NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH, COURT-I, CHANDIGARH

I.A. No.754 of 2026

In

CP(IB) No. 98/Chd/Hry/2022

(Admitted)

[Application Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016]

I.A. No.754 of 2026:

1. Sunita Bagai w/o Sh. Vinod Bagai,
R/o House No. 87, Sector 7, Panchkula, Haryana - 134 109.
Email - bagaivinod.svg@gmail.com

...Applicant No.1

2. Vinod Bagai s/o Sh. Nand Lal,
r/o House No. 87, Sector 7, Panchkula, Haryana - 134 109.
Email - bagaivinod.svg@gmail.com

...Applicant No.2

3. Virender Bagai s/o Sh. Nand Lal,
r/o House No. 87, Sector 7, Panchkula, Haryana - 134 109.
Email - bagaivinod.svg@gmail.com

...Applicant No.3

Versus

Mr. Rahul Jindal,
Resolution Professional of M/s. Samar Estates Private Limited,
Registration No. IBBI/IPA-001/IP-P-02649/20212022/14048,
Registered office at 109, Surya Kiran Building, 19 KG Marg,
Connaught Place, New Delhi - 110 001.
Email - cirp.samarestates@gmail.com

...Respondent

IN THE MATTER OF CP (IB) No. 98/Chd/Hry/2022 (Admitted):

Punjab and Sind Bank

...Financial Creditor

Versus

Samar Estates Private Limited

...Corporate Debtor

Present:

For the Applicants	:	Mr. Rakesh Gupta, Advocate Mr. Rakshit Gupta, Advocate
For the Resolution Professional	:	Mr. Aalok Jagga, Advocate Ms. Vibhu Aggarwal, Advocate Mr. A.P.S. Madaan, Advocate Mr. Sahil Lohan, Advocate Mr. Aryaman Jagga, Advocate Mr. Rahul Jindal, RP (Online)

Order delivered on: 13.08.2026

Coram: **SH. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)**
SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)

ORDER

The present Application has been filed by Sunita Bagai, Applicant No.1 Vinod Bagai, Applicant No.2 and Virender Bagai, Applicant No.3 (hereinafter referred to as "the Applicants") under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") read with

Rule 11 of the National Company Law Tribunal Rules, 2016, against the Respondent Mr. Rahul Jindal, the Resolution Professional of M/s Samar Estates Pvt. Ltd. (hereinafter referred to as "the Corporate Debtor") for interalia seeking, inter alia, a declaration that Clauses 3.2.1.3 and 9 of Chapter 7 of the Resolution Plan dated 03.10.2024, read with the addendum dated 21.10.2024 and approved by the CoC on 28.10.2024, are illegal and discriminatory insofar as they extinguish or deny treatment to the Applicants' admitted allottee claims; alternatively, modification of the Plan to extend to the Applicants the treatment accorded to other financial creditors in a class; and consequential reliefs, including stay of consideration of IA(IBC)(Plan) No. 19 of 2024 and rejection or remand of the Resolution Plan.

BRIEF FACTS OF THE CASE

2. The brief facts, as stated by the Applicants, are summarised as follows:

(i) The Applicants purchased twelve residential units in the project "Ess Vee Apartments", Sector-20, Panchkula, developed by the Corporate Debtor, under Apartment Buyer Agreements executed between 2010 and 2016. Applicant No.2 (Vinod Bagai) and Applicant No.3 (Virender Bagai) are suspended directors of the Corporate Debtor holding 61.61% and 24.45% equity respectively, and Applicant No.1 (Sunita Bagai), holding 13.59% equity, is the wife of Applicant No.2. The Applicants are accordingly related parties of the Corporate Debtor within the meaning of Section 5(24) of the Code.

(ii) Upon commencement of CIRP on 12.01.2024, the Applicants filed claims in Form CA on 25.01.2024 as allottees/financial creditors in class. The said claims were verified and admitted by the Interim Resolution Professional and stand reflected in the list of financial creditors in class as Annexure A-5 to the Application. As financial creditors in a class, the Applicants' interests in the CoC were represented collectively through the Authorised Representative for the class, Mr. Prashant Gupta, in terms of Section 21(6A)(b) read with Section 25A of the Code.

