, since the outcome of the said appeal would directly determine whether the Applicants qualify as "financial creditors" under the Code. Accordingly, the Respondent/RP acted within his authority in treating such claims as contingent pending final adjudication.

iv. The Respondent/RP further submits that the Applicants' reliance on cash receipts allegedly issued by Mr. Yadav, a former Director of the Corporate Debtor, and on agreements executed by his proprietary concern, M/s Shreenath Developers, is misplaced. Though the Hon'ble

Allahabad High Court, vide order dated 19.07.2019, noted that Mr. Yadav had received cash from certain individuals, it did not hold the Corporate Debtor liable under the IBC for those unrecorded transactions. There is no material to show that such transactions were ever recorded in the Corporate Debtor's accounts or approved by its Board. Mr. Yadav was removed from the directorship through a public notice dated 02.08.2013, and any claim of continued control thereafter is disputed. The doctrine of indoor management, as invoked by the Applicants, cannot override the absence of valid corporate authorisation or contemporaneous records evidencing such transactions.

v. The Respondent/RP relies upon the judgment of the Hon'ble Supreme Court in *Adani Power Limited v. Shapoorji Pallonji and Co. Pvt. Ltd. & Ors.*, *Civil Appeal No. 1741 of 2023*, wherein it was held as under:

> *"In our opinion, there is no ambiguity in the above observations and directions recorded by the NCLAT, as they reflect that the Resolution Plan, as approved, is binding on all and cannot be made subject matter of arbitration or any other proceedings. The claim of respondent no. 1 - Shapoorji Pallonji and Co. Pvt. Ltd. has been categorized by the Resolution Professional as a 'contingent liability'. Respondent no. Shapoorji Pallonji and Co. Pvt. Ltd. may continue with the arbitration proceedings for adjudication of its claim and quantification thereof, if they so wish and choose to do so.*

However, the claim even if allowed in favour of M/s Shapoorji Pallonji and Co. Pvt. Ltd. will have no bearing on the rights and obligations of the appellant M/s. Adani Power Limited, which are in terms of the Resolution Plan. It has been held by the judgment dated 23.02.2023, that the appellant cannot be saddled with any liability except what is mentioned in the Resolution Plan."

FINDINGS AND ORDER

19. We have carefully heard the submissions advanced by the learned counsels appearing for both the parties and have also perused the documents and records placed before this Tribunal.

20. It is an admitted position on record that prior to the initiation of CIRP, the Applicants had instituted proceedings before UP RERA seeking relief in relation to certain alleged allotments made by Mr. Shyam Suresh Yadav, former director of the Corporate Debtor. The said complaint came to be adjudicated by the RERA Authority vide its order dated 25.02.2022, wherein it held that the Applicants do not fall within the ambit of 'allottees' as defined under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016. The RERA Authority further observed that payment receipts submitted by the Applicants in support of their claims did not conclusively establish the existence of any debt,

-Sd- -Sd-

as the said documents appeared to have been forged to prove that any consideration was actually received by the Corporate Debtor.

21. Aggrieved by the said order, the Applicants preferred an appeal before the UP REAT, which is stated to be pending adjudication as on date. Subsequently, upon commencement of the CIRP of the Corporate Debtor vide order dated 19.10.2023 passed by this Tribunal, the Applicants submitted their respective claims before the Respondent/RP. During the process of verification and collation, the Respondent/RP, upon examining the records and taking note of the pending appeal before the UP REAT, categorised the Applicants' claims as *'contingent claims'*, observing that an appeal before the UP REAT is pending against the impugned RERA order dated 25.02.2022. Consequently, the said categorisation of claims by the Respondent/RP has been challenged herein by the Applicants, alleging the same to be contrary to Regulation 8A of the CIRP Regulations and that their claims ought to have been admitted in full.

