NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1332 of 2025

[Arising out of the Impugned Order dated 02.07.2025 passed by the Adjudicating Authority, National Company Law Tribunal, Chandigarh Bench in I.A. No. 603 (CH)/ 2025 in C.P. (IB) No. 248/CHD/2019]

In the matter of:

RAJEEV KHURANA
S/O RAM DHAN KHURANA
R/O A-402, SAI BABA APARTMENTS,
SECTOR-9 ROHINI,
NORTHWEST DELHI- 110085 .... Appellant

Versus

SH. ARVIND KUMAR,
RESOLUTION PROFESSIONAL
CHANDIGARH OVERSEAS PVT. LTD.
REGD. OFFICE AT:
SCO NO. 249, BASEMENT,
SECOTR 44-C, CHANDIGARH – 160047 .... Respondent

Present:

For Appellant : Mr. M. L. Lahoty, Sr. Advocate with Mr. Anchit Sripat, Advocate.

For Respondent : Mr. Sarjit Bhadu, Sr. Advocate with Mr. Aditya Soni, Advocate for Homebuyer.
Mr. Abhijeet Sinha, Sr. Advocate with Mr. Rajat Gautam, Advocate for ACC.

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 02.07.2025 (hereinafter referred to as '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Chandigarh Bench-I)

in I.A. No. 603/2025 in C.P. (IB) No. 248/Chd/Hry/2019. By the impugned order, the Adjudicating Authority dismissed I.A. No. 603 of 2025 in CP (IB) No. 248/Chd/2019, filed by the Appellant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 with costs of Rs. 25,000/-. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant.

2. Coming to the brief facts of the case at hand, the Chandigarh Overseas Pvt. Ltd.-Corporate Debtor was admitted into Corporate Insolvency Resolution Process ('**CIRP'** in short) on 27.02.2023. Upon commencement of the CIRP, the Respondent was appointed as the Interim Resolution Professional and thereafter continued as the Resolution Professional ('**RP**' in short). A public announcement was issued inviting claims from creditors, following which the process of verification and admission of claims was undertaken during March–April 2023, in the course of which the claim of the Appellant-Homebuyer amounting Rs 96,47,000/- stood admitted in the CIRP. The CoC voted on the Resolution Plan on 19.03.2024 and approved the same with 99.21% vote share. Basis a whistle-blower communication regarding circular transactions raised by one Homebuyer-Anuj Goyal, IA No. 603 of 2025 was filed by the present Appellant asserting that the RP had wrongfully admitted claims though not reflected in the statutory books of the Corporate Debtor or admitted claims which were duplicate in nature or were fully paid up and satisfied claims or admitted claims of related parties. The Adjudicating Authority dismissed IA No. 603 of 2025 on 02.07.2025 with imposition of costs on the Appellant of Rs. 25,000/- by holding that the application was procedurally defective and stood barred on account of locus standi besides being predicated on a roving and fishing enquiry.

3. Making submissions on behalf of the Appellant, Shri M.L. Lahoty, Ld. Sr. Counsel submitted that the impugned order was vitiated as the Adjudicating Authority failed to appreciate that the RP had deliberately admitted false, fabricated, collusive and fraudulent claims thereby inflating the creditor base and at the same time diluting the share of genuine creditors including present homebuyer. This wrongful admission of claims by the RP compromised the integrity of the CIRP besides prejudicing the interest of the Appellant and other similarly situated homebuyers allottees. In the face of conclusive material substantiating the discrepancies in financial records and claims admitted, it was contended that the Adjudicating Authority committed a manifest error of law in mechanically dismissing I.A No. 603 of 2025 merely on the basis of its nomenclature as an "Intervention Application" without examining the substance of the prayers seeking rejection of fraudulently admitted claims; re-verification of creditor list and associated claims and conduct of independent forensic audit. It was also asserted that a consistent pattern of misconduct on the part of the same RP for admission of inflated and excessive claims not in tune with the financial records of the Corporate Debtor across multiple other CIRPs having come to the notice of the Insolvency and Bankruptcy Board of India, a disciplinary order dated 11.06.2025 was passed suspending the registration of the RP. It was contended that imposition of costs of Rs 25,000/- on the Appellant was arbitrary and deserves to be reversed.