(iii) The Resolution Plan submitted by the Successful Resolution Applicant, M/s Tricon Buildwell Pvt. Ltd. and Mr. Ghanshyam Garg, was approved by the CoC in its 14th Meeting dated 28.10.2024, the homebuyers' class having voted in favour of the Plan by the requisite majority through the Authorised Representative. Clause 3.2.1.3 of Chapter 7 of the Plan provides for outright rejection of the claims of related-party allottees and directs that no unit shall be allotted against such claims; Clause 9 of Chapter 7 similarly denies treatment to related parties in their capacity as equity/other stakeholders.

(iv) The Applicants contend that Clause 2.3 of Chapter 7 of the Plan, which extinguishes only claims “not admitted” by the IRP/RP, protects their admitted claims, and that Clause 3.2.1.3 is in direct conflict with Clause 2.3 and cannot override their admitted status.

(v) The Applicants further contend that the Plan proceeds on an undisclosed and understated assessment of fair value (Rs.347.16 crores) and liquidation value (Rs.294.99 crores), and rely on a valuation report dated 20.04.2026 (filed in IA No.675 of 2026) projecting a fair market value of approximately Rs.1,800 crores.

(vi) Applicant No.2 relies on a Tripartite Agreement dated 15.01.2016 between himself, the Corporate Debtor, and Punjab and Sind Bank, the Financial Creditor holding 58.59% voting share in the CoC concerning Unit No. I-201, to contend that PSB, having approbated under the said agreement, is estopped from voting to approve a Plan that treats the allotment thereby acknowledged as extinguished.

(vii) Applicant No.1 contends that she paid Rs.10.00 Lakhs each for Units I-903 and I-904 from her personal bank accounts through proper banking channels, and that extinguishing her rights as an allottee solely on account of her marriage to Applicant No.2 is arbitrary and violative of natural justice.

(viii) The Applicants additionally seek recognition of a promoter-led "reverse CIRP" framework, contending that Applicant Nos.2 and 3, being the suspended board and founders of the project, are best placed to infuse funds and complete the same.

SUBMISSIONS OF THE RESOLUTION PROFESSIONAL:

3. Learned counsel for the RP opposed the Application and submitted on 07.07.2026 that, since the application raised a pure question of law, no

separate reply was required. The parties were accordingly directed to file written submissions along with supporting authorities, pursuant to which the RP filed submissions confined to the legal issues, summarised hereunder:

(i) The Applicants, whose claims were admitted as homebuyers but classified as related parties, lack locus to independently challenge the Resolution Plan after the class of homebuyers had approved it through the prescribed voting mechanism. Reliance is placed on ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2022) 1 SCC 401***, and ***Piramal Capital & Housing Finance Ltd. v. 63 Moons Technologies Ltd., 2025 SCC OnLine SC 690***, to contend that an individual homebuyer or financial creditor is bound by the decision taken by the requisite majority and voted through the Authorised Representative.

(ii) The admission of the Applicants' claims does not preclude their differential treatment under the Resolution Plan, since they have been classified as related parties. It is submitted that such differential treatment falls within the commercial wisdom of the CoC. Reliance is placed on ***M.K. Rajagopalan v. Dr. Periasamy Palani Gounder, (2024) 1 SCC 42***; ***Mehul Parekh v. Unimark Remedies, Company Appeal (AT) (Ins.) No. 839 of 2023***; ***Manav Investments and Trading Co. Ltd. v. Pratim Bayal, Company Appeal (AT) (Ins.) No. 1501 of 2023***; and ***West Coast Paper Mills Ltd. v. Bijay Murmuria, Company Appeal (AT) (Ins.) No. 1272 of 2019***.

(iii) As regards the Applicants' claim as equity shareholders, it is submitted that shareholders rank at the lowest level of the distribution waterfall under Section 53 of the Code. Since the liquidation value of the Corporate Debtor is stated to be substantially lower than the admitted claims and insufficient even to satisfy the higher-ranking creditors, no amount is available for distribution to the equity shareholders. It is further contended that the Applicants have failed to establish any violation of Section 30(2) of the Code.

SUBMISSIONS OF THE APPLICANT:

(i) The Applicants submit that the challenge is confined to the statutory validity of the Resolution Plan under Sections 30(2) and 31 of the Code, and does not seek reconsideration of the CoC's commercial wisdom. Their locus arises from their status as admitted financial creditors in a class, and not as promoters or shareholders. Related-party status merely excludes them from representation and voting in the CoC under Section 21(2); it does not extinguish the underlying debt or bar them from challenging its unlawful treatment.

