

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)/1263(CHE)2025
PETITION NUMBER : CP(IB)/1423(CHE)2019
NAME OF THE APPLICANT : Refex Industries Limited
NAME OF THE RESPONDENT(S) : Ebenezar Inbaraj Liquidator Landmark
Housing Projects Chennai Private Limited
UNDER SECTION : U/S 42 of the IBC, 2016

ORDER

Present: Ld. Counsel for the Applicant.

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

Vide separate order pronounced in open court, IA(IBC)/1263(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**

IA (IBC) 1263/ (CHE)/ 2025

In

CP (IBC) 1423/ (CHE)/ 2019

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

In the matter of *Landmark Housing Projects Chennai Private Limited (Under
Liquidation)*

REFEX INDUSTRIES LIMITED,

2nd Floor, No 313, Refex Towers, Sterling Road,
Valluvar Kottam High Road, Nungambakkam,
Chennai, Tamil Nadu – 600 034.

... Appellant

-vs-

EBENEZAR INBARAJ,

Liquidator of Landmark Housing Projects Chennai
Private Limited

397, Precision Plaza, No. 23, Third Floor, Anna Salai,
Teynampet, Chennai – 600 018.

...Respondent

Order pronounced on 19.06.2026

CORAM

SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Petitioners: Lakshana Viravalli, Advocate

For Respondent No.4 & 5: B. Thilak Narayanan and P. Prasanth, Advocates

ORDER

(Hearing through hybrid mode)

This Appeal has been filed by **Refex Industries Limited**, under
Section 42 of the Insolvency and Bankruptcy Code, 2016 challenging the

communication dated 01.07.2025 issued by the Respondent/ Liquidator rejecting the claim submitted by the Appellant as a Financial Creditor in the liquidation process of **Landmark Housing Projects Chennai Private Limited** was rejected, seeking following reliefs:

“PRAYER

7. In view of the facts and circumstances stated above, and without.

Without prejudice to any other rights or remedies available under law, the applicant most respectfully prays that this Hon’ble Tribunal may be pleased to:

- a. Allow the present Application under Section 42 of the Insolvency and Bankruptcy Code, 2016;*
- b. Quash and set aside the decision of the Liquidator/Respondent dated 01 July 2025 rejecting the Applicant’s claim as a Financial Creditor;*
- c. Declare that the Applicant is a Financial Creditor of the Corporate Debtor and consequently direct the Liquidator/Respondent to admit the claim of the Applicant.*
- d. Direct the Liquidator/Respondent to include the Applicant in the list of stakeholders under Regulation 31 of the IBBI (Liquidation Process) Regulations, 2016;*
- e. Pass an order restraining the Respondent/Liquidator from distributing any proceeds from the sale of the assets of the Corporate Debtor in liquidation, in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016, pending the final adjudication of the captioned Application.*
- f. Pass such further order(s) or direction(s) as this Hon’ble Tribunal may deem just fit and proper in the facts and circumstances of the case.”*

2. SUBMISSIONS OF THE APPELLANT

2.1. It is submitted that pursuant to the liquidation order passed by this Tribunal dated 16.04.2025, its claim in Form-D before the Respondent/ Liquidator claiming a sum of Rs.22,79,06,054/- as on 16.04.2025 was submitted and the claim was based on financial transactions and assignment of debt in favour of the Applicant.

2.2. It is submitted that on 01.03.2020, the Applicant entered into a loan agreement with the Corporate Debtor and extended an inter-corporate deposit facility of up to Rs.30,00,00,000/- for the business requirements of the Corporate Debtor. The facility was to be disbursed in one or more tranches in accordance with the terms agreed between the parties.

2.3. It is further submitted that in order to safeguard its receivables from the Corporate Debtor, it agreed to provide an additional unsecured loan facility of up to Rs.20,00,00,000/- to Landmark Housing Projects (India) Private Limited (“Landmark India”), a subsidiary of the Corporate Debtor, under a Loan Agreement dated 01.10.2020. The arrangement contemplated that Landmark India would in turn advance the corresponding amount to the Corporate Debtor under a back-to-back loan arrangement.

2.4. It is submitted that Landmark India and the Corporate Debtor entered into a separate Loan Agreement dated 01.10.2020, under which the Corporate Debtor agreed to repay the principal amount together with accrued interest to Landmark India.

2.5. It is submitted that owing to the outstanding dues payable by the Corporate Debtor to Landmark India and the corresponding dues payable by Landmark India to the Applicant, an Assignment Agreement dated 15.03.2021 was executed between Landmark India and the Applicant. Under the said Assignment Agreement, Landmark India irrevocably assigned and transferred its rights to recover the outstanding amount from the Corporate Debtor in favour of the Applicant.

