**IN THE NATIONAL COMPANY LAW TRIBUNAL**
**DIVISION BENCH, COURT-1, AHMEDABAD**

**ITEM No.303**
**IA/548(AHM)2021**
**In**
**CP(IB) 625 of 2018**

**Under Section 60(5) of IBC 2016**
**IN THE MATTER OF:**

The Cotton Corporation of India Ltd

**...Applicant**

V/s

Ajit Kumar RP of K-Lifestyle & Industries Ltd.

**...Respondent**

**Order delivered on: 27/04/2026**

**CORAM:**
MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

**ORDER**
**(Hybrid Mode)**

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

SD

**SANJEEV SHARMA**
**MEMBER (TECHNICAL)**

SD

**SHAMMI KHAN**
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY**
**NATIONAL COMPANY LAW TRIBUNAL,**
**DIVISION BENCH, COURT - I, AHMEDABAD**

**IA No. 548 of 2021**
**In**
**CP(IB) 625 of 2018**

*[Application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulations 7, 10, 12, 13 and 14 of the IBBI (Insolvency Resolution process for Corporate Persons) Regulations, 2016]*

**In the matter of:**

**The Cotton Corporation of India Limited**
Having its registered office at
Kapas Bhavan, Plot No. 3/A,
Sector No. 10,
C.B.D. Belapur,
Navi Mumbai - 400 614.

**...Applicant**

**Versus**

**Mr. Ajit Kumar**
Resolution professional of
K-Lifestyle and Industries Ltd.
Having address
1A, Sanskrit Apartment GH-22, Sector
56, Gurgaon, Haryana,122011

**.... Respondent**

**Order Pronounced On: 27.04.2026**

**CORAM:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**
**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCE:**

For the Applicant : Mr. Arjun Seth, Advocate

For the Respondent : Mr. Atul Sharma, Advocate a/w
Mr. Ajit Kumar, RP in Person

**ORDER**
**(*Per:* Bench)**

1. This application has been filed on 09.08.2021 (through e-mode) by the **Cotton Corporation of India Limited,** a public sector undertaking of the Government of India (hereinafter as, "the **Applicant**") under Section 60(5) of the Insolvency and Bankruptcy Code of 2016 (hereinafter as, "**the Code**") read with Regulations 7, 10, 12, 13 and 14 of the IBBI (Insolvency Resolution process for Corporate Persons) Regulations, 2016 seeking following reliefs: -

   a. *Pass appropriate order setting aside and quashing the decision of the Resolution Professional of adjusting Rs. 5 crores with the claim of the Applicant, and be pleased to pass appropriate order setting aside and quashing the decision of the Resolution Professional to reduce the claim of the Applicant to 'Nil', and further be pleased to direct the Resolution Professional to admit the claim of the Applicant as operational debt of Rs. 6,82,09,389.69, such that the Applicant receives payment under any resolution plan that may come to be approved qua the Corporate Debtor, as per and in accordance with law; and/ or;*

   b. *Pending hearing and disposal of the present application, this Hon'ble AA be pleased to:*

      i. *Pass appropriate order not approving any resolution plan qua the Corporate Debtor till disposal of the present application, such that the claims of the Applicant are*

*taken into consideration in such resolution plan (in the event the Applicant herein succeeds in this IA);*

c. *for such further and necessary orders as this Hon'ble Tribunal may deem fit and proper.*

2. The Applicant has placed the facts through the I.A. and documents in the following manner: -

2.1. It is submitted that the Applicant has preferred the present Interlocutory Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016, in relation to the CIRP of the Corporate Debtor, seeking appropriate directions in respect of its claim.

2.2. It is submitted that the Applicant is engaged, inter alia, in the business of purchasing and selling cotton and is an Operational Creditor of the Corporate Debtor. Around the year 2004, the Applicant sold various cotton bales to the Corporate Debtor; however, the Corporate Debtor failed to make payment and lift delivery of the said cotton bales, compelling the Applicant to resell the same at the risk and cost of the Corporate Debtor, thereby incurring losses.

2.3. It is submitted that the Applicant initiated arbitration proceedings for recovery of its dues, culminating in an arbitral award dated 23.10.2007 (annexed as **Annexure A** with the IA) in favour of the Applicant.

2.4. The Corporate Debtor challenged the said award before the Hon'ble Bombay High Court; however, the

challenge came to be dismissed by a learned Single Judge vide order dated 31.08.2010.