4. Refuting the contentions of the Appellant, Ld. Counsel for the Respondent-RP submitted that the present appeal is misconceived and constitutes an abuse of the appellate jurisdiction of this Tribunal as it has been instituted in a

malafide manner at the instance of the suspended director with the sole object of obstructing and delaying the insolvency resolution process. It was asserted that the same issue of admitting fraudulent and inadmissible claims by the RP had also been raised by the suspended directors of the Corporate Debtor in I.A No. 2105 of 2023 and IA No. 151 of 2025, which were both dismissed on merits by the Adjudicating Authority. Thus, the Appellant was re-agitating identical issues though the issues have been conclusively adjudicated upon by the Adjudicating Authority. Such repeat litigation of settled issues through multiple, parallel proceedings by the suspended director or through their proxy at such an advanced stage of the CIRP clearly amounted to be vexatious litigation and abuse of the process of law. It was further submitted that the present I.A No. 603 of 2025 was filed much after the Resolution Plan had been approved on 19.03.2024 with an overwhelming majority of 99.21%. It was also submitted that the present IA No. 603 of 2025 was rightly non-suited as it was founded on conjectures and speculative allegations as it rested on an alleged whistle-blower email from one Mr. Anuj Goyal who held merely 0.25% voting share in the CoC and was neither an original homebuyer, having acquired the claim subsequent to admission of the Corporate Debtor into CIRP. Moreover, the Appellant's claim to represent other homebuyers was also questionable as the IA No. 603 of 2025 was unsupported by any affidavit or valid authorisation by other home-buyers, thereby disentitling the Appellant from rightfully claiming locus standi. Submission was pressed that the Appellant being an individual homebuyer lacked locus standi to seek rejection of claims of other creditors, particularly when homebuyers constituted a class represented through an Authorised

Representative. In the aforesaid circumstances, the present Appeal deserved to be dismissed and there is no incidence of perversity, illegality or material irregularity which can be attributed to the impugned order so as to warrant interference by this Tribunal.

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

6. The short question before us for our consideration is whether the present Appellant as a single homebuyer could maintain an application under Section 60(5) of the IBC on behalf of other homebuyers, without proper authorization by them, to exercise stakeholder oversight in questioning the tenability of the verification and admission of claims of other creditors by the RP.

7. Before we dwell upon the rival contentions of both parties and return our findings, it may be useful to notice the prayers of the present Appellant and how the Adjudicating Authority has dealt with the prayers in the impugned order. The Appellant has filed IA No. 603 of 2025 with the following prayers:

> *"i. Pass appropriate orders directions to declare the following claims admitted by the respondent as false, fabricated, collusive and fraudulent:*
>
> *-Claim of Former Directors i.e., Batra, Mann & Chawla amounting to Rs. 28.5 cr.*
> *- Claim of M/s Accord Infratech amounting to Rs. 8.39 cr.*
> *- Claims of Madhu Uppal and Meena Batra amounting to Rs. 40 lacs*
> *- Claims admitted of Warangan Kumar Ralhan and his family on account of being related party of the suspended management.*
> *- Claims approximately totalling to Rs. 200 cr. that are not reflected in the financial data submitted by the Corporate Debtor and/or;*
>
> *ii. Pass appropriate orders directions to direct the respondent to reexamine, reverify and revise the list of creditors after excluding / modifying the disputed claims mentioned in the prayer (a) above and/or;*

iii. Pass appropriate orders directions to direct the respondent to file revised list of creditors before this Tribunal after carrying out the necessary corrections and/or;

iv. Pass appropriate orders directions to direct the respondent to place on record all documents and information pertaining to the disputed claims mentioned in prayer (a) above, for perusal of this Tribunal and the Applicant and/or;

v. Pass appropriate orders directions to direct the independent forensic audit of the financial records of the corporate debtor and the disputed claims by a reputed and independent firm of chartered accountants to be appointed by this Tribunal and/or;

vi. Pass appropriate orders directions against the Respondent No. 1 for his failure to conduct proper due diligence and verification of the claims including imposing penalties as deemed fit by this Tribunal and/or;

vii. Pass appropriate orders directions to stay the Adjudication of Resolution Plan approval Application pending before this Tribunal."