(ii) ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2022) 1 SCC 401***, and ***Piramal Capital & Housing Finance Ltd. v. 63 Moons Technologies Ltd., 2025 SCC OnLine SC 690***, are distinguished as cases concerning challenges to the commercial decision of a creditor class. The present challenge concerns statutory non-compliance and the exclusion of admitted claims.

(iii) Relying on ***Aashray Social Welfare Society v. Saha Infratech Pvt. Ltd., (2022) ibclaw.in 407 NCLAT***, it is contended that the Authorised Representative's role is confined to participation and voting in CoC meetings and does not prevent individual creditors from approaching the Adjudicating Authority. ***M.K. Rajagopalan v. Dr. Periasamy Palani Gounder, (2024) 1 SCC 42***; ***Mehul Parekh v. Unimark Remedies, Company Appeal (AT) (Ins.) No. 839 of 2023***; ***Manav Investments and Trading Co. Ltd. v. Pratim Bayal, Company Appeal (AT) (Ins.) No. 1501 of 2023***; and ***West Coast Paper Mills Ltd. v. Bijay Murmuria, Company Appeal (AT) (Ins.) No. 1272 of 2019***, are sought to be distinguished on the ground that they did not concern blanket extinguishment of duly admitted allottee claims solely on account of related-party status.

(iv) Reliance is placed on ***Hari Vittal Mission v. Ravi Sethia, 2023 SCC OnLine NCLT 40435***, and ***Phoenix ARC (P) Ltd. v. Spade Financial Services Ltd., (2021) 3 SCC 475***, to contend that exclusion under Section 21(2) attaches to participation in the CoC and not to the existence of the debt. Accordingly, outright rejection of the Applicants' admitted claims, without any finding that the allotments were sham, fraudulent or avoidable, is stated to contravene Section 30(2) and Regulation 38(1A) of the CIRP Regulations.

ANALYSIS AND FINDINGS

4. We have heard at length the learned counsel for the parties and have carefully perused the material placed on record.

5. By perusing the pleadings of the parties and hearing the Ld. Counsels for the parties, the issue arises as to ***whether the admission of the Applicant's claims by the RP entitles them to payment in parity with unrelated allottees notwithstanding their related-party status, so that Clause 3.2.1.3 read with Clause 9 of Chapter 7 of the Resolution Plan stands in conflict with Clause 2.3 of Chapter 7 and/or in violation of Section 30(2) of the Code.***

6. For a proper appreciation of the issue at hand, it is necessary to set out the clauses of the approved Resolution Plan dated 03.10.2024 (as updated by the Addendum dated 21.10.2024) that have been brought into challenge by the Applicants:

Clause 2.3 of Chapter 7 :

"2.3 In terms of Regulation 13 of the CIRP Regulations, the Resolution Professional/Interim Resolution Professional is required to verify each claim and maintain a list of Creditors together with the amount claimed and admitted. Accordingly, it is hereby understood and clarified that any claim which has not been admitted by the Interim Resolution Professional/Resolution Professional (and which have not been mentioned in this Resolution Plan) shall be deemed to have been rejected and shall stand extinguished in full, from the Effective Date."

Clause 3.2.1.3 of Chapter 7 :

"3.2.1.3 The claims of related-party allottees shall outrightly be rejected and no unit shall be allotted against such claims. All such contracts or

agreements shall be treated as terminated from the Effective Date, and any consideration paid thereunder shall stand extinguished with Nil payment."

Clause 3.2.1.19(C) of Chapter 7 :

"3.2.1.19 C. There may or may not arise instances in which units might have been allotted in the favour of any related party of the erstwhile management or companies related to the Corporate Debtor for inadequate or nil consideration or pursuant to avoidance transaction. The Resolution Applicant/Corporate Debtor shall not honour any such contract since no payment or negligible payment is being proposed towards related parties under this Resolution Plan and all such contracts or agreements shall be treated as terminated from Effective Date."

Clause 9 of Chapter 7 :

"Clause 9. Notwithstanding any other provision of this Plan, related parties in their capacity as equity shareholders, promoters, or other stakeholders of the Corporate Debtor shall not be entitled to receive any payment, distribution, share reduction exit price, or other consideration under this Resolution Plan, and all such interests, equity shares, and stakes shall stand permanently cancelled and extinguished from the Effective Date."

