

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

Company Appeal (AT) (Insolvency) No. 1497 of 2024

**[Arising out of the Impugned Order dated 30.05.2024 passed by the
Adjudicating Authority, National Company Law Tribunal, New Delhi
Bench- II in I.A. No. 1162/2024 in CP (IB) No. 2581(ND)/2019]**

In the matter of:

CSA Corporation Pvt. Ltd

House no. 297, 1st Floor.
17, Aoyimkum Village
Dimapur - 797112,
Nagaland

...Appellant

Versus

Mr. Rajiv Bhatnagar

The Resolution Professional

UM Green Lighting Private Limited

C-51, First Floor,
Corporation Bank Building Awas Vikas,
Nainital Road, Rudrapur
Uttarakhand - 262153

...Respondent

Present:

**For Appellant : Mr. Gaurav Mitra, Mr. Aditya Gauri, Mr. Amar Vivek,
Ms. Damini Srestha, Mr. Ishan Roy, Mr. Anant Jain and
Ms. Lavanya, Advocates.**

**For Respondent : Mr. Akshay Goel, Ms. Pratiksha Bansal, Mr. Harsh
Jadon, Advocates along with Mr. Rajiv Bhatnagar, RP in
person.**

J U D G M E N T

(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

The present appeal filed under Section 61 of Insolvency and Bankruptcy
Code 2016 ('IBC' in short) by the Appellant arises out of the Order dated

30.05.2024 (hereinafter referred to as '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi, Bench-II) in I.A. No. 1162/2024 in CP (IB) No. 2581(ND)/2019. By the impugned order, the Adjudicating Authority has dismissed the I.A. No. 1162/2024 filed by the Appellant-M/s CSA Corporation Pvt. Ltd. against the Resolution Professional-Respondent for rejection of their claim of Rs. 18,50,63,527/- in the CIRP process of the Corporate Debtor. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant.

2. Coming to the factual matrix of the matter and the salient sequence of events, it is relevant to note that the Appellant-M/s CSA Corporation Pvt. Ltd. had entered into a Consortium Agreement with the Corporate Debtor-UM Green Lighting Pvt. Ltd. on 12.10.2016 followed by a subsequent Joint Venture Agreement on 01.05.2017. This Consortium had bagged contracts for four street-lighting projects which however could not be completed following which the Appellant sent a Notice for Non-Performance to the Corporate Debtor on 20.09.2021. On 15.11.2021 the Appellant also filed a criminal complaint against the Corporate Debtor for over-invoicing and false invoicing under the relevant provisions of Criminal Procedure Code before the Chief Judicial Magistrate (CJM), Dimapur alleging that the Corporate Debtor had failed to perform their contractual obligations and for abandoning the contractual projects. Prior to issue of the Notice for Non-Performance by the Appellant, the Corporate Debtor had sought its outstanding dues from the Appellant on 26.04.2021. Instead of making any payments, on 24.12.2021,

the Appellant instead issued Legal Notice to the Corporate Debtor stating that the right of the Corporate Debtor with respect to the four contracts stood terminated and the Corporate Debtor was directed to refund all amounts which had been paid as advance along with interest and other charges.

3. In the meantime, on 13.12.2021, the Corporate Debtor was admitted into insolvency under a Section 9 Application filed by an Operational Creditor following which an Interim Resolution Professional was appointed. Following the commencement of CIRP of the Corporate Debtor, public announcement was made by IRP inviting claims on 17.12.2021. The last date for filing claims lapsed on 27.12.2021. The 90 days period for filing claim came to an end on 13.03.2022. However, no claims had been filed by the Appellant until the lapse of 90 days period. Subsequently, on 05.06.2023, the Resolution Professional (“**RP**” in short) after taking note that the Appellant owed a liability to the Corporate Debtor, issued a Demand Notice under Section 8 of IBC to the Appellant for making a payment of Rs 9.35 Cr. alongwith proof of claim basis the invoices raised by the Corporate Debtor. The Appellant however did not reply to this Demand Notice and a Section 9 application was thereafter filed by the RP on 25.07.2023 against the Appellant. Soon thereafter, the Appellant proceeded to file their claim in Form-F before the RP on 12.09.2023 for Rs 18.50 Cr in the CIRP proceedings of the Corporate Debtor. This claim was rejected by the RP on 15.09.2023. Aggrieved by the rejection of their claim, the present appeal has been preferred by the Appellant.

