

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH: NEW DELHI

Company Appeal (AT) (Insolvency) No. 1451 of 2023

[Arising out of the Order dated 12.09.2023, passed by the 'Adjudicating Authority' (National Company Law Tribunal, Special Bench Court-II, New Delhi), in IA-3825 of 2021 in CP IB-2582(ND)/2019]

IN THE MATTER OF:

Juristical Legal Services LLP

Through its Designated Partner- Mr Tanweer Alam

Having its registered office at;
A-247, LGF, New Friends Colony,
New Delhi 110025

...Appellant

Versus

Three C Universal Developers Private Limited

Through its Resolution Professional Mr Rakesh Kumar Gupta

Having its Registered Office at:
C-23, Greater Kailash Enclave, Part- I
New Delhi- 110048

...Respondent

Present:

For Appellant : Mr Mahjadeen, Advocate.
Mr. Tanweeralam (Party in Person).

For Respondent : Mr Abhishek Anand & Ms Palak Kalra, for RP,
Advocates.

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

[Per: Justice Mohd. Faiz Alam Khan, Member (Judicial)]

This Company Appeal (AT) (Ins) No. 1451/2023 has been preferred under Section 61 of the Insolvency and Bankruptcy Code 2016, by the appellant challenging the order dated 12.09.2023 passed by the Adjudicating Authority i.e. National Company Law Tribunal special bench, Court II, New Delhi in IA No. 3825/2021 filed in Company

Petition bearing IA No. 2582/2019 where by the IA filed by the Appellant has been dismissed.

2. Brief facts which appear necessary for disposal of this appeal are that Respondent-Corporate Debtor is a flagship company of III C Group/3C Company and all sales marketing development and construction works of all the projects of the group companies were stated to be undertaken by the Respondent, who used to engage the services of all service providers and suppliers in its name and make payments directly from its account to all vendors/suppliers and service providers.

3. It is the case of the appellant that the Respondent was full-fledged sale/marketing development and construction Company which had construction contracts in its name with all its group companies for their real estate projects and charged money from these associates/group companies and make all payments to all the suppliers of services and goods so engaged by the Respondent.

4. It is also the case of the appellant that it was incorporated as an LLP on 06.09.2016 and prior to its incorporation as an LLP the appellant was a proprietor firm and was engaged by the Respondent/CD for providing Corporate Legal Consultancy Services on a fixed monthly retainer ship fee of Rs. 6,00,000/- per month, and in this regard an engagement letter of date 01.06.2016 was issued by the Respondent in the name of the appellant (which at that point of time was proprietor firm).

5. It is also the case of the appellant that the engagement letter dated 01.06 .2016 specifically states that the fee agreed therein will not include the fee payable towards the court litigation services or the drafting of replies to the legal notices provided by the appellant to the Respondent or its group companies.

6. It is further the case of the appellant that the appellant continued to provide Corporate Legal Consultancy Services to the Respondent/CD and continued to raise monthly invoices in accordance with the engagement letter, however, the Respondent defaulted in payment of the invoices for the period between April 2018 to September 2019 amounting to Rs. 1,08,00000/- (Rs. One crore Eight Lakhs) only subject to the deduction of applicable taxes.

7. It is also claimed by the appellant that in addition to the Corporate Legal Consultancy Services provided by him to the Respondent/CD as well as to its group companies the appellant has raised separate invoices for each cases dealt by it, separately on the relevant entity group company.

8. It also stated that Respondent/CD defaulted in payments to its other creditors and vide order dated 17.12.2019 passed by the Learned NCLT, New Delhi in Company Petition bearing IA No. 2582/2019, the CIRP was initiated against the CD/Respondent and Mr Rakesh Kumar Gupta was appointed as IRP, who was later on confirmed as RP.

