

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

**Company Appeal (AT) (Insolvency) No. 1734 of 2025**

**[Arising out of the Impugned Order dated 23.09.2025 passed by the Adjudicating Authority, National Company Law Tribunal, New Delhi Bench-IV in I.A. No. 3020/2022 in C.P. (IB) No. 983 (ND)/2020]**

**In the matter of:**

**Mr. Surender Modi**

S/o Late Jeevraj Modi,  
R/o House No. D-20, South Extension Part-2,  
South Delhi – 1100490

...Appellant

**Versus**

**1. Mr. Ashish Singh**

Resolution professional of  
Vibrant Buildwell Private Limited,  
r/o Flat No. 901, Tower-A,  
Cleo County, Sector-121, Noida,  
Uttar Pradesh-201301

.... Respondent No.1

**2. Bishwanath Traders and Investment Ltd.**

through Mr. Kumal Jee Mishra  
r/o Ground Floor, 3796,  
Chawri Bazaar, Delhi-110006

.... Respondent No.2

**3. Committee of Creditors of  
Vibrant Buildwell Private Limited,**

at 22, Siri Fort Road, New Delhi-110049

.... Respondent No.3

**Present:**

For Appellant : Mr. Anirban Bhattacharya and Mr. Rajeev Choudhary,  
Advocates.

For Respondent : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Sumant Batra,  
Mr. Abhishek Parmar, Mr. Sarthak Bhandari and Ms. Riya  
Kaur Arora, Advocates for R-1.

Mr. Krishnendu Dutta, Sr. Advocate with Mr. Saurabh  
Kalia, Mr. Ateendra Saumya Singh and Mr. Anand Mishra,  
Advocates for R-2/SRA.

**WITH**  
**Company Appeal (AT) (Insolvency) No. 1735 of 2025**

**[Arising out of the Impugned Order dated 23.09.2025 passed by the Adjudicating Authority, National Company Law Tribunal, New Delhi Bench-IV in I.A. No. 1950/2023 in C.P. (IB) No. 983 (ND)/2020]**

**In the matter of:**

**Primex Estates Private Limited**

Having its Registered Office at  
22- Basement, Siri Fort Road,  
New Delhi-110049  
through its authorised representative  
Mr. Atul Modi

...Appellant

**Versus**

**1. Mr. Ashish Singh**

Resolution professional of  
Vibrant Buildwell Private Limited,  
r/o Flat No. 901, Tower-A,  
Cleo County, Sector-121, Noida,  
Uttar Pradesh-201301

.... Respondent no.1

**2. Bishwanath Traders and Investment Ltd.**

through Mr. Kumal Jee Mishra  
r/o Ground Floor, 3796,  
Chawri Bazaar, Delhi-10006

.... Respondent no.2

**3. Committee of Creditors of  
Vibrant Buildwell Private Limited,**

at 22, Siri Fort Road, New Delhi-110049

.... Respondent No.3

**Present:**

For Appellant : Mr. Anirban Bhattacharya and Mr. Rajeev Choudhary,  
Advocates.

For Respondent : Mr. Sumant Batra, Mr. Abhishek Parmar, Mr. Sarthak  
Bhandari and Ms. Riya Kaur Arora, Advocates for R-1.

Mr. Krishnendu Dutta, Sr. Advocate with Mr. Saurabh  
Kalia, Mr. Ateendra Saumya Singh and Mr. Anand Mishra,  
Advocates for R-2/SRA.

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

**Per: Barun Mitra, Member (Technical)**

The present set of two appeals filed under Section 61 of Insolvency and Bankruptcy Code 2016 ('IBC' in short) by the Appellants arises out of two separate Orders dated 23.09.2025 (hereinafter referred to as '**Impugned Orders**') passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi Bench-IV) in I.A. Nos. 3020 of 2022 and 1950 of 2023 in C.P. (IB) No. 983 (ND)/2020. By the impugned orders, the Adjudicating Authority has dismissed both I.A. Nos. 3020 of 2022 and 1950 of 2023 and rejected the claims of the Appellants in the Corporate Insolvency Resolution Proceedings of the Corporate Debtor. Aggrieved by the impugned orders, the present appeals have been preferred by both the Appellants.

**2.** For a better appreciation of the matter at hand, it would be useful to capture the genesis of the case in both the Appeals separately. It is proposed to deal with the facts and issues involved in I.A. No. 3020 of 2022 in the first place to return our findings thereon. Depending on the commonality of the facts and issues at hand with I.A. No. 1950 of 2023 we propose to apply the findings to the extent applicable in the second Appeal.

**CA(AT)(Ins) No. 1734 of 2025**

**3.** For a better appreciation of the matter at hand, it would be useful to capture the genesis of the case. The Corporate Debtor-Vibrant Buildwell Pvt. Ltd. was admitted into CIRP on 22.02.2022 following which the Resolution

Professional (“**RP**” in short) invited claims from the creditors of the Corporate Debtor by way of public announcement made on 24.02.2022. The Appellant submitted a claim of Rs 1,09,33,020/- on 27.05.2022 which claim of the Appellant was rejected by the RP-Respondent No.1 on 06.06.2022. Following the rejection of their claim, the Appellant filed IA No. 3020 of 2022 on 07.06.2022 before the Adjudicating Authority seeking directions to the RP to admit their claim; make the Appellant a part of the CoC and stay further meetings of the CoC till disposal of IA No. 3020 of 2022 and to pass any other order as maybe deemed fit and proper. While the IA No. 3020 of 2022 was pending adjudication, in the meantime, the RP on 29.10.2022 had filed IA No. 5458 of 2022 for approval of the resolution plan. On 24.01.2024, the Adjudicating Authority dismissed the plan approval application vide IA No. 5458 of 2022 which order was challenged before this Tribunal. On 25.10.2024, this Tribunal turned down the above order of the Adjudicating Authority and approved the resolution plan of the Corporate Debtor and directed the Adjudicating Authority to issue consequential orders. This order of this Tribunal was challenged before the Hon’ble Supreme Court. On 20.12.2024, the Hon’ble Supreme Court of India directed that IA No. 3020 of 2022 be decided by the Adjudicating Authority in accordance with law before the consequential orders are passed by the Adjudicating Authority in terms of the orders of this Tribunal dated 25.10.2024. The Adjudicating Authority dismissed IA No. 3020 of 2022 on 23.09.2025 and subsequently passed the consequential order approving the resolution plan on 04.11.2025. Aggrieved by the impugned order dismissing IA No. 3020 of 2022, the same has now been challenged by the Appellant.