2.5. Thereafter, further appeals preferred by the Corporate Debtor before the Division Bench were also dismissed, and a conditional stay was granted vide order dated 14.02.2011 subject to furnishing security.

2.6. It is submitted that the Corporate Debtor thereafter approached the Hon'ble Supreme Court by way of Special Leave Petitions, which also came to be dismissed, though time was granted to furnish security.

2.7. Pursuant thereto, the Corporate Debtor furnished a bank guarantee dated 25.07.2011 before the Prothonotary and Senior Master of the Hon'ble Bombay High Court.

2.8. Subsequently, vide order dated 24.07.2014, the said authority directed investment of Rs. 5 crores in a fixed deposit for a period of two years.

2.9. It is submitted that the Applicant thereafter sought permission to withdraw the said amount of Rs. 5 crores, and the Hon'ble Bombay High Court vide order dated 05.05.2015 permitted withdrawal subject to the condition that the Applicant would file an undertaking to redeposit the amount along with interest in the event the Corporate Debtor succeeded in its challenge to the arbitral award.

2.10. The Applicant duly complied with the said condition by filing an affidavit/undertaking dated 01.06.2015.

2.11. It is submitted that the withdrawal of the said amount of Rs. 5 crores was thus conditional and contingent upon the outcome of the proceedings, and the same cannot be treated as final satisfaction of the Applicant's claim.

2.12. It is submitted that thereafter, the Corporate Debtor came to be admitted into Corporate Insolvency Resolution Process by this Tribunal vide order dated 05.02.2020, and the Respondent was appointed as the Interim Resolution Professional.

2.13. It is submitted that pursuant to the initiation of CIRP, the Applicant lodged its claim (claim form is annexed as **Annexure K** with the IA) as an Operational Creditor on 11.12.2020 along with all supporting documents.

2.14. Upon such filing, correspondence ensued between the Applicant and the Resolution Professional between December 2020 and March 2021, wherein the Resolution Professional sought clarifications, including with respect to the withdrawal of Rs. 5 crores and the bank guarantee.

2.15. It is submitted that the Applicant duly clarified that the withdrawal of Rs. 5 crores was conditional in nature and that in the event of success of the Corporate Debtor in the pending proceedings, the Applicant was bound to redeposit the said amount along with interest.

2.16. It was further clarified that the said amount could not be adjusted against the outstanding dues of the Corporate Debtor.

2.17. It is submitted that despite the aforesaid clarifications, the Resolution Professional, vide email dated 04.06.2021, unilaterally adjusted the amount of Rs. 5 crores against the claim of the Applicant and reduced the Applicant's claim to 'nil'.

2.18. The Applicant, vide email dated 24.06.2021, reiterated its position and requested reconsideration; however, the Resolution Professional failed to respond and did not reverse the said decision.

2.19. It is submitted that the adjustment of Rs. 5 crores by the Resolution Professional is contrary to law and facts, inasmuch as the said amount was subject to a conditional undertaking and could not have been treated as final payment or appropriated towards the claim of the Applicant. The said action has resulted in wrongful reduction of the legitimate claim of the Applicant.

2.20. It is submitted that in view of the aforesaid facts and circumstances, the Applicant has been constrained to file the present Interlocutory Application seeking appropriate reliefs against the decision of the Resolution Professional.

3. In compliance with order dated 17.08.2021, the Respondent/RP filed its **Affidavit-of-Reply** on 13.10.2021 vide Inward No. D-1180 stating the following:

3.1. It is submitted that the present Reply has been filed by the Respondent, Resolution Professional, opposing the Interlocutory Application filed by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, inter alia, on the ground that the said Application is misconceived, not maintainable and liable to be dismissed with costs.

3.2. It is submitted that at the outset, the Respondent has raised preliminary objections contending that the Application is an abuse of process of law and is based on false, frivolous, illogical and misleading facts, and that the Applicant has no locus or cause of action to maintain the present Application.

3.3. It is further submitted that the Application has been filed with an intent to stall the Corporate Insolvency Resolution Process and create obstacles in the resolution of the Corporate Debtor.

3.4. It is submitted that the Corporate Debtor was admitted into CIRP vide order dated 05.02.2020 passed by this Adjudicating Authority, and the Respondent was appointed as the Resolution Professional.

3.5. It is further submitted that prior to initiation of CIRP, the Applicant had already withdrawn an amount of Rs. 5 crores pursuant to the order dated 05.05.2015 passed by the Hon'ble Bombay High Court, subject to a condition to redeposit the same with interest in case the Corporate Debtor succeeds in the challenge to the arbitral award.

