

NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 19.06.2026 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:

CORAM : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)

APPLICATION NUMBER : IA(IBC)/1067(CHE)2025
PETITION NUMBER : CP(IB)/1423(CHE)2019
NAME OF THE APPLICANT : R. K. Jalan
NAME OF THE RESPONDENT(S) : Ebenezar Inbaraj Liquidator of Land Mark
Housing Projects Chennai Pvt Ltd
UNDER SECTION : Sec 42 of IBC,2016

ORDER

Present : Ld. Counsel Mr.S.Satish for the Applicant.

Ld. Counsel Mr.B.Thilak Narayanan for the Respondent.

Vide separate order pronounced in open court, **IA(IBC)/1067(CHE)2025**

is Dismissed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI

I.A. (IBC) / 1067 / (CHE) 2025

In

CP (IBC) / 1423 (CHE) / 2019

(Filed under Section 42 of Insolvency and Bankruptcy Code, 2016 Read with Rule 11 of the National Company Law Tribunal Rules, 2016)

R. K. JALAN,

Flat No. 7061, 6th Floor, 7th Block, TVH Lumbini Square,
No. 127, Bricklyn Road, Purasaiwalkam,
Chennai – 600 007

.... Applicant

Vs.

MR. EBENEZAR INBARAJ,

Liquidator of Landmark Housing Projects Chennai Private Limited
397, Precision Plaza,
No. 23, Third Floor, Anna Salai,
Teynampet, Chennai-600 018

.... Respondent / Liquidator

Order Pronounced on 19th June 2026

CORAM:

Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Applicant : S. Satish, Hariprasad. P, Advocates

For Respondent : B. Thilak Narayanan, P. Prasanth, Advocates

ORDER

(Heard through hybrid mode)

This application has been filed by R. K. Jalan, under Section 42 of Insolvency and Bankruptcy Code 2016 r/w Rule 11 of NCLT Rules 2016 as requested by the Applicant, for following reliefs as provided hereunder:

“a) To set aside the order of the Respondent/Liquidator dated 24.06.2025 bearing Lr. No. Landmark/Claims/5 (communicated vide email dated 01.07.2025) rejecting the claim of the Appellant and consequently direct the Liquidator to process the claim of the Appellant in accordance with law

b) To pass such further orders as this Hon’ble Tribunal may deem fit and proper in the facts and circumstance of the case.”

2. SUBMISSIONS BY THE APPLICANT:

2.1 It is submitted that this Tribunal vide order dated 29.04.2021 admitted the Corporate Debtor into CIRP in CP / 1423 / IB / 2019. Also, this Tribunal vide order dated 16.04.2025 admitted the Corporate Debtor into Liquidation in IA (IBC) / 34 (CHE) / 2025.

2.2 It is submitted that the Respondent had issued Public announcement in Form B, stating 25.05.2025 as the last date for submission of claims. It is further submitted that the Appellant herein has vide email dated 23.05.2025 submitted its claim as financial creditor of by filing the Form D on 21.05.2025 for an amount of Rs 6,70,00,000/- (Rupees Six Crores Seventy Lakhs), of which Rs. 2,00,00,000/- is the principal amount and Rs. 4,70,00,000/- is the interest.

2.3 It is also stated that the respondent vide email dated 31.05.2025 had sought certain clarifications from the appellant. It is stated that the same was explained along with the documents sought vide email dated 09.06.2025.

It is submitted that the respondent vide email dated 01.07.2025 enclosed a letter dated 24.06.2025, stating that the claim of appellant was rejected on the ground that the claim is barred by limitation.

2.4 It is submitted that the Respondent is aware of the fact that the name of the Appellant is recorded in the balance sheet of Landmark Housing Projects Chennai Private Limited as on 31.03.2023 for an amount of Rs. 2,00,00,000/-. It is also submitted that the appellant vide email dated 07.07.2025 attached the said schedule of Balance sheet for the amount due.

2.5 It is also submitted that the Hon'ble Supreme Court in the case of Asset Reconstruction Company (India) Limited Vs Bishal Jaiswal & Anr in CIVIL APPEAL NO.323 OF 2021, it was held that the an entry made in a balance sheet of a corporate debtor would amount to an acknowledgement of liability under Section 18 of the Limitation Act.

3. SUBMISSIONS OF THE RESPONDENT LIQUIDATOR:

3.1 It is submitted by the respondent in the reply dated 24.08.2025 that the Jindal Steels had filed an application against the Corporate Debtor, M/s. Landmark Housing Projects Chennai Private Limited under Section 9, which was admitted into CIRP vide order dated 29.04.2021 in CP / 1423 / 2019.

3.2 It is further submitted that a resolution plan was accepted by the CoC, which was approved by this tribunal vide order dated 27.06.2022 in IA (IBC) / 417 (CHE) / 2022. However, the promoters failed to comply with the agreed terms of the resolution plan. Hereby, it is stated that the CD is a MSME and hence, the promoters were allowed to participate and submit the resolution plan.