4. Making his submissions, Shri Anirban Bhattacharya, Ld. Counsel for the Appellant contended that the Appellant had filed their claim with the RP on 27.05.2022. The Adjudicating Authority by rejecting the claim of the Appellant on 06.06.2022 had denied them the benefit of the exclusion of limitation period from 15.03.2020 to 28.02.2022 in terms of the orders of the Hon'ble Supreme Court in Suo Motu Writ Petition (Civil) No. 3 of 2020. Assertion was also made that the Adjudicating Authority had wrongly held that the Appellant was required to file a condonation of delay prayer for admission of their claim. Relying on the judgment of the Hon'ble Supreme Court of India in **Sesh Nath Singh Vs Baidyabati Sheoraphuli Coop. Bank Ltd. (2021) 7 SCC 313**, it was contended that when there was no delay in filing the claim on account of exclusion of limitation period from 15.03.2020 till 28.02.2022, the purported delay could have been condoned by the Adjudicating Authority even in the absence of a formal prayer seeking such relief. Hence the dismissal of I.A. No.3020 of 2022 on the grounds that admission of such a belated claim when CIRP is at an advanced stage would undermine the time-bound objectives of the IBC was misconceived. It was also submitted that the Adjudicating Authority was not required to conduct substantive adjudication on merits at the stage of delay condonation. Assertion was also made that the Adjudicating Authority had erroneously rejected the claim of the Appellant of Rs 5,10,000/- arising out of a Loan Agreement which amount clearly figured in the balance sheet of FY 2016-2017 of the Corporate Debtor under the head of 'Other Long-Term Liabilities' which therefore reinforces the existence of financial debt. It was asserted that the Adjudicating Authority had over-reached its summary jurisdiction by

adjudicating on the validity of the loan agreement which fell in the domain of a Civil Court. The Appellant had a right to payment under the Loan agreement and that constituted sufficient basis for filing a claim. The Appellant also hotly contested the adjudication on the validity and enforceability of the Loan agreement by the Adjudicating Authority as this required elaborate examination of evidence which was clearly beyond the scope of the Adjudicating Authority in view of its summary jurisdiction. In support of their contention reliance was placed on the judgment of this Tribunal in ***Tulip Hotel Pvt. Ltd. Vs J.C. Flowers Asset Reconstructions Pvt. Ltd. in CA(AT)(Ins) No. 1146 of 2023.***

5. Refuting the contentions made by the Appellant, Shri Sumant Batra, Ld. Counsel making submissions on behalf of the Respondent No.1-RP, submitted that the Loan Agreement based on which the claims were filed was full of gaping holes as it was bereft of any repayment schedule and silent on how default was to be calculated. The Loan agreement was made on Stamp Paper which was not obtained from authorised or verifiable sources also makes the Loan Agreement document doubtful. Further, there was no authorisation from the Corporate Debtor for any signatory on their behalf. Contending that the genuineness of the Loan Agreement was itself questionable, the claims filed on the basis of such an agreement was untenable. The Loan agreement was unilaterally executed between the Appellant and his brother showed their malafide intention to suit their nefarious designs. All this had cast a shadow of doubt on the authenticity and bonafide of the loan agreement. It was strenuously asserted that the claims were also unfounded as the balance sheet of the Corporate Debtor did not reflect any financial liability or loan obligation. There was no material on record to show

that any notice or any demand was ever raised for repayment of the purported loan nor for any interest thereon. The claim was thus not a bonafide financial claim. Further the Appellant had filed claim on 27.05.2022 which was clearly beyond the last date specified for submission of claim in terms of the public announcement made for this purpose. Contending that springing up of such surprise claims before the SRA is not permissible, attention was also adverted to the judgement of the Hon'ble Supreme Court in ***Ghanshyam Mishra & Sons Pvt. Ltd. Vs Edelweiss Asset Reconstruction Company Ltd. 2021 SCC Online SC 313*** to emphasise the "clean slate principle" enunciated therein. It was also asserted that the Appellant had filed IA No. 3020 of 2022 under Section 60(5) of the IBC read with Rule 11 of the NCLT Rules. Hence, the Adjudicating Authority in the exercise of its inherent powers to meet the ends of justice had rightly adjudicated on the IA No. 3020 of 2022 not only from the aspect of delay but also from the point of view of merit. In support of their contention that the Adjudicating Authority can make any such order as may be necessary for meeting the ends of justice or to prevent the abuse of process, reliance has been placed on the judgment of this Tribunal in ***NUI Pulp and Paper Industries Pvt. Ltd. Vs M/s Roxcel Trading GMBH in CA(AT)(Ins) No. 664 of 2019.***

6. Echoing similar contentions as made by the RP, Shri Krishnendu Dutta, Ld. Sr. Counsel for SRA-Respondent No.2 submitted that the Loan agreement basis which claim has been filed by the Appellant before the Respondent No.1-RP was a forged and fabricated document and its authenticity and genuineness are disputed. It was vehemently contended that the claim filed by the Appellant was done with a malafide intent and was the outcome of collusion between the

two brothers who are ex-Directors of the suspended management. It was also contended that the sum of Rs 5,10,000/- purportedly given by the Appellant was not a loan as has been claimed by the Appellant while filing its claim in Form-C. It was pointed out that perusal of the Loan Agreement terms read alongwith the audited balance sheet of the Corporate Debtor also showed that the aforesaid amount was not in the nature of a loan. Not only was the amount of Rs 5.10 lakh never treated or acknowledged as a loan in the books of the Corporate Debtor, but this amount was never ever demanded by the Appellant from the Corporate Debtor during the last 15 years since the amount was advanced. The inordinate and unexplained delay in raising the demand until the Corporate Debtor got admitted into rigours of CIRP shows that it was an afterthought thus casting doubts on the legitimacy and bonafide of the alleged transaction. Submission is also pressed by the SRA that the plan submitted by them had already attained finality with the Adjudicating Authority having already passed consequential orders in relation to the approval and implementation of the resolution plan in terms of Section 31(1) of the IBC. Once the resolution plan was approved by the Adjudicating Authority, the claims stood frozen in terms of the resolution plan and became binding on all concerned. Further, in terms of the judgment of the Hon'ble Supreme Court in ***Ghanshyam Mishra judgment supra***, it is well settled that on the date of approval of the plan by the Adjudicating Authority, all claims which do not form part of the resolution plan stand extinguished and no person is entitled to initiate or continue any proceedings in respect of a claim which is not part of the plan.