3.6. It is submitted that despite being granted an opportunity, the Applicant failed to substantiate its claim amount and interest before the Respondent, and therefore, the Respondent, in view of the Bombay High Court order and the conduct of the Applicant, did not consider the claim of the Applicant and sought further clarification.

3.7. It is further submitted that the Applicant had already appropriated the bank guarantee amount and was also not entitled to interest from the date of withdrawal till the commencement of CIRP.

3.8. It is submitted that the Respondent has contended that any action which diminishes the value of the assets of the Corporate Debtor or affects the CIRP would be contrary to the object of the Code. Reliance has been taken of the order dated 18.04.2017 passed by the NCLT, Chandigarh Bench in the matter of ***Wanbury Ltd Vs. Pancea Biotech Ltd.***, which was further affirmed by the Hon'ble NCLAT vide its order

dated 11.08.2017 in Company Appeals (AT) (INS) no. 64 of 2017.

3.9. It is further submitted that the role of the Interim Resolution Professional/Resolution Professional is not to adjudicate claims but to collate the same based on documents submitted, and in the absence of proper substantiation, the claim cannot be admitted.

3.10. It is submitted that the Respondent has further contended that the Applicant has already admitted withdrawal of Rs. 5 crores and therefore, in view of the said fact and the order of the Hon'ble Bombay High Court, the present Application is liable to be rejected.

3.11. It is also submitted that upon initiation of CIRP and imposition of moratorium, all proceedings including arbitration proceedings stand stayed in terms of Section 14 of the Code.

3.12. It is submitted that reliance has been placed upon the judgment of the Hon'ble Supreme Court in ***Alchemist Asset Reconstruction Company Ltd. vs. M/s Hotel Gaudavan Pvt. Ltd. in Civil Appel no. 16929 of 2017*** to contend that once moratorium is imposed, institution or continuation of proceedings against the Corporate Debtor is prohibited and any proceedings initiated thereafter are non-est in law.

3.13. It is submitted that the Respondent has further stated that the Applicant had also sought extension of bank guarantee for an additional amount of Rs. 7.50 crores till 29.07.2020, which is not maintainable during the subsistence of moratorium.

3.14. It is submitted that the Respondent has also brought on record that the CIRP itself has been stayed by the Hon'ble Appellate Authority vide order dated 14.06.2021 in Company Appeal (AT) No. 404 of 2021, and the said order has been annexed as **Annexure R-1** to the Reply.

3.15. It is submitted that the Respondent is under a statutory obligation to preserve and protect the assets of the Corporate Debtor and to manage its operations as a going concern, and that the present Application is an attempt to derail the CIRP process.

3.16. It is submitted that in the para-wise reply, the Respondent has denied the averments made by the Applicant and reiterated that the Applicant has already withdrawn the amount of Rs. 5 crores prior to initiation of CIRP and utilised the same, and therefore, the claim was not considered by the Respondent.

3.17. It is further submitted that the Application deserves dismissal as being devoid of merits.

3.18. It is submitted that in view of the aforesaid facts and circumstances, the Respondent has prayed that the present Interlocutory Application be dismissed as being false, frivolous, and not maintainable in law.

4. That, in compliance with order dated 07.06.2024, the Respondent/RP filed an **additional affidavit** on 02.07.2024 vide Inward No. D-5222 stating the following:

4.1. It is submitted that the Respondent has filed the present additional Affidavit in compliance with the directions issued by this Tribunal vide order dated 07.06.2024, placing on record further facts and documents in relation to the claim of the Applicant.

4.2. It is submitted that the dispute between the parties emanates from an arbitral award dated 23.10.2007 passed by the Ld. Sole Arbitrator, whereby amounts were awarded in favour of the Applicant, including principal, carrying charges, interest and arbitration costs.

4.3. It is submitted that the Corporate Debtor challenged the said arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Bombay High Court, and the said challenge came to be dismissed vide order dated 31.08.2010.

4.4. Thereafter, the Corporate Debtor preferred an appeal under Section 37, wherein the Hon'ble Bombay High

Court, vide order dated 14.02.2011, granted conditional stay on the operation of the arbitral award subject to furnishing bank guarantee/security.

4.5. It is submitted that pursuant thereto, the Corporate Debtor furnished a bank guarantee dated 25.07.2011 for an amount of Rs. 5 crores before the Prothonotary and Senior Master of the Hon'ble Bombay High Court.