3.3 Thereby, it is stated that this tribunal vide order dated 16.04.2025 had ordered liquidation of the Corporate Debtor in IA / IBC / 34 / CHE / 2025.

3.4 It is submitted that the Applicant had submitted a claim for an amount of Rs.6,70,00,000/- alleging that the loan account was earlier with M/s.Balaji Investment of which he was a Partner and the said Firm was reconstituted and the loan of the Company-in-liquidation had been allotted to him.

3.5 It is further stated that the appellant had claimed that payment of interest was made to him till 30.06.2015, which is evident from the slips furnished. It is also stated that the applicant claims that the payment due to the applicant was shown in the books of the company.

3.6 It is submitted that vide email dated 31.05.2025 addressed to the Applicant, the applicant was asked to explain as to why his claim cannot be rejected as time barred. It is further submitted that the Applicant only submitted a Slip of Confirmation alleged to have been given by the Manager of the Company-in-liquidation as the supporting document.

3.7 It is also submitted that the applicant was asked to provide the details of disbursements and Ledger Copy, but it was stated that the applicant had forwarded an explanation along with certain cheques issued in the name of RKJ Enterprises vide email dated 09.06.2025.

3.8 It is submitted that the documents pertaining to disbursal of money by one M/s. Balaji Investments into the Company-in-liquidation were not furnished

which forms the basis for the Applicant's claim. It is further submitted that the Applicant had placed heavy reliance on the entry made in Books of Accounts of the subject Company in his name and on the strength of the said entry, the Applicant contended that his claim is alive. Eventually, the claim of the Applicant was rejected as time barred and a communication to that effect was sent to the Applicant vide Letter dated 24.06.2025.

3.9 It is submitted that the applicant's contention is that certain amounts were allegedly paid even before the incorporation of the subject Company and the said amounts are said to have been made personally to the erstwhile Director, T.Udayakumar. It is stated that the statutory auditor is the reason for creating fraudulent claims.

4. SUR REJOINDER SUBMITTED BY THE RESPONDENT:

4.1 It is submitted in the sur-rejoinder filed by the respondent on 17.01.2026 that the entries made in the Books of Accounts of the subject Company is result of the fraud played by the Applicant and the Statutory Auditor of the subject Company.

4.2 It is submitted that in the first Audited Balance Sheet filed by the subject Company, now under liquidation, for Financial Year, ending on 31st March, 2014, the Borrowings claimed by the Appellants were not brought into the Books of the subject Company which is seen from the notes to the Balance Sheet.

4.3 It is further submitted that even in the Business Transfer Agreement entered between the said M/s. Landmark Constructions and the subject Company, now under liquidation, dated 16.05.2013, and the dues/claims of the Applicant has not been reflected.

4.4 Also, it is further submitted that the name of Applicant has been added in the later Financials of the subject Company, in connivance of the Auditor of the said Company, in the Trade Payable, although the claim of the Applicant has not been filed as an Operational Creditor and instead as a Financial Creditor. In fact, it could be seen that no explanation is forthcoming in the Rejoinder filed by the Applicant regarding the same.

5. FINDINGS OF THE TRIBUNAL:

5.1 We have heard the learned counsel for both parties and perused the submissions placed on record.

5.2 The Applicant in the present case has challenged the decision of the Liquidator communicated vide letter dated 24.06.2025 whereby the claim submitted by the Applicant for a sum of Rs.6,70,00,000/- was rejected on the ground that the claim was barred by limitation.

5.3 The Applicant contends that a sum of Rs.2,00,00,000/- was advanced to the Corporate Debtor and that the outstanding amount continued to be reflected in the balance sheets of the Corporate Debtor. According to the Applicant, the

entry in the balance sheet for the financial year ending 31.03.2023 constitutes an acknowledgment of debt under Section 18 of the Limitation Act, 1963 and consequently extends the period of limitation. Reliance has been placed upon the judgment of the Hon'ble Supreme Court in Asset Reconstruction Company (India) Limited v. Bishal Jaiswal & Anr. to contend that entries in balance sheets amount to acknowledgment of liability.

5.4 Per contra, the Liquidator submits that the Applicant failed to furnish satisfactory proof regarding the original disbursement of funds, the alleged assignment of the debt from M/s. Balaji Investments, and the basis on which the claim came to be reflected in the books of the Corporate Debtor. It is further contended that the Applicant's claim is hopelessly barred by limitation and that the entries appearing in the books of accounts are themselves disputed and are alleged to have been introduced subsequently in collusion with the statutory auditor.

5.5 The Liquidator has also pointed out that neither the previous relevant years audited financial statements of the Corporate Debtor nor the Business Transfer Agreement dated 16.05.2013 disclose any liability corresponding to the Applicant's claim.