8. It is pertinent to note at this stage itself the salient findings returned by the Adjudicating Authority as reproduced below:

"5. We have heard the parties and perused the record carefully. The Memo of Parties mentions "Rajiv Khurana" as the "Applicant/Intervenor" whereas the Application does not disclose as to in which Application, the intervention has been prayed for. Further, the Applicant claims that the Application is on behalf of himself and "represents the interests of other similarly placed homebuyers ("Aggrieved Homebuyers"). Only some e-mails allegedly from homebuyers authorising the Applicant have been filed as Annexure 1. However, neither any power of attorney from the alleged "Aggrieved Homebuyers" has been filed nor any evidence has been placed on record to show that they are a part of the Committee of Creditors as homebuyers. Hence, we hold that the Application is not maintainable.

6. On counter by the ld. Counsel for the Resolution Professional, the Applicant has not denied that he had participated in the voting of on the Resolution Plan at the CoC meeting held on 19.3.2024 though he has not disclosed this fact in the Application. The Applicant has not placed any material on record to show that he has raised the issues canvassed in the Application before the RP or the CoC. No explanation

has been given as to why the Applicant has filed this Application after a lapse of more than one year after the approval of the Plan by the CoC. Hence, we hold that the present Application is malafide on this count.

7 It is pertinent to note that under the scheme of the Insolvency and Bankruptcy Code, 2016, once the class of creditors such as homebuyers is constituted as a class in the Committee of Creditors (CoC), their representation before the Adjudicating Authority is to be made only through the Authorised Representative (AR) appointed under Section 21(6A)(b) of the Code read with Regulation 16A of the CIRP Regulations. A single homebuyer cannot individually maintain an Application before this Tribunal in matters relating to CIRP, especially where the issues pertain not to enforcement of his own rights or grievances, but seek dismissal or disqualification of claims of other creditors. In the present case, the Applicant has not approached this Adjudicating Authority to safeguard any right or relief personal to himself, but rather to seek cancellation or rejection of claims of other parties. Such a course of action is impermissible under the framework of the Code and renders the Application legally untenable."

9. Now, to answer the question as to whether a single homebuyer like the present Appellant is competent to maintain such an application, we need to bear in mind that it is well settled in IBC jurisprudence that the commercial decision of the majority of homebuyers constituting a class is binding on the minority. That minority homebuyers are required to abide by the decision of the majority within the class is a well-acknowledged legal precept as laid down by the Hon'ble Supreme Court in ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd. 2022 1 SCC 401*** which also squarely governs the present case, the relevant excerpts of which is reproduced below:

"164.4 Having regard to the scheme of IBC, and the law declared by this Court, it is more than clear that once a decision is taken, either to reject or to approve a particular plan, by a vote of more than 50% of the voting share of the financial creditors within a class, the minority

of those who vote, as also all others within that class, are bound by that decision. There is absolutely no scope for any particular person standing within that class to suggest any dissention as regards the vote over the resolution plan. It is obvious that if this finality and binding force is not provided to the vote cast by the authorize representative over the resolution plan in accordance with the majority decision of the class he is authorized to represent, a plan or resolution involving large decision of the class he is authorized to represent, a plan or resolution involving large number of parties (like an excessively large number of homebuyers herein) may never fructify and the only result would be liquidation, which is not the prime target of the Code. In the larger benefit and for common good, the democratic principles of the determinative role of the opinion of majority have been duly incorporated in the scheme of the Code, particularly in the provisions relating to voting on the resolution plan and binding nature of the vote of authorized representative on the entire class of the financial creditor/s he represents.

…….

170. To sum up this part of discussion, in our view, after approval of the resolution plan of NBCC by CoC, where homebuyers as a class assented to the plan, any individual homebuyer or association cannot maintain any challenge to the resolution plan nor could be treated as carrying any legal grievance.