4. Making his submissions, Shri Gaurav Mitra, Ld. Sr. Counsel for Appellant submitted that the Corporate Debtor had continuously breached and failed to discharge their responsibilities and obligations under the Consortium Agreement. The Appellant consequentially had also received a series of complaint from those who had given them the contract. The Appellant had also received a notice by email on 07.01.2020 from the tax authorities for non-deposit of GST. Though this was brought to the knowledge of the Corporate Debtor by the Appellant several times, however, the Corporate Debtor failed to respond appropriately, compelling them to file a criminal proceeding against the Corporate Debtor before the CJM Dimapur. The CJM, Dimapur issued an order on 10.10.2022 holding that imposition of moratorium on account of CIRP of the Corporate Debtor will not apply to the ongoing criminal proceedings. However, this order of the CJM, Dimapur was challenged before the Hon'ble High Court of Gauhati which by an order dated 20.07.2023 quashed the criminal proceedings and held the dispute to be contractual and of a civil nature. Elaborating further it was submitted by the Ld. Sr. Counsel for Appellant that thereafter the Appellant chose to prefer its claim before the RP in Form-F. The said claim was filed on 12.09.2023 based upon non-performance and breach of contract by the Corporate Debtor. The Appellant raised a claim of Rs 18.50 Cr on account of the losses incurred due to inflated invoices, extra-additional bills raised, billing of non-performed AMC and losses on expected projected profits along with break-up in the claim Form-F.

5. It is the case of the Appellant that the RP failed in his duty to properly look into the admissibility of the claims of the Appellant. It was vehemently contended that their claim though duly quantified had been rejected mechanically by the RP within a period of 3 days which is substantiated by the fact that the RP did not even bother to seek any clarifications from the Appellant on their claims. It was also submitted that the RP had no adjudicatory power under the IBC to unilaterally reject the claims without the approval of the Committee of Creditors (“CoC” in short). In support of their contention, the Appellant has placed reliance on the judgment of the Hon’ble Supreme Court in **Swiss Ribbons Pvt. Ltd. Vs UOI AIR (2019) 4 SCC 17** as followed by this Tribunal in the matter of **M/s Prasad Gempex Vs Star Agro Marine Export Pvt. Ltd.** in **CA(AT)(Ins) No.291 of 2018** which held that the RP has no adjudicatory powers. Hence, in the instant case, the RP in rejecting the claims of the Appellant transgressed the jurisdiction bestowed by the statutory provisions of IBC and wrongly exercised adjudicatory powers at a time when RP was vested only with administrative powers to act as a facilitator in the CIRP proceedings.

6. It is also the case of the Appellant that the RP had rejected the claim of the Appellant on the specious ground that it was not in a position to decide on the admissibility of the claims as they were based on non-performance/breach of contract against the Corporate Debtor. It was asserted that it was clear from the judgment of the Hon’ble Gauhati High Court that there was a breach of contract and failure to perform contractual obligations on the part of the Corporate Debtor causing loss to the Appellant. Besides suffering financial

losses due to abandonment of projects by the Corporate Debtor, it was stated that the losses were also on account of damage to the business reputation and goodwill of the Appellant. Furthermore, the claims projected in Form-F provided a detailed computation of the losses sustained and the resultant claims. Reliance was further placed on the judgement of this Tribunal in ***Export Import Bank of India Vs. Resolution Professional JEKPL Pvt. Ltd.*** in **CA (AT) (Ins.) No. 3014/2017** wherein it was held that as per Section 18(1) of IBC, it is the duty of the Resolution Professional to collate all the claims and to verify the same from the records of assets and liabilities maintained by the Corporate Debtor. Particular attention was drawn to Para 53 of the said judgement which reads as below:

"53. Duties of Interim Resolution Professional have been prescribed under Section 18 and as per clause (b) therein the Interim Resolution Professional is required to receive and collate all the claims submitted by creditors to him pursuant to the public announcement made under Section 13 r/w Section 15. The claim of the parties should be as on the date of initiation of the Corporate Insolvency Resolution Process (date of order of admission and moratorium). Any person who has right to claim payment, as defined under Section 3(6), is supposed to file the claim whether matured or unmatured. The question as to whether there is a default or not is not to be seen."

It was submitted that the RP had acted in a hyper-technical manner and perfunctorily overlooked the claims of the Appellant. In spite of being fully aware of the breach of the contractual agreement by the Corporate Debtor, the RP failed to take into account the contingent claim arising thereof.

7. It is also the contention of the Appellant that they had filed their claim before the approval of the resolution plan by the CoC. The resolution plan of

the Corporate Debtor was approved by the CoC in the 13th meeting of CoC held on 25.09.2023. It was contended that the claim of the Appellant was filed on 12.09.2023 which was prior to the approval of the resolution plan by the CoC. Hence the rejection of the claim was arbitrary and mechanical and contrary to principles of law enunciated by the Hon'ble Supreme Court and this Tribunal. In support of their contention, it was pointed out that the Hon'ble Supreme Court in the case of ***State Tax Officer Vs Rainbow Papers Ltd.*** in ***Civil Appeal No. 1661 of 2020*** had held that delay in filing a claim cannot be a sole ground for rejecting a claim. It was also asserted that Regulation 12 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('**CIRP Regulations**' in short) which deals with submission of claim and the time period specified therein is directory and not mandatory and that the CIRP Regulations do not put any embargo on the verification of claims seven days prior to the meeting of the CoC for voting on the resolution plan. It was contended that the submission of claim could not have dismissed by the RP by holding them to be belated and time-barred.

8. Refuting the contentions of the Appellant, Shri Akshay Goel, Ld. Advocate representing the Respondent-RP admitted that the claim was filed by the Appellant on 12.09.2023. This claim was rejected by the RP on 15.09.2023. The decision taken by the RP not to admit the claim was neither unusual nor hasty since the IBC provides a tight time-limit of 7 days within which the RP is required to verify the claim from the date of its receipt. Further, the RP had communicated on 15.09.2023 to the Appellant at length

the reasons for not admitting the claim. It was added that RP had rejected the claim inter alia on the ground that the RP did not have adjudicatory powers to decide on the tenability of the claims made by the Appellant. These claims had been raised by the Appellant in respect of damages arising out of non-performance of contract which claims could not be verified within the limited jurisdiction of the RP as conferred by the IBC. Since the nature of the claims included inflated invoices, extra-additional bills raised, billing of non-performed AMC and losses on expected projected profits arising out of breach and non-performance of contract and resultant damages, the RP was clearly not endowed with adjudicatory powers to verify and decide on the admittance of claims of such nature. It was further pointed out that the RP had issued a Demand Notice on 05.06.2023 under Section 8 of IBC to the Appellant for making a payment of Rs 9.35 Cr. being admitted dues on the part of the Appellant as borne out from the books of accounts. The Appellant never replied to this Demand Notice. Until then the Appellant had not even filed its claims against the Corporate Debtor. On 25.06.2023, the RP filed an application under Section 9 of the IBC against the Appellant. Faced with the Section 9 application, the Appellant filed its claims in Form-F for Rs 18.50 Cr. by rustling up grounds of liquidated damages arising out of breach of contract. It is the contention of the RP that the claim of the Appellant was a counter-poise to the Section 9 proceeding initiated by the RP against the Appellant.