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

8. It is the case of the Appellant that the Adjudicating Authority had erroneously rejected their claim by treating them as delayed. It was submitted that they had filed their claim with the RP on 27.05.2022 which was rejected by the Adjudicating Authority on 06.06.2022 while denying them the benefit of the exclusion of limitation period in terms of the orders of the Hon'ble Supreme Court in *Suo Motu Writ Petition (Civil) No. 3 of 2020* (hereinafter referred to as 'Suo Moto order'). It was emphatically asserted that the Adjudicating Authority in two separate applications vide IA Nos. 2768 and 2769 on identical facts and issues had allowed the claims filed by other financial creditors of the Corporate Debtor by relying on the judgment of the Hon'ble Supreme Court of India in the *Suo Moto order*.

9. We find credence in the argument canvassed by the Appellant in the light of Para (III) of the *Suo Moto order* of 10.01.2022 which is as reproduced below:

*"In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply."*

*(Emphasis supplied)*

If this exclusion is taken into cognisance, then there was no delay in filing the claims as the RP had invited the claims with effect from 24.02.2022 which date fell within the period 15.03.2020 to 28.02.2022 and therefore was entitled to the benefit of Para (III) of the *Suo Moto order* of 10.01.2022 to enjoy limitation period

of 90 days from 01.03.2022. Unlike what has been held by the Adjudicating Authority in para 18 of the impugned order, we are inclined to agree with the Appellant that it was not required of them to file any prayer for condonation of delay justifying the reasons as there was no delay in filing the claim on account of exclusion of limitation period in terms of the Suo Moto order of 10.01.2022.

**10.** However, where we disagree with the Appellant is on the argument canvassed by the Appellant that the Adjudicating Authority while considering the IA No.3020 of 2022 should have confined themselves to the issue of limitation and not entered into the merits of the matter. This is clearly a self-contradictory stand taken by the Appellant when we look at the prayers made by them in IA No.3020 of 2022. We find that the prayer at Sl no.(iii) made by the Appellant in IA No.3020 of 2022, which prayer is captured at para 1 of the impugned order, urged the Adjudicating Authority to pass any other orders which it “*may deem fit and proper in the facts and circumstances of the present case.*” Thus, when the Appellant having themselves expressly urged the Adjudicating Authority to pass any other order in view of the facts and circumstances of the case, it did not preclude the Adjudicating Authority from examining the whole matter holistically both in terms of limitation and merit.

**11.** It is the case of the Appellant that the Adjudicating Authority had rejected their claim by erroneously holding that the Loan Agreement is not valid on account of lack of proper stamping. Any adjudication on the validity and enforceability of the Loan Agreement would entail leading of evidence and elaborate examination of evidence which is beyond the scope of the Adjudicating Authority and fell in the domain of a Civil Court. In the present case, by

adjudicating on the legality and validity of the Loan Agreement, there was a clear over-reach by the Adjudicating Authority of its summary jurisdiction. Reliance has been placed on the judgment of this Tribunal in ***Tulip Hotel Pvt. Ltd. Vs J.C. Flowers Asset Reconstructions Pvt. Ltd. in CA(AT)(Ins) No. 1146 of 2023*** to assert that the jurisdiction of the Adjudicating Authority does not embrace deciding on the tenability of contractual agreements. Further, the Adjudicating Authority had wrongly raised doubts on the enforceability of the loan agreement merely on the ground of absence of any authorisation or board resolution while failing to appreciate that such documents could not be expected to be produced by the Appellant at a time when the RP was himself in control of the management of the Corporate Debtor and had access to all documentation of the Corporate Debtor.

**12.** Rebutting the arguments of the Appellant, it was vehemently contended by both the Respondents that the genuineness of the Loan Agreement was doubtful since the stamp paper was not valid as it was not supported by the stamp of a licensed vendor. The stamp paper was also devoid of any serial number or date of purchase and did not indicate the State of origin. Moreover, the Loan Agreement was unilaterally executed between the Appellant and his brother without any formal authorisation by the Corporate Debtor which buttressed the fact that the Loan Agreement was executed as an afterthought with malafide intention to suit their nefarious designs. In these circumstances, there was nothing unreasonable or improper on the part of the Adjudicating Authority to have exercised its inherent powers in examining the Loan Agreement to secure the ends of justice and in support of their contention, reliance has been

placed on the judgment of this Tribunal in ***NUI Pulp and Paper Industries Pvt. Ltd. Vs M/s Roxcel Trading GMBH in CA(AT)(Ins) No. 664 of 2019.***

**13.** Coming to our findings, we must start with the prefatory remarks that we have no quarrel with the proposition laid down in the ***Tulip Hotel judgment supra*** that disputes involving fraud and forgery in respect of contractual documents cannot be adjudicated upon by the Adjudicating Authority in view of the summary nature of jurisdiction conferred on it. Be that as it may, we cannot disregard the fact that the statutory construct of IBC enjoins upon the IRP/RP the duty to verify every claim which has been submitted by creditors while collating claims. Regulation 12 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the “**Regulations**”) provides that a creditor is required to submit his claim with proof. The RP is entitled under Regulation 10 to call for such other evidence or clarification for substantiation of claims and under Regulation 13 to verify the claims with supporting documents to determine their authenticity and accuracy. Given that the IBC enjoins upon the IRP/RP to verify claims submitted by creditors, we are of the considered view that there was nothing abnormal or unusual on the part of the Adjudicating Authority to have undertaken to satisfy itself on the genuineness of the Loan Agreement basis which the claims were filed by the Appellant.