22. Hence, <u>the question which arises before us is whether the categorisation of the Applicants' claims as "contingent" by the Respondent/RP has been undertaken in accordance with the provisions of the Code and the</u>

-Sd- -Sd-

regulations framed thereunder. It is observed that, pursuant to the public announcement dated 22.10.2023, the Applicants filed their individual claims to the Respondent/RP on 20.11.2023 in Form-CA under Regulation 8A of the Insolvency Resolution Process for Corporate Persons Regulations, 2016 ("CIRP Regulations"), asserting their status as homebuyers of the Corporate Debtor. The Applicants resubmitted before us that Regulation 8A(2) of CIRP Regulations stipulates that the existence of debt due to a creditor in a class. The relevant regulation is reproduced below:

> "*8A. Claims by creditors in a class.*
> *(2) The existence of debt due to a creditor in a class may be proved on the basis of-*
> *(a) the records available with an information utility, if any; or*
> *(b) other relevant documents, including any-*
> *(i) agreement for sale;*
> *(ii) letter of allotment;*
> *(iii) receipt of payment made; or*
> *(iv) such other document, evidencing existence of debt."*

23. In adherence to said regulation, the Applicants, along with their claim forms, submitted cash payment receipts, letters of allotment, and other supporting documents evidencing their financial relationship with the

Corporate Debtor. During the process of collation and verification of claims, the Respondent/RP took into account the order dated 25.02.2022 passed by UP RERA in the complaint filed by the Applicants against the Corporate Debtor, wherein the very documents relied upon by the Applicants to establish their financial debt against the Corporate Debtor had been considered and adjudicated upon. By the said RERA order dated 25.02.2022, it was concluded that the Applicants failed to establish any nexus between the alleged payments made to Mr Shyam Sundar Yadav in 2012 and the Corporate Debtor, and consequently, they were not recognised as allottees or homebuyers of the Corporate Debtor.

24. As already noted above, the Applicants have preferred an appeal against the impugned RERA order before UP REAT, which vide its order dated 16.01.2024, taking into consideration Section 14 of the Code, has kept the proceedings in abeyance and thus the impugned matter is still pending adjudication before REAT. The Respondent/RP has also submitted that no stay has been granted by the Appellate Authority, i.e., REAT against the operation of the RERA order. Therefore, it is argued by the Respondent/RP that the findings recorded by the RERA Authority continue to be legally binding in the verification process as being from a relevant competent authority dealing with the matters relating to real estate and matters connected therewith including allotment of unit allotted by Real Estate Developers and contractors doing construction work governed by an independent Act. The RP has also pointed out that no corresponding entries supporting the alleged payments exist in the books of accounts or records of the Corporate Debtor, or any evidence to prove that the alleged payments to Mr Yadav, the ex-director of the Corporate Debtor, were made for allotment of any housing unit by the Corporate Debtor as per the findings given by RERA.

25. Therefore, in regards to the primary contention that the Respondent/RP failed to comply with Regulation 8A during the verification of their claims, it is noted that Regulation 8A(2)(iv) allows reliance on "such other documents evidencing the existence of debt." The RERA order dated 25.02.2022 directly addresses the critical issue of whether the Applicants qualify as allottees and whether any debt is owed to them by the Corporate Debtor. On subsequent perusal of the RERA order, it is evident that the authenticity of the documents submitted by the Applicants as proof of their claims has already been scrutinised by the UP RERA, which found the same unreliable and unsubstantiated. The

-Sd- -Sd-

RERA Authority, after due examination, held that the Applicants do not qualify as "allottees" under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016, as the payments made to Mr Shyam Sundar Yadav could not be attributed to the Corporate Debtor. Consequently, the said order directly affects the evidentiary basis of the Applicants' claims under the Code. Since the said order remains effective and its appeal is sub judice before the UP REAT, the existence and enforceability of the claimed debt remain uncertain, thereby creating a situation of contingency with respect to the Applicants' alleged financial relationship with the Corporate Debtor.

26. We further note that the Respondent/RP has correctly submitted that the Resolution Professional does not possess adjudicatory powers under the Code to decide upon the disputed facts or to sit in judgment over the findings of the UP RERA. As per Section 18(1)(b) of the Code, the RP's duty is confined to collating and verifying claims based on the records and information available. The RP cannot substitute the role of a judicial authority in determining disputed liabilities or overriding existing statutory orders. Therefore, in the present case, the RP acted within the scope of his statutory mandate, treating the RERA order as a valid such other document for assessing the existence of the claimed debt, as envisaged in CIRP Regulation 8A(2)(iv).

27. Accordingly, we are of the considered view that the decision of the Respondent/RP to treat the Applicants' claims as contingent is consistent with the provisions of the Code and the CIRP Regulations. Since the Applicants' status as allottees and the legitimacy of their claims are pending final adjudication before the UP REAT, this categorisation represents a fair and reasonable approach. The outcome of the pending appeal before the UP REAT will determine whether the Applicants qualify as financial creditors under Section 5(8)(f) of the Code, and until such determination, the classification of their claims as contingent cannot be said to be arbitrary, perverse, or contrary to law.