9. Advancing their arguments further it was pointed out that the claims could not have been admitted as they were filed after a delay of 548 days which

was severely belated. The RP had published the Information Memorandum on 19.07.2023. The claim in Form-F was filed much after the publication of the Information Memorandum. Resolution Plans has already been received from the resolution applicants and was at the final stage of approval of the CoC. At this stage, if such belated claims were to be allowed, the plans already received from the prospective resolution applicants would flounder as these were predicated on the basis of Information Memorandum which already stood published three months back. This would act as an impediment in the timely resolution of Corporate Debtor and lead to unavoidable delay of the CIRP. Hence the RP decided not to admit the claim in the interest of timely insolvency resolution of the Corporate Debtor.

10. Reliance was placed by the RP on the judgement of the Hon'ble Supreme Court of India in ***RPS Infrastructure Ltd. Vs Mukul Kumar and Ors. (2023)10 SCC 718*** wherein delay of 287 days in filing the claims was not found condonable for the reason that this would reopen the matter thereby making the CIRP an endless process. Reference was also made to the judgment of this Tribunal in ***Harish Polymer Product Vs George Samuel & Anr. in CA(AT)(Ins) No. 420 of 2021*** wherein also it was held that if new claims keep popping up and are entertained at a belated stage when the resolution applicants are already before the CoC with their resolution plans, the CIRP would be jeopardised and resolution process would become difficult. It was also mentioned that this Tribunal in ***Deputy Commissioner, UTGST Vs Rajiv Dingra in CA(AT)(Ins) No. 1340 of 2022*** had also held that after extended period of 90 days, the relevant

CIRP regulation does not provide any discretion to RP for admitting their claim nor is the IRP/RP obliged to accept such claim. It was vehemently contended that the Adjudicating Authority had therefore correctly affirmed the decision of the RP to reject the admission of the inordinately delayed claims filed by the Appellant.

11. We have duly considered the arguments advanced by the Learned Counsel for both the parties and perused the records carefully.

12. The short issue before us is to consider whether the RP had committed any irregularity in rejecting the claim of the Appellant for being belated and for being claim of such nature that it required adjudication which was beyond the jurisdiction of the RP.

13. It would only be fair to quickly glance at the very outset through the relevant provisions of IBC and CIRP Regulations, 2016 framed thereunder:

“Section 18. Duties of interim resolution professional.- (1) The interim resolution professional shall perform the following duties, namely:—

(a)

(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;

CIRP Regulations

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) A creditor shall submit claim with proof on or before the last date mentioned in the public announcement.

Provided that a creditor, who fails to submit claim with proof within the time stipulated in the public announcement, may submit his claim with proof to the interim resolution professional or the resolution professional, as the case may be, up to the date of issue of request for resolution plans under regulation 36-B or ninety days from the insolvency commencement date, whichever is later:

Provided further that the creditor shall provide reasons for delay in submitting the claim beyond the period of ninety days from the insolvency commencement date.

Regulation 13: Verification of claims.

13. (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.*

(1B) *In the event that claims are received after the period specified under sub-regulation (1) of regulation 12 and up to seven days before the date of meeting of creditors for voting on the resolution plan or the initiation of liquidation, as the case may be, the interim resolution professional or resolution professional, as the case may be, shall verify all such claims and categorise them as acceptable or non-acceptable for collation.*

(Emphasis supplied)

Thus, having noted the guiding principles that the RP is required to abide by in terms of the statutory provisions while undertaking collation, verification and admission of claims, we are also clear in our minds that it is well settled that that the RP as a facilitator of the insolvency resolution process, it is incumbent upon him to assist in the CIRP process in a fair and objective manner.