5.6 The principal issue that arises for consideration is whether the Applicant has established a legally enforceable financial debt subsisting on the liquidation commencement date and whether the claim is within limitation.

5.7 At the outset, it is pertinent to note that the burden of proving a claim in liquidation proceedings lies upon the claimant. Mere assertion of a debt is insufficient. The claimant is required to establish the existence of the debt, its disbursement, the consideration for time value of money where a financial debt is alleged, and the continuity of such liability through cogent documentary evidence.

5.8 In the present case, the Applicant claims that the debt originally belonged to M/s. Balaji Investments, a partnership firm, and upon reconstitution of the firm the debt was allotted to him. However, apart from making such assertion, no satisfactory documentary evidence has been produced to establish the original disbursement of funds to the Corporate Debtor, the terms governing such transaction, or the manner in which the debt legally devolved upon the Applicant.

5.9 The Liquidator has specifically stated that despite being called upon to furnish details of disbursement, ledger accounts, bank statements and supporting records, the Applicant failed to produce the primary documents evidencing the alleged advance. Instead, the Applicant relied upon certain confirmation slips and copies of cheques issued by third parties. Such documents, by themselves, do not establish the existence of a legally enforceable financial debt against the Corporate Debtor.

5.10 This Tribunal also finds merit in the contention of the Liquidator that the previous relevant years audited financial statements of the Corporate Debtor do

not reflect the alleged liability. Significantly, the audited balance sheet for the financial year ending 31.03.2014, which is the first audited financial statement after incorporation of the Corporate Debtor, does not disclose the alleged borrowing.

Landmark Housing Projects Chennai Private Limited
Notes to and forming part of Balance Sheet as at 31-Mar-2014

In ₹ (Rupees)	
as at 31-Mar-2014	
3 . Long-Term Borrowings	
Particulars	
Secured Term Loans from Banks	
Vehicle Loan HDFC Bank	6031191
Secured Term Loans from Others	
Vehicle Loan Sundaram Finance	486483
Vehicle Loan Volkswagon Finance	1407007
Secured Term Loans for Projects	
Kotak Mahindra Bank	200000000
Money Matters Financial Servies Limited	391876988
Piramal Enterprises Ltd	155775387
	755577067
Unsecured Loans	
India Infoline Finance Ltd	55489413
Axis Bank	31286230
	86775643
Total	842352709
4 . Short-Term Borrowings	
In ₹ (Rupees)	
as at 31-Mar-2014	
Particulars	
Secured Term Loans from Banks	
Vehicle Loan HDFC Bank	2790568
Secured Term Loans from Others	
Vehicle Loan Sundaram Finance	862740
Vehicle Loan Volkswagon Finance	2049792
Secured Term Loans for Projects	
Kotak Mahindra Bank	1003200
Money Matters Financial Servies Limited	200000000
	206706300
Unsecured Loans	
India Infoline Finance Ltd	42336696
Axis Bank	5551584
Leader Finance & Leasing Pvt Ltd	100000
Paceman Finance India Pvt Ltd	2022500
Ramkripa Finance and Leasings P Ltd	100000
Ceequence Technologies P Ltd	18000000
Aura Intergrated Solutions Pvt Ltd	7750000
	75860780
Total	282567080
5 . Trade Payables	
In ₹ (Rupees)	
as at 31-Mar-2014	
Particulars	
Micro, Small and Medium Enterprise	0
Others	400198778
Total	400198778
6 . Other Current Liabilities	
In ₹ (Rupees)	
as at 31-Mar-2014	
Particulars	
Land Cost Payables	328319886
Statutory Payables	37014645
Other Payables	1653460320
Total	2018794851

5.11 It is significant to take note of the fact that the Business Transfer Agreement dated 16.05.2013, through which the business was transferred, does not reflect the liability now sought to be enforced by the Applicant. These contemporaneous documents cast serious doubt upon the authenticity of the claim, which is extracted as follows:

Landmark Construction No: 27, Saravana Street T Nagar Chennai 600017 Balance Sheet as on 16/05/2013				
	Landmark Construction		Landmark Construction	
Liabilities	as at 16-May-2013		as at 16-May-2013	
Capital Account		148700000.00	Fixed Assets	230723817.60
Donation	-31255.00		0%	171880199.00
Drawings	-76320.00		10%	6825005.69
Udayakumar Capital Account	148807575.00		15%	51047698.48
Loans (Liability)		781604622.85	25%	313012.06
Secured Loans	480859688.65		60%	657902.37
Unsecured Loans	300644934.20		Investments	8449370.00
Current Liabilities		1423140576.57	ARS Industries Limited	8100000.00
Duties & Taxes	5291242.90		Dharani Sugar	43020.00
Provisions	251511.90		India Cements	119500.00
Sundry Creditors	788247766.00		Lotus India	3000.00
Advance From Customer	612172359.00		Lup Lap	35000.00
Retention Money	8475996.77		Ravikumar Distiller	148850.00
Sree Gokulam Chit & Finance Co (P) Ltd	9883700.00		Current Assets	2114172011.82
Car Security Deposit	818000.00		Closing Stock	1039216703.00
Current Period			Deposits (Asset)	87754496.00
Current Period	1085360.07		Loans & Advances (Asset)	703725620.00
Less: Transferred	1085360.07		Sundry Debtors	266891349.00
			Cash-in-hand	1492017.71
			Bank Accounts	13819776.00
			Site Supervisor Petty Cash	170251.11
			TDS Receivable	1101799.00
Total		2353345199.42	Total	2353345199.42