28. We also take into consideration that the Applicants' objections in relation to the findings of the RERA order and their averments that certain material aspects were not duly appreciated are matters pending consideration before the Appellate Authority, and adjudication on such facts and circumstances is not within the scope of this Tribunal.

29. We also observe that even though the claims of the Applicants have been categorised as *contingent* by the Respondent/RP, such

-Sd- -Sd-

classification has not resulted in their exclusion from the CIRP. On the contrary, the Respondent/RP has duly incorporated the details of the said contingent claims within the Information Memorandum, for its inclusion in the resolution plans. Additionally, it has also been noted that the Successful Resolution Applicant (SRA), i.e., NASA Consortium, in its approved Resolution Plan by CoC, has recognised the existence of these disputed claims admitted as contingent claim and has made specific provision for their potential settlement. A dedicated *contingency fund* amounting to Rs. 1 crore has been earmarked within the Resolution Plan to address such claims, including those forming the subject matter of the present application. This inclusion signifies that the interests of such claimants have not been ignored and that the SRA has contemplated a mechanism for dealing with these claims, contingent upon their eventual determination by the competent forum. The relevant excerpt from the approved Resolution Plan (Clause 4.4) is as follows:

NOTE: (As per the addendum dated 19.10.2024)

It is clarified that the entire contingency fund of INR 1 crore shall be dedicated towards the liabilities categorised as contingent claim by the RP, only in the event a favourable order is passed by the concerned court/tribunal/appellate authority, and the same shall be paid on proportionate basis after arriving at actual claim for each of the claimant, whose claim has been categorised as contingent claim.

It is further clarified that no other claim or liability, which does not form part of the Resolution Plan shall be borne / discharged by the RA and the same shall be considered as extinguished w.e.f. Approval Date.

30. Reliance in this regard is rightly placed upon the judgment of the Hon'ble Supreme Court in *Adani Power Limited v. Shapoorji Pallonji and Co. Pvt. Ltd. & Ors.*, Civil Appeal No. 1741 of 2023, wherein the Apex Court clarified that once a Resolution Plan has been duly approved under Section 31 of the Code, the same becomes binding on all stakeholders, including creditors whose claims are treated as contingent or disputed. The Hon'ble Supreme Court, in categorical terms, held that even if such contingent claims are subsequently adjudicated and quantified by a competent forum, their outcome would have no bearing on the liabilities of the Successful Resolution Applicant beyond what is expressly provided in the approved Resolution Plan.

31. In view of the aforesaid judgment, the above treatment of claims by the Respondent/RP and the SRA, in our opinion, aligns with the settled position of law that claims under dispute or pending adjudication before other authorities may be treated as *contingent liabilities* in the Resolution Plan. The categorisation of a claim as contingent does not extinguish the right of the claimant but merely postpones its crystallisation until a competent forum conclusively determines its validity and quantum. Therefore, the approach adopted by the RP and accepted in the Resolution Plan cannot be faulted, as it ensures both procedural fairness and protection of the Corporate Debtor's prospective viability.

32. Accordingly, we are of the considered opinion that the process followed by the RP and the treatment accorded to the Applicants' claims in the approved Resolution Plan do not warrant any interference. The Applicants retain the liberty to pursue their remedies before the competent appellate forum regarding their claims, and in the event of a favourable adjudication, they may seek recourse from the contingency fund envisaged under the approved Resolution Plan, subject to the terms contained therein.

33. In view of the foregoing facts and circumstances, we are satisfied that the categorisation of the Applicants' claims as "contingent" by the Respondent/RP has been made in accordance with the provisions of the Code and the CIRP Regulations. The RP has acted within the scope of his statutory duties in collating and verifying the claims based on the records and documents available, while appropriately recognising the pending adjudication of the Applicants' status and claims before the UP REAT. Consequently, we find no merit in the present application.

34. Accordingly, **IA 89 of 2024 stands disposed off** as per the aforesaid terms.

-Sd-	***-Sd-***
(Ashish Verma)	**(Praveen Gupta)**
Member (Technical)	**Member (Judicial)**

Date: 03.11.2025