**14.** Having arrived at our view that the Adjudicating Authority was well within its rights to peruse the supporting documents basis which claim was filed by the Appellant, we now proceed to examine how the Adjudicating Authority has adjudicated on the tenability aspect of the claims filed by the Appellant arising

out of the Loan Agreement. When we look at para 14 of the impugned order, we find that the Adjudicating Authority has held that the claim filed by the Appellant was based on a Loan Agreement which was fundamentally flawed and that the absence of vendor stamps, serial numbers and date of purchase undermined its validity. It had also noticed that the alleged agreement was executed solely by two brothers, both of whom served as directors of the Corporate Debtor and that the Loan Agreement was devoid of any formal authorization by way of board resolution thus undermining its enforceability.

**15.** When we undertake a cursory glance at the Loan Agreement, placed at page 89 of the Appeal Paper Book, we concur in the findings of the Adjudicating Authority that the stamp paper on which the Loan agreement was executed does not carry the stamp of the licensed vendor, serial number and date of purchase. Clearly, therefore, the Stamp Paper was not obtained from regular, identifiable, authorised or verifiable sources. Further, no material has been placed on record to show that there was any formal authorisation from the Corporate Debtor by way of Board Resolution for execution of the Loan Agreement for any signatory to execute the Loan Agreement on their behalf. The Corporate Debtor had also allegedly not submitted the original Loan Agreement with the RP. All these factors, seen cumulatively, casts a shadow of doubt on the authenticity and bonafide of the Loan Agreement. Hence, we are inclined to agree with the Respondents that there existed substantial and compelling grounds for the Adjudicating Authority to have exercised its inherent powers bestowed under Rule 11 of the NCLT Rules to look into the authenticity of the Loan Agreement as denoted at para 13 of the impugned order.

**16.** This brings us to the submission made by both Respondents that the sum of Rs 5,10,000/- purportedly given by the Appellant was not a loan. It was pointed out that the Adjudicating Authority had rightly noticed that perusal of the Loan Agreement when read alongwith the audited balance sheet of the Corporate Debtor establishes that the aforesaid amount was not in the nature of a loan. Hence the transaction was not in the nature of a financial debt and could not have been claimed in Form-C. The audited balance sheet of the Corporate Debtor also classifies the amount claimed by the Appellant under the head of 'Other Advances' and does not denote any financial liability or loan obligation. Moreover, there being no record of TDS deduction reflected in the financial records in respect of the Corporate Debtor, there is no provision of interest. Not only was the amount of Rs 5.10 lakh never treated or acknowledged as a loan in the books of the Corporate Debtor, but this amount was never ever demanded by the Appellant from the Corporate Debtor during the last 15 years since the time the amount was advanced.

**17.** It may be useful at this stage to have a look at the balance sheet of the Corporate Debtor for FY 2016-17 which appears at page 104 of the Appeal Paper Book and is reproduced below:

*Vibrant Buildwell Private Limited*  
*Notes Forming Part of Balance Sheet as at 31st March, 2017*

**Note '3' Long Term Borrowings**

<i>Particulars</i>	<i>As at</i>	<i>As at</i>
	<i>31st March 2017</i>	<i>31st March 2016</i>
	<i>Rs.</i>	<i>Rs.</i>
<b>Unsecured</b>		
<b>Loans From Related Parties</b>		
<i>Raj Associates</i>	<i>1,734,646.00</i>	<i>1,099,660.00</i>

<i>Dilwara Leasing and Investment Limited</i>	<i>176,241,966.00</i>	<i>154,311,932.00</i>
<i>Total</i>	<i>177,976,612.00</i>	<i>155,411,592.00</i>

**Note '4' Other Long Term Liabilities**

<i>Particulars</i>	<i>As at</i>	<i>As at</i>
	<i>31st March 2017</i>	<i>31st March 2016</i>
	<i>Rs.</i>	<i>Rs.</i>
<b><u>Advances Against Registration Charges</u></b>		
<i>Arti Mehta</i>	-	<i>291,008.00</i>
<i>Gopal Krishna Gupta</i>	-	<i>291,008.00</i>
<b><u>Other Advances</u></b>		
<i>Primex Estate Private Limited</i>	<i>3,095,000.00</i>	<i>3,095,000.00</i>
<i>J. R. Modi Associates Limited</i>	<i>400,000.00</i>	<i>400,000.00</i>
<i>Surender Modi</i>	<i>510,000.00</i>	<i>510,000.00</i>
<i>Lalit Modi</i>	<i>4,850,000.00</i>	<i>4,850,000.00</i>
<i>ERA Constructions Pvt. Ltd.</i>	<i>500,000.00</i>	<i>500,000.00</i>
<i>DSL Properties Private Limited</i>	<i>28,186,053.00</i>	<i>28,186,053.00</i>
<i>Total</i>	<i>37,541,053.00</i>	<i>38,123,069.00</i>

18. Coming to our findings, when we look at the above audited financial statement for FY 2016-2017 of the Corporate Debtor, we find that the Notes forming part of the balance sheet of the Corporate Debtor as on 31.03.2017 provides separate categories for “Long Term Borrowings” under Note 3 and “Other Long Term Liabilities” under Note 4. It is also clear therefrom that Rs 5,10,000/- appearing against the name of Surender Modi appears in the head of ‘Other Advances’ rather than as an unsecured loan as claimed by the Appellant. Had the amount of Rs 5.10 lakh appeared under the heading of “Long Term Borrowings”, there would have been no doubt that the same was a transaction

in the nature of financial debt. However, we find that the sum appears under the sub-category of “Other Advances” under the category of “Other Long Term Liabilities”. It is clear from the above categorisation that the sum was provided as an advance and was treated as a liability and not a borrowing in the balance sheet and therefore does not partake the character of financial debt. Even the subsequent financial records do not show otherwise. We therefore find that the Adjudicating Authority has not committed any infirmity in noting at para 15 that the documents relied upon by the Appellant to support their claim is ‘*deficient*’.