4.6. Subsequently, upon failure to renew the said bank guarantee, the same was invoked and, vide order dated 24.07.2014, the amount was directed to be invested in a fixed deposit for a period of two years.

4.7. It is submitted that thereafter, vide order dated 05.05.2015, the Hon'ble Bombay High Court in NMA No. 4 of 2013 permitted the Applicant to withdraw the said amount of Rs. 5 crores along with accrued interest, subject to furnishing an undertaking to redeposit the same with interest in the event the Corporate Debtor succeeds in the pending proceedings.

4.8. It is submitted that the CIRP of the Corporate Debtor was subsequently initiated by this Tribunal vide order dated 05.02.2020 and the Respondent was appointed as the Interim Resolution Professional. Pursuant to public announcement, the Applicant filed its claim in Form B on 11.12.2020.

4.9. It is submitted that upon verification of the claim, the Respondent informed the Applicant vide email dated 04.06.2021 that the claim amount stood at 'nil', inter alia, on account of the withdrawal of Rs. 5 crores by the Applicant.

4.10. Meanwhile, the bank guarantee for Rs. 7.50 crores was not renewed, pursuant to which, the Hon'ble Court, vide an order dated 03.12.2021, passed in IA No. 5592 of 2021, allowed the encashment of the same and directed the bank to deposit the amount with the Ld. Prothonotary and Senior Master. It is pertinent to note here that, the order dated 03.12.2021 does not explicitly vacate the stay on the operation of the award. True copy of the order dated 03.12.2021, passed in IA No. 5592 of 2021 is marked as **Annexure R/8** with the affidavit.

4.11. It is submitted that thereafter, the Applicant preferred the present Interlocutory Application seeking directions to admit its claim of Rs. 6,82,09,389.69/-. During the pendency of the said IA, this Tribunal, vide order dated 07.06.2024, directed the Respondent to reconsider the claim and seek clarifications from the Applicant. Pursuant thereto, emails dated 26.06.2024 and 27.06.2024 were issued to the Applicant seeking necessary details and clarification.

4.12. It is submitted that in response, the Applicant clarified that a sum of Rs. 5,11,92,550/- had been received pursuant to the order dated 05.05.2015, and further stated that there was no subsequent order vacating the stay on operation of the arbitral award.

4.13. It is submitted that upon re-verification, the Respondent has taken the position that the claim of the Applicant arises out of the arbitral award dated 23.10.2007, which continues to be under challenge before the Hon'ble Bombay High Court, and that the stay granted on operation of the award continues to subsist.

4.14. It is further submitted that the appeal bearing No. 197 of 2011 remains pending and, therefore, the claim cannot be said to have attained finality or crystallisation.

4.15. It is submitted that the Applicant has already withdrawn an amount of Rs. 5 crores with accrued interest pursuant to the conditional order of the Hon'ble Bombay High Court, and the said amount is liable to be returned along with interest depending upon the outcome of the pending proceedings.

4.16. It is submitted that in view of the pendency of the proceedings and absence of crystallisation of the claim, and considering that the Resolution Professional does not possess adjudicatory powers,

the claim of the Applicant has been treated as contingent in nature and accordingly reflected.

4.17. It is submitted that the aforesaid position has also been communicated to the Applicant vide email dated 27.06.2024.

4.18. Reliance has been placed upon the case law of ***Committee of Creditors of Essar Steel India Limited Through Authorised Signatory vs Satish Kumar Gupta & Ors [CIVIL APPEAL NO. 8766-67 OF 2019]***.

4.19. It is submitted that in light of the aforesaid facts and circumstances, the Respondent has humbly prayed that this Tribunal may be pleased to take the above submissions on record while adjudicating the present Interlocutory Application.

5. In compliance of order dated 07.04.2026, only the Respondent/RP also filed Written Submissions on 17.04.2026 vide inward diary no. D3334 which are not reproduced here for sake of repetition of facts of defence.

6. We have heard the learned counsel appearing for the Applicant and the learned counsel appearing for the Respondent/Resolution Professional. We have also carefully perused the pleadings, documents placed on record, and the material available before this Adjudicating

Authority. Upon such consideration, the following observations are made: -

6.1. At the outset, it is observed that the present Interlocutory Application has been preferred by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 seeking, inter alia, quashing of the decision of the Resolution Professional whereby the claim of the Applicant has been reduced to 'Nil' upon adjustment of an amount of Rs. 5 crores, and for a direction to admit its claim as an Operational Debt amounting to Rs. 6,82,09,389.69.