……

171. Once we have held that these dissatisfied homebuyers and associations are not entitled to put up any challenge to the resolution plan contrary to the decision of the requisite majority of their class, all their objections are required to be rejected outright.…"

10. Applying the aforesaid settled principles to the facts of the present case, we find that the Resolution Plan was approved by an overwhelming majority of 99.21% by the Committee of Creditors on 19.03.2024 which included the homebuyers constituting a class of financial creditors through their duly appointed Authorised Representative. The present Appellant being an individual homebuyer forming part of the same class, was therefore bound by the collective commercial decision of the majority. The Appellant has also failed to demonstrate that he was authorised by similarly placed "Aggrieved Homebuyers"

to espouse their cause. Any challenge raised at his instance, seeking to indirectly unsettle the voting structure of the Committee of Creditors or to re-open issues relating to claim verification after approval of the Resolution Plan, runs contrary to the democratic framework embedded in the IBC. Once a Resolution Plan has been approved by the prescribed statutory majority within the class, objections raised by a minority of homebuyers questioning the procedure adopted or the voting process cannot be entertained.

Hence, the present Appeal having been filed by a single homebuyer who had also participated in the CoC meeting of 19.03.2024 wherein the plan was approved by 99.21% voting, the appeal is not maintainable.

11. Coming to the contention of the Appellant, that even if he is an individual homebuyer, he cannot be non-suited since the claims admitted by the RP was fraudulent. Since fraud vitiates all proceedings and strikes at the very root of CIRP, it was contended that it confers remedial rights even to individual homebuyers to secure the ends of justice. The present being a case of wrongful admission of disputed and inadmissible claims by the RP, it is the case of the Appellant that the Adjudicating Authority should have put to scrutiny the specific and substantiated instance of fraudulent claim admission pointed out by the Appellant.

12. Having noted the above contention of the Appellant, we proceed to make our analysis on this score. We are of the view that it is well accepted that allegations of fraud requires to be supported by unimpeachable evidence. However, in the present facts of the case, the application filed by the Appellant was not supported by cogent material but was primarily founded on conjectures,

inferences and speculative assertions basis the report of a whistle-blower who himself is not a party in the present matter. The Adjudicating Authority after noticing that the pleadings of the Appellant having been couched in tentative and speculative expressions such as “potential attempt”, “seemingly” and “appears to be”, which clearly reinforced the lack of definitive proof available with the Appellant to substantiate the allegation of fraudulent claims, the Adjudicating Authority was justified in not finding the IA No. 603 of 2025 maintainable. Further, the intent of the Appellant also does not appear to be bonafide for instead of seeking relief from the Adjudicating Authority to secure his own interest, the Appellant has instead sought to exclude the claims of other creditors without even impleading them. What we find still more curious is that the claims which have been disputed by the Appellant clearly converge with the same set of claims disputed by the suspended management of the Corporate Debtor. Similar allegations concerning claim admission and alleged manipulation of the insolvency process by the RP had already been raised by the suspended management in earlier applications, including I.A. No. 2105 of 2023 and I.A. No. 151 of 2025, which stood dismissed by the Adjudicating Authority. The filing of I.A. No. 603 of 2025 at a still more belated stage, after approval of the Resolution Plan, is a regurgitation of the same issues already considered and rejected. This fortifies the conclusion of the Adjudicating Authority that the present application constituted an attempt to propel roving and fishing enquiries to subvert and unsettle the resolution process which is at an advanced stage.

13. Coming to the contention of the Appellant with regard to disciplinary action having been taken by the Insolvency and Bankruptcy Board of India

against the RP in other CIRP proceedings for similar misconduct of admission of fraudulent claims, we are of the view that disciplinary action in other cases are not relevant for invalidation of the claim verification exercise undertaken by the RP in the present CIRP. The IBC envisages distinct remedial mechanisms for regulatory oversight of insolvency professionals, which cannot be conflated with adjudicatory proceedings under Section 60(5) of the IBC. Hence, the Adjudicating Authority was justified is not being swayed by the rationale of this argument either.

14. In view of the aforesaid discussion, we are of the considered view that the impugned order dated 02.07.2025 does not warrant any interference in the exercise of appellate jurisdiction by this Tribunal including the imposition of cost which the Appellant may pay on the terms directed in the impugned order. The Appeal stands dismissed.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

Place: New Delhi
Date: 10.03.2026

Abdul