**19.** More significantly, it is the contention of the Respondents that the terms of the Loan Agreement contained gaping holes. There was no in-built clause therein on how default was to be calculated. Apart from the Loan Agreement being bereft of a repayment schedule, the Loan Agreement did not define any event of default prior to the winding up of the Corporate Debtor or its becoming bankrupt in terms of IBC. It was equally unusual that for a loan given way back in 2007, there was no demand of repayment made by the Appellant for 15 long years until the Corporate Debtor got admitted into CIRP. There is no evidence either of any communication sent to the Corporate Debtor seeking payment of interest. The records of the Corporate Debtor also do not reflect any provision for interest on the said loan having been credited to the account of the Corporate Debtor. Nor is there any proof for accrual of interest in any F.Y or any evidence of TDS deduction such as Form 26AS.

**20.** It would be pertinent to outline the rival contention of the Appellant that they cannot be denied the right to file their legitimate claim merely because no interest amount was reflected in the balance sheet of the Corporate Debtor. It

was argued that if the Corporate Debtor did not deduct interest or make provision for interest payments in the balance sheet, the Appellant cannot be held responsible for this lapse and put to prejudice. Since the Appellant had already resigned from the management of the Corporate Debtor in 2012 and was not in control of the Corporate Debtor, they were not responsible in any manner for the Corporate Debtor not having levied the interest on the outstanding principal amount. Simply because interest was not paid by the Corporate Debtor, the sum advanced by the Appellant cannot be denied the treatment of a financial debt. It was further contended that in any case in terms of the judgment of the Hon'ble Supreme Court in ***Orator Marketing Pvt. Ltd. Vs Samtex Desinz Pvt. Ltd. 2021 SCC Online SC 513***, even interest free loans are financial debt for the purposes of IBC.

**21.** We are not persuaded by this argument of the Appellant. The Appellant was admittedly a shareholder of the Corporate Debtor when the Loan Agreement was signed in 2007 and later became one of the Directors of the Corporate Debtor from 2009-2012. Thus, it is undisputable that the Appellant was very much in control of the management of the Corporate Debtor until 2012. We also notice that either the Appellant or his brother who was a signatory of the Loan Agreement remained at the helm of affairs of the Corporate Debtor all along. That being the case, the Appellant cannot absolve itself of the responsibility of explaining as to why the financial statement of the Corporate Debtor did not reflect levy of interest till FY 2011-12 even when they were in control of the Corporate Debtor. Having said that, we are however not inclined to subscribe to the finding of the Adjudicating Authority that the amount of interest @ 24%

claimed by the Appellant being exorbitant, it was sufficient ground for rejection of the claim of the Appellant. The Adjudicating Authority, at best, had a limited jurisdiction to examine the decision of the RP on the rejection on the claim and not on the reasonability of computation of the claim or quantum of the debt.

**22.** It is a well settled precept that in the judgment of Hon'ble Supreme Court in ***Orator judgement*** supra, it has been clearly held that financial debt does not expressly exclude an interest free loan. Thus, financial debt also includes any sum raised under any other transaction having the commercial effect of borrowing even it does not carry an interest component. Be that as it may, we cannot be oblivious and obliterate the fact that the Appellant in the present case has not demonstrated any efforts made by it to recover the loan amount since 2007. There is no material on record to show that any notice or any demand was raised either for repayment of the purported loan or for payment of interest since 2007. If the Loan Agreement was a genuine one, then the expected course of action on the part of the Appellant would have been to seek refund of the loan given by it when it exited the management of the Corporate Debtor if not earlier. The inordinate and unexplained delay in raising the demand until the Corporate Debtor was admitted into rigours of CIRP does cast doubts on the legitimacy and bonafide of the alleged transaction as a whole irrespective of the interest component.

**23.** To our minds, the Adjudicating Authority at para 17 of the impugned order has rightly taken note of the 13 years unusual and stony silence on the part of the Appellant to recover their dues. This is clearly a case where the Appellant seemed to have woken up from their slumber and suddenly remembered to have

raised their claim in respect of loan-cum-interest coinciding with the Corporate Debtor getting admitted into CIRP. Given this fact situation, we do not find anything arbitrary on the part of the Adjudicating Authority to find the conduct on the part of the management for maintaining uninterrupted silence for over 15 years on the recovery of their dues including unclaimed interest amount of Rs. 1,04,23,020/- rather unusual lending credence to the fact that the Loan Agreement was prepared as an after-thought to tailor the filing of their claims.

**24.** In result, we find substance in the contention raised by the Respondents that the claim filed by the Appellant was not bonafide as it was not premised on a genuine loan transaction and was bereft of cogent supporting proof. We do not find any error on the part of the Adjudicating Authority in passing the impugned order rejecting the claims filed by the Appellant.

**CA(AT)(Ins) No. 1735 of 2025**

**25.** Coming to the factual matrix of I.A. No. 1950 of 2023, we notice that for the same Corporate Debtor-Vibrant Buildwell Pvt. Ltd. which was admitted into CIRP following which the RP had invited claims from the creditors of the Corporate Debtor by way of public announcement made on 24.02.2022, the Appellant-M/s Primex Estates Pvt Ltd submitted a total claim of Rs. 9,43,54,070/- on 27.05.2022. The claim amount comprised of principal amount of Rs. 30,95,000/- and interest component of Rs. 9,12,59,070/- which claim of the Appellant was rejected by the RP-Respondent No.1 on grounds of limitation. Following the rejection of their claim, the Appellant filed IA No. 2768 of 2022 on 07.06.2022 before the Adjudicating Authority for admission of their claim. The RP in the meantime on 29.10.2022 had filed IA No. 5458 of 2022 for approval of