6.2. It is an undisputed position that the claim of the Applicant emanates from an arbitral award dated 23.10.2007 passed in its favour.

6.3. It is further borne out from the record that the said arbitral award was subjected to challenge by the Corporate Debtor under Section 34 of the Arbitration and Conciliation Act, 1996, which came to be dismissed by the Hon'ble High Court of Bombay vide order dated 31.08.2010. However, the matter did not attain finality, as the Corporate Debtor preferred an appeal under Section 37, which is still pending adjudication.

6.4. It is also a matter of record that the Hon'ble High Court, vide order dated 14.02.2011, granted a conditional stay on the operation of the arbitral award

subject to furnishing of security by the Corporate Debtor.

6.5. This Adjudicating Authority further note that pursuant to the said directions, a bank guarantee of Rs. 5 crores was furnished and subsequently, upon invocation, the said amount came to be invested in a fixed deposit.

6.6. Thereafter, vide order dated 05.05.2015, the Applicant was permitted to withdraw the said amount along with accrued interest, subject to filing an undertaking to redeposit the same with interest in the event the Corporate Debtor succeeds in the pending proceedings. The Applicant admittedly furnished such undertaking.

6.7. Thus, the withdrawal of the said amount was neither absolute nor unconditional, but was clearly contingent upon the outcome of the pending proceedings.

6.8. The primary contention of the Applicant is that the Resolution Professional has acted arbitrarily and beyond the scope of his jurisdiction in adjusting the amount of Rs. 5 crores and reducing the claim to 'Nil', despite the fact that the withdrawal was conditional and could not be treated as final satisfaction of the claim.

6.9. Per contra, the Respondent/Resolution Professional has raised preliminary objections with regard to the maintainability of the present Application and has contended that the claim of the Applicant is not only unsubstantiated but is also disputed and contingent in nature, inasmuch as the arbitral award itself is under challenge and subject to a subsisting stay.

6.10. It is further contended that the Resolution Professional, being a statutory authority, is only required to collate and verify claims and does not possess adjudicatory powers to determine disputed questions of fact or law as held in ***Swiss Ribbons Pvt. Ltd. v. Union of India*** and subsequent decisions.

6.11. The Respondent/RP has also contended that the Applicant has already derived benefit of Rs. 5 crores and has failed to establish crystallisation of the balance claim.

6.12. Having considered the rival submissions, this Adjudicating Authority proceeds to examine whether the claim of the Applicant can be said to be crystallised, undisputed, and legally enforceable so as to warrant admission in the CIRP.

6.13. In this regard, it is pertinent to note that the Insolvency and Bankruptcy Code, 2016 contemplates a summary mechanism for resolution of insolvency

and does not envisage adjudication of complex disputes.

6.14. The role of the Resolution Professional is limited to collation and verification of claims based on records and supporting documents. Where the claim is subject to serious dispute or pending adjudication before a competent forum, the same cannot be treated as a crystallised claim in terms of Regulations 13 and 14 of the CIRP Regulations.

6.15. In the present case, it is evident that the arbitral award dated 23.10.2007, which forms the very substratum of the Applicant's claim, is still under challenge in appeal proceedings before the Hon'ble High Court. The conditional stay granted on the operation of the award continues to subsist, and the final rights and liabilities of the parties are yet to be determined. The pendency of Appeal No. 197 of 2011 clearly demonstrates that the dispute between the parties has not attained finality.

6.16. Further, the conditional withdrawal of Rs. 5 crores by the Applicant, coupled with an undertaking to redeposit the same with interest, unequivocally establishes that the said amount cannot be treated as a final appropriation towards the claim. Rather, it reinforces the contingent nature of the claim, as the Applicant's entitlement to retain the said amount itself

is dependent upon the outcome of the pending proceedings.

6.17. This Adjudicating Authority is of the considered view that in such circumstances, the claim of the Applicant cannot be said to be crystallised or free from dispute. Admission of such a claim in the CIRP would not only be premature but would also run contrary to the scheme and objective of the Code.

6.18. The contention of the Applicant that the Resolution Professional has erred in adjusting the amount of Rs. 5 crores is found to be inconsequential in the present context. Even if the adjustment of Rs. 5 crores is kept aside, the claim remains contingent and disputed owing to the subsisting challenge to the arbitral award, and therefore cannot be admitted as a crystallised claim.