14. It is pertinent to note at this stage itself as to how the RP had treated the claim filed by the Appellant. This is borne out from a perusal of a detailed letter dated 15.09.2023 that the RP had sent to the Appellant attributing reasons for rejecting their claims as placed at page 558 of Appeal Paper Book (**'APB'** in short). The relevant paragraphs are as reproduced below:

"1. It is pointed out that from a perusal of the Claim Form so submitted, it appears that the claim is based on certain allegations of purported non-performance/breach of contract against the Corporate Debtor. However, such breach is neither under adjudication nor has any judicial authority passed any order pertaining to the same.

2. It has been held in a plethora of judgments passed by judicial authorities/courts up to the Hon'ble Supreme Court that a Resolution Professional, as opposed to a Liquidator, has no adjudicatory powers. As such, the undersigned is unable to exercise such powers and admit a claim arising out of an alleged breach of contract by the Corporate Debtor, without a specific judicial order to this effect.

3. It is further noted from the books of accounts of the Corporate Debtor that in fact, the alleged Claimant owes the Corporate Debtor an amount of INR 9,35,97,426/- where the Corporate Debtor had raised specific invoices from time to time against the purported Claimant, however, the same stand defaulted as on date. As you are aware, the undersigned was also constrained to file an Application under Section 9 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of Corporate Insolvency Resolution Process (CIRP) of the alleged Claimant in view of such default, which is currently sub judice before the Hon'ble National Company Law Tribunal, Guwahati Bench.

4. It is therefore clear that the alleged Claimant has filed his claim in the CIRP of the Corporate Debtor as an afterthought, merely as a backlash to the commencement of Section 9 proceedings against such alleged Claimant by the undersigned, in his capacity as the Resolution Professional of the Corporate Debtor.

5. Without prejudice to the above, it is further pointed out that the CIRP of the Corporate Debtor had commenced on 13.12.2021. Subsequent thereto, the Interim Resolution Professional of the Corporate Debtor had published a public announcement inviting the public at large to file their claims in

such CIRP of the Corporate Debtor by or before 27.12.2021. Even otherwise, Regulation 12 of the CIRP Regulations provide an extended period of 90 days from the date of commencement of CIRP of a corporate debtor for the creditors to file their claims with its RP. Any claim filed subsequent thereto is liable to be rejected by the RP. In the present case, the 90 day extended period for filing of claims had elapsed on 13.03.2022. The alleged Claimant filed his claim with the undersigned only on 12.09.2023, i.e., after a delay of 548 days. As on the date of filing of such claim, the CIRP of the Corporate Debtor is already at advanced stages and hence, no fresh claims, much less highly belated claims as the present, can be admitted by the RP at this stage.”

15. Now to begin with our analysis and findings, we would like to examine whether the RP had adhered to the provisions of IBC and CIRP Regulations while receiving, collating and verifying the claims submitted to him by the Appellant and whether at this belated stage there existed sufficient grounds to admit the claim of the Appellant.

16. In the present case, we notice that after the Corporate Debtor was admitted into the rigours of CIRP on 13.12.2021. The Interim Resolution Professional had undisputedly made a Public Announcement on 17.12.2021 in compliance with Sections 13 and 15 of the IBC read with Regulation 6 of CIRP Regulations. The Public Announcement had set 27.12.2021 as the deadline for claim submissions. The Appellant never filed their claim within the time stipulated by the Public Announcement or within the extended timeline of 90 days as provided by the Regulation 12 of CIRP Regulations. The Appellant had filed their claim on 12.09.2023 which was much beyond the extended period of 90 days. From material on record, it is therefore abundantly clear that a lot of

time elapsed since the date of issue of public announcement inviting claim and the actual filing of claim by the Appellant.