5.12 The Applicant has placed considerable reliance upon the judgment of the Hon'ble Supreme Court in Asset Reconstruction Company (India) Limited v. Bishal Jaiswal & Anr. and contends that the entries appearing in the balance sheets constitute acknowledgment under Section 18 of the Limitation Act. There can be no dispute regarding the legal principle laid down in the said judgment that a valid acknowledgment contained in a balance sheet may extend the period of limitation. However, the applicability of Section 18 presupposes the existence of a genuine and admitted liability. An acknowledgment cannot create a liability where the existence of the underlying debt itself is disputed and unproven.

5.13 In the present case, the Liquidator has raised a serious challenge regarding the authenticity of the entries relied upon by the Applicant. It has been specifically alleged that the Applicant's name was introduced in later financial statements in collusion with the statutory auditor and that the liability was absent from the original records of the Corporate Debtor.

5.14 The Applicant has not produced any satisfactory material to dispel these doubts or explain why the alleged liability was absent in the earlier financial statements and transaction documents.

5.15 Consequently, before the benefit of Section 18 can be claimed, the Applicant must first establish the existence of a valid and subsisting debt. Mere production of a subsequent balance sheet entry, particularly when the authenticity and origin of such entry are disputed, cannot by itself revive a claim that is otherwise unsupported by foundational documents.

5.16 This Tribunal further notes that the alleged debt pertains to transactions said to have occurred many years prior to commencement of CIRP. The Applicant has failed to place any convincing evidence demonstrating continuous acknowledgment of liability by the Corporate Debtor within the prescribed limitation period. Nor has the Applicant produced any legally enforceable instrument extending limitation or evidencing a fresh promise to pay.

5.17 It is also noted by this tribunal that the Applicant did not lodge any claim during the Corporate Insolvency Resolution Process. The Corporate Debtor was admitted into CIRP on 29.04.2021. A resolution plan was thereafter approved by this Tribunal on 27.06.2022. The Applicant remained absent from the CIRP process and only filed a claim form after commencement of liquidation proceedings. The Insolvency and Bankruptcy Code is founded upon certainty, finality and timely resolution of claims. Creditors are expected to participate in

the insolvency process and establish their claims before the Resolution Professional.

5.18 The Tribunal also observes the fact that the amount claimed by the Applicant has undergone substantial escalation from the alleged principal amount of Rs.2,00,00,000/- to Rs.6,70,00,000/- consisting predominantly of interest. In the absence of clear contractual documentation and proof of the underlying debt itself, such enlarged claim cannot be accepted merely on the basis of disputed book entries.

5.19 The role of the Liquidator is to protect the liquidation estate and ensure that only genuine and legally sustainable claims are admitted. Upon examining the material produced before him, the Liquidator arrived at a conclusion that the Applicant had failed to establish a valid claim and that the claim was barred by limitation. No perversity, arbitrariness or illegality is demonstrated in the decision-making process adopted by the Liquidator.

5.20 Accordingly, this Tribunal is of the considered view that the Applicant has failed to establish the existence of a legally enforceable financial debt, failed to satisfactorily prove the original transaction, failed to produce foundational records evidencing disbursement and assignment of the debt, and failed to establish that the claim survives limitation.

5.21 The reliance placed on subsequent balance sheet entries is insufficient in the facts of the present case, particularly when the very existence and authenticity of the underlying liability are seriously disputed and remain

unsubstantiated. Therefore, the decision of the Liquidator rejecting the Applicant's claim does not warrant interference.

5.22 In light of the foregoing discussion, this Tribunal is of the considered view that the Liquidator has exercised due diligence in evaluating the claims in accordance with the statutory framework of the IBC and the governing jurisprudence. The claims were adjudicated in strict adherence to the principles laid down under the IBC, and the Applicant has failed to make out a case warranting interference with the Liquidator's decision. There is no legal infirmity in the rejection of the claims, and the Respondent's submissions are upheld.

5.23 Accordingly, IA (IBC) / 1067 / 2025 stands dismissed.

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)