9. On declaration of the public announcement, the claims from the creditors of the Respondent were invited by the IRP, pursuant to which the appellant filed its claim in form (B) on 05.06.2020 along with

relevant documents and re submitted it on 09.07.2020 and 27.07.2020 and the amount of Rs. 10845000/- was claimed by the appellant for the period commencing from April 2018, September 2019, Only for the retainer fee towards the Corporate Legal Consultancy Services provided to the Respondents in terms of the engagement letter dated 01.06.2016.

10. It is also claimed by appellant that after exchange of some e-mails between the IRP/RP and appellant his claim could only be verified for Rs 45000/- and the appellant was duly informed. A request was made by the Appellant vide e-mail dated 07.09.2020 requesting RP, to reconsider its claim, however, the RP replied that claim of the appellant could not be collated in absence of accepted bills and credit balance in the Corporate books of account of the CD and these are not the sole expenses of the CD.

11. An IA bearing IA No. 3813/2021 was filed by the appellant before Learned Tribunal requesting to issue the directions to the IRP to consider the claim of the appellant with other consequential prayers however the said IA was rejected by Learned Tribunal by passing the impugned order which has been challenged by the appellant by filing instant appeal.

12. We have heard Learned Counsel for the appellant (Party in person) as well as Learned Counsel appearing for the Respondent and have also pursued the record as well as the written submissions filed by the parties.

Submissions of Ld. Counsels for the Appellant

13. Learned Counsel for the appellant (Party in Person) submits that the IRP/RP as well as the Adjudicating Authority has not considered the claim of the appellant in right perspective and rejected the same only on the basis that the debt has not been found in the books of accounts of the Corporate Debtor and also on the score that it is not the sole expenses of CD. It is submitted with considerable force that keeping in view the provisions contained under Regulation 7 of the Insolvency and Bankruptcy Code for Corporate Persons Regulations of India 2016 (herein after referred to as CIRP Regulations 2016) provides that apart from the record which may be available with an information utility or in financial books of accounts, the RP/IRP was also obliged to look into the contract and invoices raised in this regard and therefore the claim of the appellant has been illegally negated in violation of the provisions of CIRP Regulations, 2016.

14. It is also submitted that RP, IRP as well as Learned Tribunal has failed to appreciate the clause 4 of the engagement letter dated 01.06.2016 and rejected the claim which was also reflecting in the bank account statement of the CD and also that in pursuance of the same 18 invoices have been raised on the Respondent and there was ample material available before the IRP/RP/Tribunal to have upheld the claim of the appellant.

15. It is also submitted that the IRP/RP as well as the Tribunal has materially erred in ignoring the e-mails sent by Mr Ravi Bhargav (an employee of the CD) duly confirming not only the receipt of invoices issued by the appellant but also acknowledged that the services as

enumerated in the engagement letter dated 01.06.2016 were provided by the appellant to the Respondent/CD.

16. It is further submitted that the books of accounts of the CD is not the only document by which an operational debt could be verified or proved. Though it may be one of the many documentary any evidence in order to collate the claim but could not be the only evidence of any claim, as a clever CD, in order to save the tax may conceal the transactions by not showing the invoices in his books of accounts, therefore the duty of the Tribunal as well as of the IRP and RP was to look into the other documentary Evidence provided by the appellants.

17. It is also submitted that if the CD has not shown the invoices issued by the appellants in its account's books the same may be for the purpose of avoiding tax liability and only on this score the otherwise genuine claim of the appellant may not be negated.

18. Learned Counsel for the appellant (in person) while drawing our attention towards Para 9.1.3 of the Memo of appeal has taken us through various pages of appeal paper book and highlighted various emails in order to highlight that apart from the consultancy services he has also provided these services (court litigation services). In nutshell Learned Counsel for the appellant submits that the Tribunal as well as the RP/IRP has committed material illegality in rejecting the claim of the appellant which has been duly proved before them.

Submission of Learned Counsel for the Respondent.

19. Learned Counsel for the Respondent submits that no illegality or to say any irregularity has been committed by the adjudicating

authority in passing the impugned order. It is submitted that after being appointed as the Interim Resolution Professional vide order dated 17.12.2019 he was entrusted with duty to collate the claims and under this obligation he has himself requested the appellant to put forth this claim.