17. Despite having filed their claim belatedly, the Appellant has put the blame on the RP for having dealt with the claims and rejected the same within 3 days. We are not impressed by this plea of the Appellant. IBC is a time bound process and the RP cannot be blamed for dealing with the claim within three days as the prescribed outer time-period to decide on the claims is only seven days. Furthermore, keeping in view that the resolution plan was already in an advanced stage for being placed before the CoC for its approval, the RP cannot be faulted for taking a swift and timely decision on the claim. There is no material before us to either believe that the RP acted in a manner hurriedly pushing the plans for consideration of the CoC or having deliberately orchestrated to stall the claim of the Appellant.

18. This brings us to the related contention raised by the Appellant that the RP could not have rejected their claim in such a mechanical manner when the claims were well captured in Form-F wherein the claim amount was also duly quantified by them. It is the case of the Appellant that any person who has right to claim payment is supposed to file the claim whether matured or unmatured as decided in the ***Export Import Bank judgement supra***.

19. When we look at the reason ascribed by the RP for being unable to admit the claim, we find that the RP has pointed out that the claim of the Corporate Debtor is based on certain allegations of purported non-performance/breach of contract against the Corporate Debtor and that the breach was neither

under adjudication nor any judicial authority had passed any specific judicial order to the effect of validating the breach. Further being bereft of adjudicatory powers, the RP submitted that it was not in a position to admit the claim.

20. At this juncture, we need to refer to the particulars of Form-F, which finds place at page 513 of the APB. The claims raised by the Appellant therein have been categorised under three heads. One Head is shown as *“Inflated invoices raised by the CD, extra bills raised by the CD for supply of the cables when the cables were already included in the invoice of Supply of Material of the contract, AMC was not performed by the CD and expenditures and costs incurred by the creditor to keep the contract alive”* for Rs 14,06,16,553.00. The second Head is *“Loss of GST Inputs credits due to UMG not disclosing the transactions in their GST returns”* for Rs 19,40,530.00 and the third Head depicted as *“Project wise-Total loss of expected/projected profits”* for Rs 4,25,06,174.00 totally aggregating Rs.18,50,63,257.00.

21. Clearly enough, these claims are in respect of damages arising out of non-performance of contract which claims could not have been adjudicated upon by the RP at his level given the limited jurisdiction conferred on the RP by the IBC. Needless to add, the RP is not expected to process and verify the claims of a creditor without supporting proof. Claims for damages require consideration by a court of competent authority for the claims to crystallise. Unadjudicated claims for damages cannot be said to be crystallised claims and hence their non-admittance by the RP is not found unwarranted. Furthermore, the reliance placed by the Appellant on ***Export Import Bank***

judgement supra of this Tribunal is clearly distinguishable since in that matter, the claim rejected by the RP was a claim related to guarantee/indemnity and the question of law which arose therein was on maturity of the claim. On the other hand, present is a case of claim of damages which has been admitted by the Appellant themselves to be contingent.

22. Quite to the contrary, we find the conduct of the Appellant to be remiss as due diligence was not shown towards satisfying the prescriptive requirement of filing their claims within the 7 days period or the extended period of 90 days. Even clarifications sought from the Appellant by the RP towards payments due from them to the Corporate Debtor remained unheeded. The Appellant's contention that it was not aware that the Corporate Debtor was admitted into CIRP is also not found sustainable since during the hearing before CJM-Dimapur, the counsel for the Corporate Debtor had brought to the knowledge of the CJM about the commencement of CIRP of Corporate Debtor and during this hearing the counsel of Appellant was very much present. Thus, as early as on 04.07.2022, the Appellant had become aware of the CIRP initiation against the Corporate Debtor as is evident from the order of CJM-Dimapur as placed at page 74 of the Reply Affidavit of the Respondent, which being a matter of court record has also not been controverted by the Appellant. It is therefore an undisputed fact that the Appellant was aware of the ongoing CIRP process of the Corporate Debtor much before he opted to file his claims. Hence, the Appellant cannot deny the factum that he was fully aware of the knowledge of CIRP of the Corporate Debtor having commenced and the consequential requirement on his part to file claims in a timely manner. We are therefore of the considered view that there

are no mitigating factors in favour of the Appellant to justify the filing of belated claims.