2.6. It is further submitted that the Assignment Agreement was executed in accordance with the contractual provisions contained in the underlying loan agreements and that the Corporate Debtor was duly informed of the assignment. It is further contended that the Corporate Debtor expressly acknowledged and accepted the assignment and confirmed its obligation to repay the outstanding amount directly to the Applicant.

2.7. It is also submitted that by letter dated 17.03.2021, the Corporate Debtor acknowledged the assignment of debt, accepted the transfer of rights in favour of the Applicant and confirmed its liability to repay the assigned debt directly to the Applicant. According to the Applicant, this acknowledgment conclusively establishes privity and acceptance of liability by the Corporate Debtor.

2.8. It is submitted that the Respondent sought various clarifications and supporting documents during the claim verification process. The Applicant furnished detailed responses, financial records, ledger extracts, loan agreements, assignment documents, income-tax records and other supporting materials in response to the queries raised by the Liquidator.

2.9. It is further submitted that despite the aforesaid materials, the Respondent rejected the claim on the grounds that the Assignment Agreement was unregistered, that the Corporate Debtor was not a party thereto and that there was no evidence of liability owed by the Corporate Debtor to the Applicant. The Applicant contends that such findings are contrary to the documents on record, particularly the acknowledgment dated 17.03.2021 issued by the Corporate Debtor.

2.10. It is further submitted that the Liquidator exceeded the scope of claim verification by undertaking an adjudication of legal questions relating to the validity and enforceability of the assignment transaction. According to the Applicant, such issues can only be determined by a judicial forum and not by the Liquidator while exercising powers under the Code.

2.11. It is contended that the observations of the Respondent regarding alleged routing or rotation of funds are unsupported by evidence and contrary to the loan agreements, ledger accounts, bank statements and other records produced by the Applicant.

2.12. It is finally submitted that the financial transactions were genuine lending transactions duly reflected in the books and records of the parties. The Corporate Debtor's acknowledgment of liability, coupled with the assignment of debt and the supporting financial records, clearly establish the Applicant as a Financial Creditor entitled to participate in the liquidation process of the Corporate Debtor.

3. SUBMISSIONS OF THE RESPONDENT

3.1. The Respondent/ Liquidator submits that the present Appeal is devoid of merits and liable to be dismissed. It is contended that the

Applicant has failed to establish the existence of a legally enforceable financial debt against the Corporate Debtor and that the claim was rightly rejected upon verification of the records and documents produced.

3.2. It is stated that the Corporate Debtor was admitted into CIRP on 29.04.2021 pursuant to an application under Section 9 of the Insolvency and Bankruptcy Code, 2016. A Resolution Plan submitted by the promoters was approved on 27.06.2022; however, upon failure of implementation of the Resolution Plan, liquidation of the Corporate Debtor was ordered on 16.04.2025 and the Respondent was appointed as Liquidator.

3.3. It is stated that pursuant to the public announcement dated 26.04.2025, the Applicant submitted a claim as a Financial Creditor for a sum of Rs.22,79,06,054/-. During the verification process, the Respondent sought various clarifications and supporting documents from the Applicant concerning the nature of the transaction, the loan arrangements, assignment of debt and proof of disbursement.

3.4. It is further stated that the Applicant's claim is founded upon an alleged Assignment Agreement dated 15.03.2021 executed between Landmark Housing Projects (India) Private Limited and the Applicant.

According to the Respondent, the Corporate Debtor was not a party to the Assignment Agreement and therefore cannot automatically be bound by its terms.

3.5. It is also stated that the Assignment Agreement relied upon by the Applicant is unregistered and inadequately stamped and therefore cannot be relied upon to establish the transfer of debt or the Applicant's status as a Financial Creditor. It is submitted that the document lacks legal enforceability and cannot form the basis for admission of the claim.

3.6. It is stated that the alleged assignment does not create any independent obligation on the part of the Corporate Debtor in favour of the Applicant. According to the Respondent, there is no valid novation or substitution of creditor demonstrated through legally admissible documents.

3.7. It is contended that upon scrutiny of the bank statements, ledger extracts and financial records furnished by the Applicant, it was observed that the transactions relied upon involve movement of funds among related entities and do not conclusively establish a direct financial debt owed by the Corporate Debtor to the Applicant. It is contended that the

transactions indicate circular routing of funds rather than genuine lending transactions creating enforceable liability.

3.8. It is further stated that the Applicant has failed to produce satisfactory proof demonstrating actual disbursement of the claimed amount to the Corporate Debtor and corresponding acknowledgment of liability in favour of the Applicant. The documents relied upon are stated to be insufficient to establish the debt claimed.