the resolution plan which plan was approved with 100% CoC voting. After considering IA No 2768 of 2022, the Adjudicating Authority on 22.12.2023 after taking cognisance of the Suo Moto order held the claim to not barred by limitation and directed the RP to verify the claim on merit. However, the RP after considering the claim rejected the same on 13.02.2023. Following the rejection of their claim by the RP, the Appellant filed IA No. 1950 of 2023 on 04.04.2023 before the Adjudicating Authority seeking directions to the RP to admit their claim; stay the proceedings in IA No. 5458 filed by the RP seeking approval of the resolution plan and to pass any other order as maybe deemed fit and proper. On 24.01.2024, the Adjudicating Authority dismissed the plan approval application vide IA No. 5458 of 2022 which order was challenged before this Tribunal. On 25.10.2024, this Tribunal dismissed the plan rejection order of the Adjudicating Authority and approved the resolution plan of the Corporate Debtor and directed the Adjudicating Authority to issue consequential orders. This order of this Tribunal was challenged before the Hon'ble Supreme Court. On 03.01.2025, the Hon'ble Supreme Court of India directed that IA No. 1950 of 2023 be decided by the Adjudicating Authority in accordance with law before the consequential orders are passed by the Adjudicating Authority in terms of the orders of this Tribunal dated 25.10.2024. This order dated 25.10.2024 of this Tribunal had attained finality and the Adjudicating Authority acting in terms of the orders of this Tribunal dated 25.10.2024 had passed the consequential order approving the said resolution plan on 04.11.2025. The Adjudicating Authority also dismissed IA No. 1950 of 2023 on 23.09.2025 and aggrieved by the rejection of their claim, the impugned order has now been challenged by the Appellant.

**26.** Making his submissions, Shri Anirban Bhattacharya, Ld. Counsel for the Appellant submitted that the dismissal of I.A. No. 1950 of 2023 and resultant rejection of the claim of the Appellant by the Adjudicating Authority inter-alia on the grounds that admission of such a belated claim when CIRP is at an advanced stage would undermine the time-bound objectives of the IBC was misconceived. It was submitted that the Appellant had filed their claim on 27.05.2022 which was rejected by the RP on 06.06.2022 following which the Appellant had filed IA No. 2768 of 2022 before the Adjudicating Authority. The Adjudicating Authority had directed the RP on 21.12.2022 to verify the claim of the Appellant on merits and while giving the said directions had categorically held that the claim filed by the Appellant on 27.05.2022 was within the time-lines in view of the Suo Moto orders of the Hon'ble Supreme Court dated 10.01.2022. The RP however proceeded to reject the claim on 13.02.2023 which rejection was challenged by the Appellant filing IA No. 1950 of 2023 before the Adjudicating Authority. It was emphatically asserted that when the Adjudicating Authority in its order dated 21.12.2022 had clearly held that the Appellant was not a belated claimant, the impugned order by holding their claim to be belated had ended up erroneously reviewing its own decision without jurisdiction. Assertion was also made that the Adjudicating Authority had erroneously rejected the claim of the Appellant on the ground that the same was not supported by the financial records of the Corporate Debtor and that this amount was not a loan. It was emphatically contended that this amount was a loan and this was acknowledged in the balance sheet under the head of 'Other Advances' under the head of 'Other Long Term Liabilities' which classification was sufficient to prove that the transaction

was in the nature of financial debt. It was also asserted that the Adjudicating Authority had wrongly held that there was no loan advanced to the Corporate Debtor as the amount of Rs 30,50,000/- was figuring under the head of 'Trade Receivables (Adv Agst. Supplies-Old)'. The Adjudicating Authority had come to this wrong conclusion as it had erroneously made a comparison of the balance sheet of the Appellant as on 31.03.2012 with the balance sheet of the Corporate Debtor as on 31.03.2017. Assertion was made that once the amount claimed was recorded in the balance sheet of the Corporate Debtor and there existed a Loan Agreement to show the disbursement, there was no reason for the Adjudicating Authority to reject the claim. It was further submitted that the Adjudicating Authority while rejecting their claim had erroneously done so by finding infirmities and inconsistencies in the Loan Agreement. Reliance was placed on the judgement of this Tribunal in ***Tulip Hotel judgment supra*** to contend that it was beyond the scope of the summary jurisdiction of the Adjudicating Authority to adjudicate on the validity and enforceability of the Loan Agreement. Further the finding of the Adjudicating Authority that there was no evidence of deduction of TDS on interest was misplaced because in the absence of any repayment of loan by the Corporate Debtor, the question of TDS certificates or Form-16A does not arise. In any case, it was contended that the component of interest not being a *sine qua non* for bringing a debt within the fold of a "financial debt" as has been held by the Hon'ble Supreme Court in ***Orator judgment supra*** the contention of the Respondents that in the absence of proof of interest, the transaction was not a financial debt is misplaced. Further, the inconsistency of dates appearing on the Loan Agreement and the disbursement of loan was

also unfounded since the Adjudicating Authority had failed to appreciate that the Loan Agreement dated 20.12.2007 was followed up with the execution of an Addendum to the Loan Agreement which had correctly amended the date of execution of the Loan Agreement. It was also contended that the finding returned by the Adjudicating Authority that the Appellant was a related party of the Corporate Debtor and that this fact was not disclosed while staking their claim was also without any factual basis. Moreover, merely being a related party could not have deprived the Appellant of its status as a Financial Creditor and reflection of its claim in the Information Memorandum of the Corporate Debtor.

**27.** Making his rival submissions, Shri Sumant Batra Ld. Counsel making submissions on behalf of the Respondent No.1-RP, submitted that the Loan Agreement based on which the claims were replete with inconsistencies and infirmities. The Appellant had filed its claim in Form-C under the category of Financial Creditor on the basis of Loan Agreement dated 20.12.2007 which prima facie appears to be forged and fabricated document. Even the alleged Loan Agreement dated 20.12.2007 was never a part of the records of the Corporate Debtor. The alleged Loan Agreement dated 20.12.2007 is executed on stamp paper dated 07.12.2007. Further, whereas the date of execution of Loan Agreement is mentioned as 04.08.2007, the alleged amount of Rs. 30,00,000/- had been transferred on 20.06.2007. Even the purported Addendum to the Loan Agreement allegedly dated 21.12.2007 which supposedly corrected the inconsistencies was surprisingly not filed by the Appellant at the time of submission of Claims Form before the RP or before the Adjudicating Authority at the time of filing I.A. No. 2768/2022 or even pleaded with their present