23. This brings us to the contention of the Appellant that the claim was filed by them before the approval of the resolution plan by the CoC and hence could not have been rejected on grounds of delay. It was asserted that in terms of CIRP Regulations 13(1)(B), claims received up to seven days before the date of meeting of creditors for voting on the resolution plan, the RP is to verify all such claims and categorise them as acceptable or non-acceptable for collation. Hence the rejection of the claim on grounds of delay was arbitrary. Reliance has been placed on the decision of the Hon'ble Apex Court in ***State Tax Officer Vs Rainbow Papers Ltd. supra*** to support their contention that delay in filing a claim cannot be a sole ground for rejecting a claim. Per contra, it has been the contention of the RP that when the plan was ripe for placing before the CoC for its consideration, allowing the severely belated claims of the Appellant would have inevitably led to a situation where the resolution applicants would be subjected to the vagaries of the uncertainty of undecided claims. In support of their contention, it was pointed out that there are a catena of judgements of the Hon'ble Apex Court wherein it has been held that no surprise claims should be flung on the successful resolution applicant.

24. We have no quarrel with the proposition that in terms of CIRP Regulation 13(1)(B), claims received up to seven days before the date of meeting of creditors for voting on the resolution plan, the RP is to verify all such claims. However, in the present facts of the case it is noted that the Appellant had filed their claim

on 12.09.2023 while CIRP Regulation 13(1)(B) was introduced by way of an amendment which came into effect subsequently from 18.09.2023. Since the filing of the claim and rejection of the claim in the present case had preceded the notification of the said amendment, we do not find any infirmity in the decision of the RP as the said CIRP Regulation was not in force at that time. We are also of the view that the decision of the Hon'ble Supreme Court in the case of ***State Tax Officer Vs Rainbow Papers Ltd. supra*** is also not applicable in the facts of the present case since in that case it was held that delay in filing a claim cannot be a sole ground for rejecting a claim while in this case besides delay there are other grounds raised for rejection of the claims.

25. It is a well settled precept that there is a catena of judgements of the Hon'ble Apex Court wherein it has been held that no surprise claims should be flung on the resolution applicant. The logic behind this precept is that all necessary details should find place in the Information Memorandum so that the potential resolution applicants are fully aware of the liabilities that they may have to provide for in their resolution plan towards satisfying whole or part of such liabilities and to also revive the corporate debtor. In the present case too, when the claims have been filed belatedly after 548 days and that too the claims arise from damages and breach of contract which according to the Appellant is admittedly contingent, the RP's action to reject the claim by way of a reasoned reply to the Appellant cannot be put to fault. We have already held that the process followed by the RP was reasonably transparent and not found to be marred by arbitrariness or irregularities as such. We find sense in the contention

of the RP that if the claims of creditors are to be accepted by the RP in a perfunctory manner inspite of such a humungous delay of 548 days and that too without cogent grounds substantiating the delay, it would disrupt the successful resolution of the Corporate Debtor and tantamount to defeating the objectives of IBC of making CIRP a time-bound process. Prima-facie, we do not find any incidence of unfairness or guile on the part of the RP in the manner in which it dealt with the claim preferred by the Appellant. We do not find any justifiable reason to doubt the bonafide of the RP in not admitting the claim of the Appellant. The Adjudicating Authority had not committed any error in the given facts and circumstances in not acceding to the request of the Appellant for admission of their claims.

26. In the light of the above discussions, we do not find any cogent grounds which warrants any interference in the impugned order. The impugned order passed by the Adjudicating Authority, not suffering from any infirmities, is hereby affirmed. The Appeal being devoid of merit is dismissed. No order as to costs.

**[Justice Ashok Bhushan]
Chairperson**

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

**Place: New Delhi
Date: 03.01.2025**

Abdul/ Harleen