20. It is further submitted that on the appellants filed his claim in stipulated form - B on 15 .06.2020 to the tune of Rs 1,08,45,000/- and which was also sent to the Respondent through e-mail on 27.08.2020 and after receiving of the claim he required certain documents from the appellant and thereafter held personal meeting with him and on his suggestion also had discussion within an employee of the CD, namely, Mr Ravi Bhargava wherein Mr Ravi Bhargava had confirmed for providing of legal services by the appellant to CD and that the the claim of only Rs 45,000/- has been verified, in absence of accepted bills/credit balance in the books of accounts of the CD. It is also submitted that in its 7th COC meeting held on 16.01.2021 the Resolution Plan submitted by M/s Ace Infrastructure Developers Pvt. Ltd. has been approved with a vote share of 100 per cent and an application bearing IA No. 655/2021 has been filed by the Respondent before the Adjudicating Authority for the approval of this Resolution Plan and the same is pending before the Adjudicating Authority.

21. It is vehemently submitted that Adjudicating Authority has rejected the IA filed by the appellant as there was no corresponding entry found in the Corporate Account of the Corporate Debtor with

regard to the claim of the appellant and the claim was also not with regard to the sole expenses of CD.

22. It is also highlighted that engagement letter relied on by the appellant was frivolous or fake as the seal has been fixed thereon showing limited liability partnership while admittedly on 01.06.2016 whereon the engagement letter is stated to have been issued the appellant was not an LLP.

23. It is also submitted that as per accounting policy, expenses have to be allocated in the group companies and the invoices which are being relied on by the appellant may not be attributed solely to the alleged services rendered only for the CD as the appellant has stated to be providing his services to many companies of the group and the claim submitted by the appellant has also not been acknowledged by the CD and it is evident that the invoices relied on by the appellant were never submitted to the CD.

24. It has been further argued that the bills and invoices raised by the appellant with regard to the other companies appears to have been adjusted towards allotment of some units in the projects of the group companies of the CD. Thus, even if the appellant had provided legal services to the Respondent or other companies of the group the amount which was allegedly due has already been adjusted by way of allotment of some units in the project of group companies of the CD. Thus, the claim of the appellant was vague, and not genuine.

25. It is also highlighted that the appellant being the IRP/RP is having power only to collate and verify the claim and is not in a position

to adjudicate on the same. In this regard, the provisions contained under section 18 of the IBC and Regulation 10, 12, 13 of Corporate Insolvency Resolution Process Regulations 2016, has been referred as well as the law laid down by the Hon'ble Supreme Court in Swiss Ribbons Pvt. Ltd. & others Vs. Union of India & others reported in year 2019, Supreme Court cases 379 is highlighted.

Rejoinder Submissions by the Appellant

26. Learned Counsel for the appellant (in person) while relying on the affidavit dated 24.09.2024 submits that by virtue of the engagement letter issued on 01.06.2016 the appellant was only providing Corporate Legal Consultancy Services alone, to the CD on fixed retainer ship fee of Rs, 6,00,000/- per month and the fee was being paid to him by the CD till March, 2018. and the '*court litigation services*' were paid/payable separately by the CD or the concerned group entity to which this service was being provided and the 18 invoices, on the basis of which the claim has been submitted were pertaining to the period from April, 2018 to September 2019 and since the providing of Consultancy Services has been admitted by the CD there was no justification of rejection of his claim.

27. It is also submitted that the appellant was also providing Court Litigation Services to Respondent/CD and also to the other group companies and have raised bills and invoices with regard to such court litigation Services on the relevant group entities, which had remained unpaid and the said fee has been adjusted/set off towards the

consideration of flats/inventories allotted to the appellant by such group entities.