3.9. It is stated that the alleged acknowledgment dated 17.03.2021 relied upon by the Applicant does not cure the defects in the Assignment Agreement and cannot independently establish a legally enforceable debt in favour of the Applicant.

3.10. It is further stated that the Liquidator is under a statutory obligation to verify claims and determine whether the claimant has established entitlement to admission of the claim. According to the Respondent, the Liquidator is not required to mechanically admit claims merely on the basis of assertions made by the claimant.

3.11. It further stated that after considering the documents produced, seeking clarifications and examining the records of the Corporate Debtor, the claim was rejected through a reasoned decision. The rejection was

based upon deficiencies in proof of debt, questions surrounding the assignment transaction and the absence of satisfactory evidence establishing the Applicant's status as a Financial Creditor.

3.12. It is stated that the Applicant is effectively seeking adjudication of disputed questions relating to contractual rights and validity of the assignment transaction, which cannot be resolved merely through the claim verification process. In such circumstances, the Liquidator was justified in declining admission of the claim.

4. SUBMISSIONS OF THE APPELLANT IN REJOINER

4.1. The Appellant has filed the present Rejoinder denying the averments and contentions raised in the Reply and reiterating the facts stated in the Appeal.

4.2. It is submitted that the Liquidator's challenge to the genuineness and admissibility of the acknowledgment letter dated 17.03.2021 is unsustainable. According to the Applicant, the said letter constitutes a clear acknowledgment by the Corporate Debtor of the Assignment Agreement executed between Landmark Housing Projects (India) Private Limited and the Applicant, and further records the Corporate Debtor's

acceptance of its obligation to repay the assigned debt directly to the Applicant.

4.3. It is submitted that during the claim verification process, the Liquidator specifically sought documents evidencing acceptance of the assignment and acknowledgment of liability by the Corporate Debtor. The Applicant informed the Liquidator that efforts were being made to trace the relevant document and subsequently furnished the acknowledgment letter immediately upon locating the same.

4.4. It is submitted that the acknowledgment letter was forwarded to the Liquidator on 02.07.2025, immediately after the rejection of the claim, and prior to institution of the present proceedings. Despite being placed on record, the Liquidator failed to reconsider the claim or address the contents of the acknowledgment letter.

4.5. It is further submitted that according to the Applicant, the acknowledgment letter completely answers the Liquidator's objection regarding absence of privity between the Applicant and the Corporate Debtor, as the Corporate Debtor expressly acknowledged the assignment and confirmed its liability to repay the dues directly to the Applicant.

4.6. It is contended that the absence of corresponding entries in the books of account of the Corporate Debtor cannot negate an otherwise valid and acknowledged loan transaction. It is contended that the existence of the debt and assignment is established through contractual documents, banking transactions and the Corporate Debtor's written acknowledgment, and not merely through accounting entries.

4.7. It is further submitted that the Applicant had furnished all relevant loan agreements, the Assignment Agreement, supporting records and clarifications sought by the Liquidator through emails dated 12.06.2025 and 22.06.2025. The Applicant contends that every query raised by the Liquidator was duly answered with supporting documents.

4.8. It is submitted that the Liquidator has repeatedly shifted his stand while considering the claim, first questioning the maintainability of fresh claims during liquidation and thereafter disregarding documents evidencing assignment of debt, contractual privity and acknowledgment of liability by the Corporate Debtor.

4.9. It is submitted that the Liquidator's objection that the acknowledgment letter cannot be relied upon because it was not available at the time of original claim verification is arbitrary and untenable.

4.10. It is submitted that once the acknowledgment letter was placed before the Liquidator, the Respondent ought to have reconsidered the claim in light of the additional material. The refusal to do so, according to the Applicant, amounts to an unjustified disregard of material evidence directly bearing on the existence and enforceability of the debt.

5. WRITTEN SUBMISSIONS OF THE APPELLANT

5.1. The Appellant reiterates that it filed its claim before the Liquidator as a Financial Creditor for a sum of Rs.22,79,06,054/- arising out of loan transactions and the subsequent assignment of debt in its favour. The claim was supported by the Loan Agreements, Assignment Agreement, financial records and other supporting documents furnished during the claim verification process.

5.2. It is submitted that the Corporate Debtor had availed financial assistance through an inter-corporate deposit arrangement and that Landmark Housing Projects (India) Private Limited had subsequently assigned its receivables from the Corporate Debtor in favour of the Applicant under an Assignment Agreement dated 15.03.2021. According to the Applicant, the Corporate Debtor acknowledged and accepted the

assignment through its communication dated 17.03.2021 and agreed to repay the assigned debt directly to the Applicant.