7. The cornerstone of the Applicants' challenge is that their claims, having been verified and formally admitted by the RP under Regulation 13 of the CIRP Regulations, stand protected by Clause 2.3 of Chapter 7 of the Resolution Plan, which extinguishes only unadmitted claims. On this premise, Clause 3.2.1.3, which extinguishes their admitted claims, is said to be in direct conflict with Clause 2.3 and violative of Section 30(2) of the Code.

8. In our considered view, Clause 2.3 is a general "clean-slate" provision extinguishing unknown, unfiled, or rejected claims to insulate the Successful Resolution Applicant from such pre-CIRP liabilities. Clause

3.2.1.3, by contrast, is a specific provision governing the treatment of admitted claims held specifically by related-party allottees. Under the settled principle of 'generalia specialibus non derogant', the specific provision governs the class it addresses; the two clauses operate in different spheres and are not in conflict. Nor does admission of a claim under Regulation 13 confer a right to payment or allotment under the Plan.

9. Whether a related party may lawfully be denied payment under a Resolution Plan is no longer res integra. The Hon'ble Supreme Court in ***M.K. Rajagopalan v. Dr. Periasamy Palani Gounder, (2024) 1 SCC 42***, has held:

> *"54. The lengthy discussion of Appellate Tribunal in regard to the related party (the parts whereof have been reproduced in paragraph 19.7 hereinabove) depict rather unsure and irreconcilable observations of the Appellate Tribunal.*
>
> *54.1. After taking note of the fact that related party is prohibited to be a part of CoC and is further prohibited to be a resolution applicant or an authorized representative etc., the Appellate Tribunal has rightly observed that involvement of a related party in CIRP in any capacity was seen as giving unfair benefit to the corporate debtor; and that the statutory recognition of related party as a different class would apply even to resolution plan when CoC would decide whether in its commercial wisdom it should pay to related party at all because that would mean paying to the same persons who are behind the corporate debtor. However, thereafter the Appellate Tribunal proceeded to observe that related party was required to be equated with the promoters as equity share-holders and then, further made certain observations about discrimination between related party unsecured financial creditor and other unsecured financial creditors as also between related party operational creditor and other operational creditors. Such far-stretched observations of the Appellate Tribunal are difficult to be reconciled with the operation of the statutory provisions.*

54.2. It has rightly been argued on behalf of the appellants and had rightly been observed by the Adjudicating Authority (vide extraction in paragraph 15.4.1 hereinabove) that there was no provision in the Code which mandates that the related party should be paid in parity with the unrelated party. ***So long as the provisions of Code and CIRP Regulations are met, any proposition of differential payment to different class of creditors in the resolution plan is, ultimately, subject to the commercial wisdom of CoC*** *and no fault can be attached to the resolution plan merely for not making the provisions for related party.*

54.3. On the facts of the present case, we find no reason to discuss this matter any further when it is noticed that the promoter and erstwhile director, the contesting respondent before us, has been holding the position of Chairman of the said related party. Suffice it would be to observe for the present purpose that the Appellate Tribunal has erred in applying the principles of non-discrimination and thereby holding against the resolution plan in question for want of provision for related party."

10. The Applicants seek to distinguish ***Rajagopalan (supra)*** on the ground that the related party there held an unadmitted claim. This distinction is foreclosed by the Hon'ble NCLAT in ***West Coast Paper Mills Ltd. v. Bijay Murmuria, CA(AT)(Ins) No.1272 of 2019***, where, on facts involving fully admitted related-party claims, NIL payment was upheld:

"48. In this case there are two parties including the appellant who are unsecured financial creditors and both of them were held to be related parties of the Corporate Debtor. The claims filed by both the related parties were admitted by the RP and CoC. However, Nil amount has been provided for both the related parties in the resolution plan approved by the Adjudicating Authority..."

"52. ... Any prohibition of differential payment to different class of creditors in the resolution plan is ultimately, subject to the commercial wisdom of CoC and no fault can be attached to the resolution plan merely for not making provisions for a related party, so long as provision of the IBC and CIRP regulations are met."

11. The above paragraph of the ***West Coast Paper Mills Ltd (supra)*** does not draw any distinction between admitted and unadmitted related-party

claims; the principle addresses entitlement to parity as such, irrespective of the claim's status.