Analysis and findings

28. Having heard Learned Counsel for the parties and having perused the record it is evident that the case of the appellant is to the tune that he had entered into an agreement with the CD for the purpose of supply of Corporate Legal Consultancy Services from 01.06.2016 through its proprietor Mr Tanveer Alam and at that point of time the firm was a proprietorship, on fixed monthly retainership fee of Rs. 6,00,000/- permonth and it was thereafter on 06.09.2016 the appellant was transformed into a LLP. It has been specifically stated in para no. 7.1 of the appeal memo that CD, 3C Universal Developers Pvt. Ltd. was the flagship company of 3C Company/3C group and all sales, marketing, development and Construction works of all the projects of the group companies were undertaken by the CD who used to engage the services of all services providers and make payment directly from its account to all such vendors/suppliers/service providers. It is further the case of the appellant that the engagement letter dated 01.06.2016 provides that the bills may be raised in the name of LLP, proprietor or individual. It is also claimed by the appellant that this engagement letter specifically provides that the fee agreed therein would not include the fee payable towards the Court Litigation Services or the drafting of replies to the legal notices provided to the appellant by the Respondent CD or group companies.

29. The engagement letter allegedly issued by the Corporate Debtor has been placed at Page No. 41 of the Appeal Paper book and for convenience relevant clauses of this engagement letter i.e. Clause 2, 3 and 4 are being reproduced as under:

“2. That during your assignment, you shall be required to perform your duties as per detailed attached as Annexure-I. Notwithstanding anything contained to the contrary to the contrary under Annexure-1, any court litigation services, reply to legal notices, if assigned to you, shall be additional on chargeable basis by you for which the necessary fees shall be fixed and payable by us extra as mutually agreed.

3. During the period, you shall provide Legal Consultancy and allied services to the Company/Group in accordance with the scope and terms & conditions. The Legal Consultancy and allied services shall include all such acts, things and deeds which are reasonably necessary and/or are incidental to proper function, performance and existence of a Legal Department which is usual and customary to the Legal Department of any Company effectively and properly.

4. That your fixed monthly fee shall be Rs. 6,00,000/- (Rupees Six Lakhs only) which is subject to deduction of necessary TDS (Tax Deduction at source), however, exclusive of Service Tax as applicable from time to time. You are required to raise the bill for your consultancy fees in 1st week of every English calendar month and the same shall be cleared/paid by us within 07 days of receipt of the same. The bill should early indicate your PAN. You may raise your bill in the name of LLP, Proprietorship or individual name.”

30. Perusal of these clauses would reveal that the engagement of the appellant was made to provide legal consultancy not only to the CD but to all companies of the group. One more significant feature of this engagement letter was that no time period has been provided therein. Thus, there was no specific period of engagement. The engagement letter also contains an arbitration clause which provides that any

dispute which may emerge between the parties would be referred to an arbitrator. Annexure 1 to this engagement letter contains the duties which appellant was required to discharge. One more significant fact required to be mentioned is that the opening part of this engagement letter reveals that the engagement of the appellant was for the CD and also for the other companies of the group and it is with regard to such services/duties discharged by the appellant enumerated in Annexure 1 of the engagement letter, he was authorized to raised bills/invoices.

31. Perusal of Annexure 1 to the engagement letter would also reveal that instead of company, purposely the word or "organization" has been used. Thus, it is conspicuous from the engagement letter dated 01.06.2016 that the appellant was allegedly engaged to provide duties/services as contained in Annexure 1, to the CD as well as to other companies of the group.

32. It is admitted to the parties that on an information sent by the IRP the claim to the tune of Rs. 1,08,45000/- was submitted by the appellant out of which claim of only Rs. 45000/- has been collated/verified by the RP.

33. It is also revealed that contention of the appellant is that apart from providing consultancy services to the Respondent CD, he was providing litigation services to the respondent and its group companies for which it had raised separate bills and invoices, for each cases dealt by it on that entity.