5.3. It is submitted that the Respondent erred in rejecting the claim on the grounds that the Assignment Agreement was unregistered, that the Corporate Debtor was not a party thereto and that there was no proof of debt. It is submitted that the assignment was contractually permissible and that the acknowledgment issued by the Corporate Debtor conclusively establishes acceptance of the assignment and liability towards the Applicant.

5.4. It is further submitted that the Respondent failed to appreciate that the claim is supported by executed agreements, bank transactions, ledger records and the acknowledgment letter signed on behalf of the Corporate Debtor. According to the Applicant, the documents collectively establish the existence of a valid financial debt and the Applicant's status as a Financial Creditor.

5.5. It is submitted that the Respondent wrongly proceeded on the premise that a fresh claim could not be entertained during liquidation when no claim had been lodged during CIRP. It is contended that there is no legal prohibition against filing a claim for the first time during

liquidation proceedings and that the Liquidator's approach is contrary to the scheme of the Insolvency and Bankruptcy Code, 2016.

6. WRITTEN SUBMISSIONS OF THE RESPONDENT

6.1. The Respondent/ Liquidator stated that the Appeal is liable to be dismissed as the Applicant has failed to establish the existence of a legally enforceable financial debt against the Corporate Debtor. It is contended that the claim was rightly rejected upon verification of the documents and records produced by the Applicant.

6.2. It is stated that the Applicant's case is founded on a loan allegedly advanced by the Applicant to Landmark Housing Projects (India) Private Limited ("Landmark India"), a wholly owned subsidiary of the Corporate Debtor, under a Loan Agreement dated 01.10.2020, a further loan allegedly advanced by Landmark India to the Corporate Debtor under another Loan Agreement of the same date and an Assignment Agreement dated 15.03.2021 whereby Landmark India purportedly assigned an amount of Rs.17,40,01,897/- allegedly receivable from the Corporate Debtor in favour of the Applicant.

6.3. It is contended that the Agreement dated 01.03.2020 relied upon by the Applicant between the Applicant and the Corporate Debtor is not the

subject matter of the present claim and therefore cannot be relied upon to substantiate the debt sought to be admitted.

6.4. It is stated that the ledger extracts and corresponding bank transaction records relied upon by the Applicant themselves indicate that the liability reflected therein stood discharged by the Corporate Debtor. Accordingly, the records relied upon by the Applicant do not establish the subsistence of the debt claimed.

6.5. The Respondent disputes the genuineness of the alleged Loan Agreement dated 01.10.2020 between Landmark India and the Corporate Debtor and contends that the said document is fabricated. It is submitted that the audited financial statements of Landmark India for the financial year ending 31.03.2021 reflect a loan advanced by the Corporate Debtor to Landmark India and not vice versa.

6.6. It is stated that as per the financial statements of Landmark India, amounts payable by Landmark India to the Corporate Debtor were reflected as repayment of loans and advances and there was no subsisting debt due from the Corporate Debtor to Landmark India. Consequently, according to the Respondent, the question of assignment of a non-existent debt in favour of the Applicant does not arise.

6.7. It is stated that the balance sheets of both Landmark India and the Corporate Debtor do not disclose either Landmark India or the Applicant as creditors of the Corporate Debtor for the relevant period. It is contended that the Applicant has also failed to produce financial statements demonstrating that either Landmark India or the Corporate Debtor was reflected as its debtor.

6.8. It is further stated that no claim was filed by the Applicant during the Corporate Insolvency Resolution Process and that the present claim has been raised only during liquidation proceedings as an afterthought.

6.9. The Respondent disputes the reliance placed by the Applicant on the acknowledgment letter dated 17.03.2021 allegedly signed by the then Managing Director of the Corporate Debtor. It is submitted that the said document was never produced during claim verification and surfaced only after rejection of the claim. Upon being confronted with the document, the erstwhile Managing Director initially denied having signed the same through email dated 08.08.2025. Although the denial was subsequently withdrawn on 17.08.2025, the Respondent contends that the underlying transactions are not reflected in the books of either

Landmark India or the Corporate Debtor, both of which had been signed by the same Managing Director.

6.10. It is further stated that the Applicant's contention that the debt is reflected under the head "Other Financial Assets" in its financial statements is incorrect. Reliance is placed on the Applicant's Income Tax Return and audited financial statements for FY 2020-21 to contend that the amounts shown under "Other Financial Assets" relate to right-of-use assets, land, buildings and plant and machinery, and not to any loan advanced to Landmark India or the Corporate Debtor.