application. Both the Loan Agreement and Addendum are bereft of Board Resolution authorising the signing authority. Further the audited Financial Statements of Corporate Debtor for FY 2016-2017 showed Rs. 30,95,000/- in the head of 'Other Advances' rather than as an unsecured loan. Even the Appellant's own Audited Balance Sheet has shown the amount of Rs. 30,50,000/- as "Trade Receivable-Advances against Supplies" which is contrary to the Appellant's claim and the terms of Loan Agreement. There was no provision of interest in the books of Corporate Debtor nor any document on record to support their claims including provision of interest in their books or TDS Certificate/Form 16-A. The Appellant has claimed interest amount at an astronomically high rate which makes the entire transaction suspicious. The Appellant has also failed to produce any document, seeking financial assistance from appellant by the Corporate Debtor. The Appellant for almost 15 years had remained silent with not a single missive sent to Corporate Debtor for the recovery of such default amount or interest thereon, but came up for the first time as the financial creditor by filing Form-C before the RP. Therefore, Appellant cannot seek his treatment as financial debt under the definition of 5(8)(a) of the IBC on the basis of 'Other Advances'. The antedated Loan Agreement was signed by Lalit Modi on behalf of Corporate Debtor and his brother Surender Modi on behalf of Appellant Company. It was vehemently contended that the claim filed by the Appellant was done with a malafide intent and was the outcome of collusion between the two brothers who are ex-Directors of the suspended management. It is also submitted that the Appellant Company has not even filed valid Board Resolution to authorising Atul Modi to file the I.A. No. 1950/2023

before the Adjudicating Authority or to file the present Appeal before this Tribunal. The Appellant has annexed Board Resolutions dated 26.05.2022 and 06.06.2022 to substantiate their authorization but as per their own Annual Return Form 20-B for the FY 2022-23 filed before MCA shows no Board Meeting held on 26.05.2022 or 06.06.2022 of the Appellant Company. Thus, there was no authority to file the Claim Form or Application before the Adjudicating Authority or this Tribunal which puts question mark on the maintainability of this Appeal. The claim was thus not a bonafide financial claim. Further, the Appellant had filed a belated claim and springing up of such surprise claims before the SRA is not permissible. Attention was also adverted to the judgement of the Hon'ble Supreme Court in ***Ghanshyam Mishra judgment supra*** to emphasise the "clean slate principle" enunciated therein.

**28.** Articulating similar arguments as canvassed by the RP, Shri Krishnendu Dutta, Ld. Sr. Counsel for SRA-Respondent No.2 submitted that the Loan Agreement basis which claim has been filed by the Appellant before the RP suffered from glaring inconsistencies with discrepancies in the dates therein which puts a question mark on its authenticity and genuineness. Further, while the balance sheet of the Corporate Debtor recorded the sum under the head of 'Other Advances', this was reflected as 'Trade Receivables' in the balance sheet of the Appellant. The perusal of the Loan Agreement and the audited financial statements of FY 2016-17 clearly establish that the alleged amount cannot be treated as a loan. Hence, this sum purportedly given by the Appellant was not a loan as has been claimed by the Appellant while filing its claim in Form-C. It was also contended that the Appellant had raised a claim based on inflated and

a disproportionate rate of interest exceeding 200% p.a. which was commercially unreasonable and untenable. Further, the Appellant had failed to produce concrete evidence of interest provision in their books of account or balance sheet or other supporting documents like TDS deduction. Though the alleged amount has been claimed as loan, but this amount was never ever demanded by the Appellant from the Corporate Debtor during the last 15 years since the time the amount was advanced. This inexplicable delay in raising the demand until the Corporate Debtor got admitted into rigours of CIRP shows that it was an afterthought thus casting doubts on the legitimacy and bonafide of the alleged transaction. Submission was also pressed by the SRA that the plan submitted by them had already attained finality with the Adjudicating Authority having already passed consequential orders in relation to the approval and implementation of the resolution plan in terms of Section 31(1) of the IBC. Once the resolution plan was approved by the Adjudicating Authority, the claims stood frozen in terms of the resolution plan and became binding on all concerned. Further, in terms of the judgment of the Hon'ble Supreme Court in ***Ghanshyam Mishra & Sons Pvt. Ltd. Vs Edelweiss Asset Reconstruction Company Ltd.*** **2021 SCC Online SC 313**, it is well settled that on the date of approval of the plan by the Adjudicating Authority, all claims which do not form part of the resolution plan stand extinguished and no person is entitled to initiate or continue any proceedings in respect of a claim which is not part of the plan.

**29.** We have duly considered the arguments advanced by the Learned Counsel for the parties and perused the records carefully. We find that the rival contentions in the present Appeal to be largely identical and overlapping as that

in Appeal No. 1734 of 2025. Even the judicial precedents relied on by both sides are largely common in both the appeals. We therefore propose to apply the findings returned in Appeal No. 1734 of 2025 in respect of the common issues in the present Appeal.

**30.** Coming to our findings, we are of the considered view that there was no delay as such in filing of claims by the Appellant as the RP had invited the claims with effect from 24.02.2022 which date fell within the period 15.03.2020 to 28.02.2022 and therefore the Appellant was clearly entitled to the benefit of Para (III) of the orders of the Hon'ble Supreme Court in *Suo Motu Writ Petition (Civil) No. 3 of 10.01.2022*. In fact, after considering IA No 2768 of 2022, the Adjudicating Authority on 22.12.2023 in pursuance of the *Suo Moto* order had held the claim to not barred by limitation and directed the RP to verify the claim on merit. In such circumstances, for the Adjudicating Authority to now having taken the stand that the claim was inadmissible on grounds that it was belated and hit by limitation lacks foundation.

**31.** We now come to the next limb of argument of the Appellant that the Adjudicating Authority had rejected their claim by erroneously holding that the Loan Agreement is not valid. Contending that any adjudication on the validity and enforceability of the Loan Agreement was beyond the scope of the Adjudicating Authority and fell in the domain of a Civil Court, reliance has been placed on the judgment of this Tribunal in ***Tulip Hotel judgement supra***. We have already held at para 13 above that we have no quarrel with the proposition laid down in the ***Tulip Hotel judgment supra*** that disputes involving fraud and

forgery in respect of contractual documents cannot be adjudicated upon by the Adjudicating Authority in view of the summary nature of jurisdiction conferred on it. Be that as it may, we reiterate that in terms of the statutory construct of IBC, the Adjudicating Authority was well within its rights to peruse the supporting documents basis which claim was filed by the Appellant to satisfy itself on the authenticity, accuracy and tenability aspect of the claims filed by the Appellant arising out of the Loan Agreement. When we look at para 13 of the impugned order, we find that the Adjudicating Authority has held that the claim filed by the Appellant was based on a Loan Agreement which suffered from several serious inconsistencies undermining its validity.