34. It is also admitted to the appellant that claim to the RP was filed for the period from April 2018 to September 2019 @ Rs 6 Lakhs per month for consultancy services, alone. Thus, the claim appears to have been filed for the consultancy services provided to the CD and other companies of the group. The grounds on which claim of the appellant has not been verified by the IRP and also rejected by the Adjudicating Authority are (i) The appellate LLP was formed and came in existence on 06.09.2016 whereas the engagement letter issued by the Respondent is of date 01.06.2016 where on the appellant has been mentioned with the name of LLP and this casts a shadow of doubt on this document (ii) That the claim of the appellant could not be verified from the books of accounts of the CD.

35. The appellant in his appeal has stated that the Adjudicating Authority has mistook the seal of the LLP on the engagement letter dated 01.06.2016, which was affixed on the copy of this document only for self attestation of this document for the purpose of filing before the NCLT and on original engagement letter no such seal is affixed. It was also highlighted that he had shown his willingness before the NCLT to show the original document to the NCLT and in appeal paper books also the copy of the engagement letter has been filed and perusal of this document reveals that no seal of LLP is affixed on it. In view of above, we do not find much force in this ground which has been chosen by the IRP to reject the claim of the appellant.

36. Coming to the second ground on which the claim of the appellant has been rejected i.e. the claim of the appellant could not be

verified from books of accounts the CD and only that amount which was reflected in the account books of the CD i.e. Rs. 45000/- has been collated. It is to be recorded that the appellant's stand is that account books of the CD are not the only source for verification of the claims and the claims may be verified by other means also, mentioned in Regulation 7 of the CIRP Regulations 2016.

Regulation 7 of the CIRP, Regulation 2016 is relevant is reproduced as under.

“Regulation 7: Claims by operational creditors.

7. (1) A person claiming to be an operational creditor, other than workman or employee of the corporate debtor, shall 1[submit claim with proof] to the interim resolution professional in person, by post or by electronic means in Form B of the 2[Schedule-I]:

Provided that such person may submit supplementary documents or clarifications in support of the claim before the constitution of the committee.

(2) The existence of debt due to the operational creditor under this Regulation may be proved on the basis of-
(a) the records available with an information utility, if any; or

(b) other relevant documents, including –

(i) a contract for the supply of goods and services with corporate debtor;

(ii) an invoice demanding payment for the goods and services supplied to the corporate debtor;

(iii) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; or

(iv) financial accounts.

(v) copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable:

Provided that provisions of this sub-clause shall not apply to those creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax.]

37. At this juncture, Section 18 of the IBC and Regulation 10,12, 13 of the CIRP Regulation 2016 are also relevant and for the sake of convenience are reproduced as under.

Section 18: Duties of interim resolution professional.

18. The interim resolution professional shall perform the following duties^{J1}, namely: — (a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to—

- (i) business operations for the previous two years;*
- (ii) financial and operational payments for the previous two years;*
- (iii) list of assets and liabilities as on the initiation date; and*
- (iv) such other matters as may be specified;*
- (b) receive and collate all the claims^{J2} submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;*
- (c) constitute a committee of creditors;*
- (d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;*
- (e) file information collected with the information utility, if necessary; and*
- (f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including—*
 - (i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;*
 - (ii) assets that may or may not be in possession of the corporate debtor;*
 - (iii) tangible assets, whether movable or immovable;*
 - (iv) intangible assets including intellectual property;*
 - (v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;*
 - (vi) assets subject to the determination of ownership by a court or authority;*
 - (g) to perform such other duties as may be specified by the Board. Explanation. —For the purposes of this 1*

[section], the term “assets” shall not include the following, namely: —

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

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

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

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.

11. Cost of proof.

A creditor shall bear the cost of proving the debt due to such creditor.

12. Submission of proof of claims.

(1) Subject to sub-regulation (2), a creditor shall submit 21[claim with proof] on or before the last date mentioned in the public announcement.