6.19. This view is fortified by the judgment of the Hon'ble NCLAT in ***Anheuser Busch Inbev India Limited vs. Mr. Pradeep Kumar Sravanam Resolution Professional East Godavari Breweries Pvt. Ltd., Comp. App (AT) (CH) (INS.) No. 12 / 2023***, wherein the Hon'ble NCLAT has observed that where the claim is intertwined with pending arbitration proceedings, and the determination of the exact claim amount is contingent upon the outcome of such proceedings, the Resolution Professional is justified in keeping the

claim in abeyance. In such circumstances, until the adjudication of the counterclaim and crystallisation of the liability, the claim cannot be said to have attained finality, and therefore, any prayer seeking admission of such claim is liable to be rejected in the eye of law.

6.20. In light of the aforesaid discussion, this Adjudicating Authority is of the considered opinion that the claim of the Applicant, being contingent upon the outcome of pending arbitration appeal proceedings and subject to a subsisting stay, is a disputed claim which can be admitted at a notional value of Rs. 1, in order to reflect its contingent nature without affecting the CIRP process or voting rights.

6.21. It is further observed that Section 60(5) of the Insolvency and Bankruptcy Code, 2016 confers wide residuary jurisdiction upon this Adjudicating Authority to entertain and dispose of any question of law or fact arising out of or in relation to the insolvency resolution process of the Corporate Debtor, including claims made by or against it. However, such jurisdiction cannot be construed to convert this Adjudicating Authority into a forum for adjudication of seriously disputed claims which are already sub judice before competent courts or judicial forums.

6.22. The scope of proceedings under the Code is summary in nature and does not extend to determination of

complex disputes requiring detailed evidence and adjudication. This position has been consistently upheld in ***Sri Krishna Constructions v. Vasudevan (RP), (2019) ibclaw.in 77 NCLAT*** and ***Roma Enterprises v. Martin S.K. Golla, (2019) ibclaw.in 252 NCLAT,*** wherein it has been held that the Adjudicating Authority, while exercising jurisdiction under Section 60(5), cannot adjudicate upon disputed claims pending before other judicial fora.

6.23. In ***SSMP Industries Ltd. v. Perkan Food Processors Pvt. Ltd., (2019) ibclaw.in 07 HC,*** it was observed by the Hon'ble High Court of Delhi that adjudication of claims and counter-claims in arbitration necessarily involves proper pleadings, appreciation of rival contentions, and recording of evidence, which cannot be undertaken in summary proceedings before the Adjudicating Authority. It was thus held that such disputes ought to continue before the arbitral forum.

6.24. In the present case, the claim of the Applicant arises out of an arbitral award which is admittedly under challenge and pending before the Hon'ble High Court, and is further subject to a subsisting stay. Therefore, this Tribunal cannot assume the role of an adjudicatory forum to determine such disputed claim, as the same falls beyond the limited and summary jurisdiction envisaged under the CIRP framework and

therefore lacks the element of finality required for admission under the CIRP framework.

6.25. Accordingly, the present Interlocutory Application, being devoid of merits and seeking adjudication of issues which fall outside the limited scope of CIRP, is liable to be dismissed.

7. In view of the foregoing observations and findings, and having held that the claim of the Applicant is disputed, contingent and has not attained finality owing to the pendency of arbitration appeal proceedings, this Adjudicating Authority proceeds to pass the following directions:

7.1. The present Interlocutory Application being **IA No. 548 of 2021** in CP(IB) No. 625 of 2018, filed by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, stands **dismissed** as being devoid of merits.

7.2. It is hereby held that the claim of the Applicant, arising out of the arbitral award dated 23.10.2007, being subject matter of pending appeal proceedings and a subsisting stay, is disputed and uncrystallised, and therefore, can be admitted as a notional value of Rs. 01 in the Corporate Insolvency Resolution Process at this stage.

7.3. The action of the Resolution Professional in treating the claim as contingent is upheld; however, the adjustment of Rs. 5 crores shall not be construed as final appropriation of the Applicant's claim and shall remain subject to the outcome of pending proceedings.

7.4. The interim relief seeking stay on approval of resolution plan is rejected in view of the findings above.

8. It is made clear that this Adjudicating Authority has not expressed any opinion on the merits of the arbitral dispute pending before the Hon'ble High Court, and all rights and contentions of the parties in that regard are kept open.

9. Accordingly, **IA No. 548 of 2021** in CP(IB) No. 625 of 2018 **stands dismissed.** No order as to costs.

10. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

SD

**SANJEEV SHARMA**
**MEMBER (TECHNICAL)**

SD

**SHAMMI KHAN**
**MEMBER (JUDICIAL)**

Jeel/LRA