12. The Applicants' reliance on the NCLT Kolkata Bench decision in ***Hari Vittal Mission v. Ravi Sethia, 2023 SCC OnLine NCLT 40435,*** to argue against class-based discrimination of related parties is entirely misplaced. The said Order of the Kolkata Bench was formally reversed on appeal by the Hon'ble Principal Bench of the NCLAT in ***Manav Investments and Trading Co. Ltd. v. Pratim Bayal, Company Appeal (AT) (Insolvency) No. 1501 of 2023***. In that case, the Hon'ble NCLAT categorically held that related-party creditors form a distinct statutory class and cannot claim parity with independent, unrelated financial creditors, nor can they raise a grievance of discrimination if they are proposed 'Nil' payments under the commercial distribution scheme of a CoC-approved Resolution Plan.

13. Clause 3.2.1.19(C) of the Plan records that related-party allotments may or may not have been made for inadequate or nil consideration or pursuant to an avoidance transaction. Adopting a categorical rather than a case-by-case treatment of related-party claims, in these circumstances, falls within the commercial wisdom of the CoC.

14. The RP objects that individual homebuyers have no locus to independently challenge a Plan once their class has assented to it. Under Section 21(6A)(b) read with Section 25A(3A) of the Code, homebuyers vote as a class through an Authorised Representative, who casts the vote of the entire class in accordance with the majority decision. Once the class approves the Plan, the statutory drag-along mechanism binds every member

of the class, dissenting or otherwise. The Hon'ble Supreme Court in ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2022) 1 SCC 401***, has held:

> *"164.2. ... the homebuyers, as a class, acquired a dominant status in the Committee of Creditors... Once the majority of the class has voted in favour of the plan, the minority cannot be allowed to maintain an independent challenge. The individual homebuyer is bound by the decision of the majority of the class."*

15. The Applicants, though related parties statutorily barred under the first proviso to Section 21(2) of the Code from representation, participation, or voting in the Committee of Creditors, were for that very reason not represented or bound by the vote cast by the homebuyers' class Authorised Representative. The 'drag-along' and class-binding principles enunciated by the Hon'ble Supreme Court in ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2022) 1 SCC 401***, being premised on actual representation in the CoC, would not readily extend to an admitted creditor statutorily excluded from that very process; such a creditor cannot, on this basis alone, be said to be without recourse to Section 60(5) of the Code for examining the Resolution Plan's compliance with Section 30(2).

16. However, it is well-settled by the Hon'ble Supreme Court in ***M.K. Rajagopalan v. Dr. Periasamy Palani Gounder, (2024) 1 SCC 42***, and by the Hon'ble NCLAT Principal Bench in ***West Coast Paper Mills Ltd. v. Bijay Murmuria, Company Appeal (AT) (Insolvency) No. 1272 of 2019***, that neither the Code nor the CIRP Regulations mandate parity in payment between related-party and unrelated financial creditors, the related-party

creditors constituting a distinct statutory class whose exclusion from commercial payouts falls squarely within the CoC's commercial wisdom under Section 30(4) of the Code. The CoC's allocation of 'Nil' value to the Applicants' admitted claims under Clause 3.2.1.3 of the Plan is, therefore, legally valid and does not offend Section 30(2) of the Code, and no case for interference is made out.

17. Applicant No. 1 contends that, having personally funded Units I-903 and I-904 through proper banking channels, she should not be classified as a related party merely by virtue of her marriage to Applicant No. 2. This contention cannot succeed. Section 5(24)(a) of the Code defines a related party to include a relative of a director, and Section 5(24A)(a) defines "relative" to include a spouse. The classification is status-based and objective; it admits no inquiry into the source of funds or the individual bona fides of the transaction. Being the spouse of a suspended director, Applicant No. 1 is, by statutory definition, a related party, and the Plan's differential treatment applies to her with equal force.

CONCLUSION

18. For the reasons recorded above, we hold that:

(i) the Applicants, being related parties, have been lawfully classified as a distinct class of creditors, and the Code does not mandate parity of treatment between related and unrelated financial creditors;

(ii) Clauses 3.2.1.3 and 9 of Chapter 7, in excluding related-party allottees, are a valid exercise of the CoC's commercial wisdom under

Section 30(4) and do not violate Section 30(2) or any other provision of law;

(iii) no ground for interference with the CoC-approved Resolution Plan is made out.

19. This Order is subject to any order to be passed by the Hon'ble NCLAT in pending Company Appeal (AT) (Insolvency) No. 830 of 2026 filed by SRV Investments.

20. Accordingly, **I.A. No. 754 of 2026** is ***dismissed and disposed of.***

SD/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

SD/-

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)

Yuvraj