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

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

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

38. From the provisions mention above it is evident that it is the duty of the IRP to collect all the information as described under Section 18 of the IBC pertaining to the CD and thereafter substantiate the claims submitted by the creditors by asking them to submit evidence or clarification as he deems fit and thereafter to proceed with the verification of the claim. It is also clear that the IRP is only having a duty to collect and verify the claim and on verification may admit it,

however, no power of adjudication with regard to the same has been conferred on him which could only be exercised by the NCLT.

39. Coming back to the facts of the instant case, as stated earlier the other ground of rejection of claim of the appellant is that the same could not be verified from the account books of accounts of the CD. No doubt the contention of the Learned Counsel for the appellant is correct to this extent that under Regulation 7 of the CIRP Regulations of 2016, the financial Accounts are not the only source to prove existence of such claim but it could not be denied that the existence of entries in the books of accounts of the CD with regard to such claim of the appellant is the prima facie proof of such claim or debt and if this is not available, the other sources mentioned under Regulation 7 (2) of the CIRP Regulation, 2016 may certainly be considered but with extreme care and caution.

40. In the instant case, appellant has relied on the engagement letter dated 01.06.2016 and certain other documentary evidences which prima facie shows that the appellant was engaged by the CD to provide consultancy services not only to the CD but also to other companies of the group. IRP/sole Respondent in its Reply specifically in Para No. 35, has stated that the claim of the appellant has also been rejected on the score that as per accounting policy expenses have to be allocated in group companies and the claim raised by the appellant is not the sole expenses of the CD and in this regard no evidence has been furnished. The IRP has also stated that at the same time the CD has engaged other legal counsels who appeared in some other cases of it.

41. We find force in the submission of Ld. Counsel for the Respondent for the reason that for the verification of the claim the same is required to be specific and not vague. It is an admitted case of the appellant that he was engaged in providing consultancy services not only to the CD but also to the other companies of the group and therefore, it could not be accepted that payment of Rs. 6,00,000/- per month was only for the consultancy services rendered by the appellant to the CD alone, as according to the engagement letter dated 01.06.2016 the appellant was required to provide consultancy services to all the companies of the group. Thus, in absence of accepted bills, credit balance and invoices in the record of the CD or in the corporate books of account of the CD, in our considered opinion it was not possible for the IRP to verify the claim of the appellant.

42. It is to be recalled that Respondent in paragraph 27 of its reply has specifically stated that it is in the knowledge of the appellant that the alleged bills/invoices were also adjusted towards allotment of units in the projects of the group companies of the CD and considering this we have asked the appellant to file an affidavit in order to clear the air. The affidavit as desired by us was filed by the appellant on 24.09.2024, and paragraph no. 8, 9 and 10 of the same are relevant and reproduced as under:

“8. That the Deponent state that while the Appellant, Juristica Legal Services LLP continued to provide the services to the Respondent, Corporate Debtor as reflected from the hundreds of emails filed by the Appellant, Juristica Legal Services LLP in Volume II and Volume III of the Appeal Paper Book and also acknowledged by

the Respondent, Corporate Debtor in Para 24 of their Reply filed before the Hon'ble NCLT and in Para 25 of their Reply (at Page 109 of the Appeal Paper Book) filed before this Hon'ble Appellate Tribunal, however, the Respondent, Corporate Debtor, neither booked these Invoices in their books, nor made any payment to the Appellant, Juristica Legal Services LLP.

9. That the Deponent state that in addition to the "Corporate Legal Consultancy Services", the Appellant, Juristica Legal Services LLP has also provided "Court Litigation Services" to the Respondent, Corporate Debtor and also to the other group companies of the Respondent, Corporate Debtor and raised bills / invoices of such Court Litigation Services on the relevant group entities which unpaid amounts has been adjusted/set-off towards the consideration of the Flats/Inventories allotted to the Appellant, Juristica Legal Services LLP, by such group entities.

10. That the Deponent state that the 18 Invoices raised against the Respondent, Corporate Debtor which is subject matter of admission of claim under the instant Appeal is towards the "fixed Corporate Legal Consultancy Services" and not towards the "Court Litigation Services" which was separately payable and billed by the Appellant, Juristica Legal Services LLP".