**32.** When we undertake a cursory glance at the Loan Agreement, placed at page 126 of the Appeal Paper Book, we find that the date of signing of the Loan Agreement is shown as 20.12.2007 on first page of the said agreement while on the last page of the same document, the date of execution has been recorded as 04.08.2007. The stamp paper is dated 07.12.2007 while the date of execution of Loan Agreement is mentioned as 04.08.2007. Further, we find that Clause 1 of the Loan Agreement postulates that the alleged amount of Rs. 30,00,000/- was disbursed on 20.06.2007. Even the purported Addendum to the Loan Agreement allegedly dated 21.12.2007 which supposedly corrected the inconsistencies was surprisingly not filed by the Appellant at the time of submission of Claims Form before the RP or before the Adjudicating Authority. Such discrepancies clearly undermine the credibility of the Loan Agreement and cannot be disregarded and overlooked as an inadvertent or clerical errors. This clearly betrays signs of likely interpolation, backdating and fabrication of the Loan Agreement document. In

the given circumstances we concur in the findings of the Adjudicating Authority at para 13 of the impugned order that: *“In view of these findings, we are of the considered opinion that the claim is devoid of merit, unsupported by any cogent material, and appears to have been raised as an afterthought. Accordingly, the claim stands rejected.”*

**33.** This brings us to the submission made by both Respondents that the sum purportedly given by the Appellant was not a loan. It was pointed out that the Adjudicating Authority had rightly noticed at para 12 of the impugned order that perusal of the the audited balance sheet of the Corporate Debtor establishes that the aforesaid amount was not in the nature of a loan. We reproduce the relevant excerpts from para 12 of the impugned order as below:

*“12. We have carefully examined the reply, documents, and clarifications furnished by the Applicant, as well as the verification undertaken by the Resolution Professional from the records of the Corporate Debtor. It is observed that the claim as filed does not find support in the books of the Corporate Debtor, since in the last audited balance sheet for the financial year ending 31.03.2017, available at the commencement of CIRP, the said amount is reflected only under the head "Other Advances" and not as a loan, as alleged. Even in the audited balance sheet of the Applicant as uploaded on the MCA portal, no loan advanced to the Corporate Debtor is reflected and, on the contrary, the same has been shown as "Trade Receivables.”*

**34.** We have already reproduced the balance sheet of the Corporate Debtor for FY 2016-17 at para 17 above. When we look at the above audited financial statement for FY 2016-2017 of the Corporate Debtor, we find that the Notes forming part of the balance sheet of the Corporate Debtor as on 31.03.2017 provides separate categories for “Long Term Borrowings” under Note 3 and

“Other Long Term Liabilities” under Note 4. The audited balance sheet of the Corporate Debtor also classifies the amount claimed by the Appellant to be a loan to figure under the head of ‘Other Advances’ which does not denote any financial liability or loan obligation. Moreover, there being no record of TDS deduction reflected in the financial records in respect of the Corporate Debtor, there is no provision of interest. It is also clear therefrom that Rs 30,95,000/- appearing against the name of the Appellant company appears in the head of ‘Other Advances’ rather than as an unsecured loan as claimed by the Appellant. However, we find that the sum appears under the sub-category of “Other Advances” under the category of “Other Long Term Liabilities”. It is clear from the above categorisation that the sum was provided as an advance and was treated as a liability and not a borrowing in the balance sheet and therefore does not partake the character of financial debt. Hence the transaction was not in the nature of a financial debt and could not have been claimed in Form-C. We therefore do not find any infirmity in the finding recorded by the Adjudicating Authority that the claim filed by the Appellant does not find support in the books of the Corporate Debtor as a loan.

**35.** We also notice that not only was the amount of Rs 30.95 lakh never treated or acknowledged as a loan in the books of the Corporate Debtor, but this amount was never ever demanded by the Appellant from the Corporate Debtor during the last 15 years since the time the amount was advanced. There is no material placed on record evidencing any communication sent to the Corporate Debtor seeking payment of interest. The records of the Corporate Debtor also do not reflect any provision for interest on the said loan having been credited to the

account of the Corporate Debtor. Nor is there any proof for accrual of interest in any F.Y or any evidence of TDS deduction such as Form 26AS. While we have already held at para 22 above that it is a well settled precept that in the judgment of Hon'ble Supreme Court in **Orator judgement** supra, it has been clearly held that financial debt does not expressly exclude an interest free loan and also includes any sum raised under any other transaction having the commercial effect of borrowing even it does not carry an interest component. Nevertheless, we also cannot be unmindful of the fact that the Appellant in the present case has not demonstrated any efforts made by it to recover the loan amount since 2007. There is no material on record to show that any notice or any demand was raised either for repayment of the purported loan. It was equally unusual that for a loan given way back in 2007, there was no demand of repayment made by the Appellant for 15 long years until the Corporate Debtor got admitted into CIRP. To our minds, the Adjudicating Authority has also rightly taken note of the masterly inactivity on the part of the Appellant to recover their dues. The inordinate and unexplained delay in raising the demand until the Corporate Debtor was admitted into rigours of CIRP does cast doubts on the legitimacy and bonafide of the alleged transaction as a whole irrespective of the interest component.

**36.** In this backdrop, we find substance in the contention raised by the Respondents that the claim filed by the Appellant was not bonafide and hence the rejection of the claims filed by the Appellant company by the Adjudicating Authority is sustainable in the eyes of law.

**37.** In view of the foregoing discussion, we do not find any infirmity in the impugned orders dismissing I.A. Nos. 3020 of 2022 and 1950 of 2023. The impugned orders do not warrant any interference. Both Appeals being devoid of merit are dismissed. No costs.

**[Justice Ashok Bhushan]  
Chairperson**

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

**Place: New Delhi  
Date: 10.12.2025**

Abdul