6.11. It is finally stated that the Applicant has failed to produce reliable documentary evidence establishing the existence of a debt due from the Corporate Debtor, the validity of the alleged assignment, or the status of the Applicant as a Financial Creditor. The records relied upon by the Applicant are stated to be inconsistent with the audited financial statements of the concerned entities.

7. FINDINGS OF THE TRIBUNAL

7.1. We have heard the Learned Counsel appearing for the Appellant and the Learned Counsel appearing for the Respondent/ Liquidator. We

have also perused the pleadings, documents placed on record and the written submissions filed by the parties.

7.2. The case of the Applicant is that financial assistance was extended under various loan arrangements involving the Applicant, Landmark Housing Projects (India) Private Limited ("Landmark India"), and the Corporate Debtor. According to the Applicant, Landmark India assigned its receivables from the Corporate Debtor in favour of the Applicant under an Assignment Agreement dated 15.03.2021 and the Corporate Debtor subsequently acknowledged the assignment and its liability through a communication dated 17.03.2021.

7.3. The Applicant contends that the Assignment Agreement, supporting financial records and acknowledgment dated 17.03.2021 conclusively establish its status as a Financial Creditor and that the Liquidator erred in rejecting the claim.

7.4. Per contra, the Respondent/Liquidator submits that the Applicant has failed to establish the existence of a legally enforceable debt against the Corporate Debtor. It is contended that the alleged debt sought to be assigned itself did not exist and that the documents relied upon by the

Applicant are inconsistent with the audited financial statements of the Corporate Debtor and Landmark India.

7.5. The principal issue that arises for consideration is whether the Applicant has demonstrated such infirmity in the decision of the Liquidator as would warrant interference by this Adjudicating Authority under Section 42 of the Insolvency and Bankruptcy Code, 2016.

7.6. At the outset, it is necessary to note that proceedings under Section 42 are not intended to substitute a detailed civil trial concerning seriously disputed questions of fact. The scope of judicial review is confined to examining whether the Liquidator's decision suffers from illegality, perversity, arbitrariness or material irregularity.

7.7. The Applicant's claim is founded upon a chain of transactions comprising a loan allegedly extended by the Applicant to Landmark India, a further loan allegedly extended by Landmark India to the Corporate Debtor, and an Assignment Agreement dated 15.03.2021 by which Landmark India purportedly assigned its receivables from the Corporate Debtor to the Applicant.

7.8. However, the Respondent has specifically disputed the existence of the underlying debt allegedly due from the Corporate Debtor to

Landmark India. The Respondent has relied upon the audited financial statements of Landmark India and the Corporate Debtor to contend that the books do not reflect the liability in the manner asserted by the Applicant and, on the contrary, indicate financial arrangements inconsistent with the Applicant's case.

7.9. We find that the dispute raised by the Respondent is not confined merely to technical objections regarding assignment. The Respondent has questioned the very existence of the debt allegedly assigned and has relied upon contemporaneous audited financial records in support of such contention.

7.10. The Applicant has heavily relied upon the acknowledgment letter dated 17.03.2021 allegedly issued by the Corporate Debtor. While the said document may prima facie support the Applicant's case, the record also discloses that the document was not produced during the original claim verification process and surfaced subsequently. The Respondent has further questioned its evidentiary value by pointing out that the underlying transactions are not reflected in the books of account relied upon by the parties.

7.11. Significantly, determination of the genuineness, legal effect and evidentiary value of the acknowledgment letter would necessarily require adjudication of disputed questions of fact and examination of competing documentary evidence. Such an exercise travels beyond the limited scrutiny contemplated under Section 42 of the Code.

7.12. We also find that the Liquidator sought clarifications from the Applicant, examined the documents furnished and considered the financial records available before arriving at the impugned decision. The material on record does not indicate that the Liquidator acted arbitrarily or in disregard of the provisions of the Code or the Liquidation Process Regulations.

7.13. In the facts of the present case, where the very existence of the assigned debt is seriously disputed and the documentary record is not free from controversy, this Adjudicating Authority is unable to conclude that the decision of the Liquidator suffers from perversity or patent illegality warranting interference under Section 42 of the Insolvency and Bankruptcy Code, 2016.

7.14. Upon a cumulative consideration of the pleadings, documents and submissions advanced by the parties, we are of the considered view that

the Applicant has failed to establish sufficient grounds for setting aside the decision of the Liquidator rejecting the claim since the contentions of the Applicant is devoid of merits.

7.15. Accordingly, **IA(IBC)/1263/(CHE)2025** stands **dismissed**.

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)