(Emphasis Supplied)

43. It appears to be admitted to the appellant that in addition to the consultancy services provided to the appellant and other Corporate Debtors of the group, he has also provided Court Litigation Services to the Respondent CD and also to its other group companies and have also raised bills, invoices of such Court Litigation Services on the relevant group entities, which remains unpaid and the amount of these invoices/bills have been adjusted/set off towards the consideration of flats/inventories allotted to the appellant by such group entities and the amount of 18 invoices drawn on CD for providing consultancy services has not been claimed by the appellant from any of the group

company and nor has been adjusted/set off towards the consideration of the flats/inventories, allotted to the appellant. It may be noted that no documentary evidence has been enclosed with the affidavit filed by the appellant which may reflect that allotment of flats and inventories, as admitted by the appellant, has been made by which entity and in discharge of which bill/invoice or duty or service rendered. Absolutely no details and particulars of such allotted inventories or flats have been given by the appellant in this affidavit. Thus, there is no evidence before us or was available before the Tribunal whereby a considered decision may be made with regard to the fact as to whether the flats and inventories allotted to the appellant was in lieu of the services, other than the services mentioned in the engagement letter of date 01.06.2016. In view these facts and circumstances, in our considered opinion, non-providing of necessary particulars and details by the appellant, with regard to the allotment of such flats and inventories by the group companies of the CD to the appellant, throws a cloud of suspicion over the contention of the appellant that these flats and inventories were allotted to it by the group companies of the CD with regard to the other litigation services provided to them.

44. It is also transpired from the record that it was the IRP who had informed the appellant to submit its claim as he (IRP) has found certain evidence in the account books of the corporate debtor pertaining to the providing of legal services to it by the appellant and it is the case of the Respondent that the claim only to the tune of Rs. 45,000/- has been collated and verified.

45. One of the submission which has been raised by Ld. Counsel for the Respondent is that the claim of the appellant is doubtful, as no effort has been made by the appellant to recover its dues from the Corporate Debtor and even no notice etc. has been sent to the CD for the purpose of realising its dues. We also find substance in it, for the reason that when the retainer ship fee of the appellant was due on the CD of many months, the natural corollary is that he should have demanded the same either by writing any email or letter etc. Non-demand of such dues also put the claim of the appellant in the category of doubtful claim, more so in absence of commensurate material in the books of accounts of CD.

46. Keeping in view all the facts and circumstances of this case and specifically that the claim of the appellant has not been verified from the books of accounts of CD coupled with the admitted fact of receipt of flats and inventories by the appellant in adjustment/discharge of bills/invoices from other group entities, which have been claimed by the appellant to have been provided in lieu of providing litigation services to other group companies of the CD and which have been seriously disputed by the Respondent and also in view that no details of such flats and inventories have been provided by the appellant in its affidavit filed before us and the fact of not raising any demand by the appellant with the CD at any point of time, leave us at a point where we are not inclined to interfere either in the decision taken by the IRP or in the impugned order passed by the Tribunal.

47. In our considered opinion, the duty of the IRP was to collate the claims carefully and diligently and in this regard due and sincere efforts appears to have been made by the IRP, at first by informing the appellant pertaining to the facts found in the record of the CD, and thereafter by holding many meetings with the appellant as well as with an employee of the CD, suggested by the appellant in order to verify the claim put forth by appellant and thus requisite care and caution appears to have been taken by the IRP in collating and verifying the claim.

48. Thus, for the reasons mentioned herein before the appeal lacks force and fails and is **dismissed** as such. There would however be no order as to the costs.

49. The pending IA's if any shall also stand closed.

[Justice Rakesh Kumar Jain]
Member (Judicial)

[Justice Mohd. Faiz Alam Khan]
Member (Judicial)

[Naresh Salecha]
Member (Technical)

New Delhi.
20.08.2025.
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