

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **30.06.2026** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : K V Capital
Vs
Amar Prakaash Developers Pvt Ltd

MAIN PETITION NUMBER : CP(IBC)/73(CHE)2022

(IA/MA) APPLICATION NUMBERS

IA(IBC)(Plan)/11(CHE)/2025; IA(IBC)/700(CHE)/2026; Ivn.P(IBC)/5/CHE/2026;
IVN.P/(IBC)/6(CHE)/2026; IA(IBC)/1985(CHE)/2025; IA(IBC)/1877(CHE)/2025;
IA(IBC)/1905(CHE)/2025; IVN.P(IBC)/11(CHE)/2025; IA(IBC)/1646(CHE)/2024;
IA(IBC)/1369(CHE)2025; IA(IBC)/2209(CHE)2024; IA(I.B.C)/892(CHE)2025;
IA(IBC)/2095/(CHE)/2025; IA(IBC)/2082(CHE)/2025; IA(IBC)/53(CHE)2026

ORDER

IA(IBC)(Plan)/11(CHE) 2025

Present: Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

Vide common order pronounced in Open Court, the application is **allowed**. The resolution plan with addendum submitted by the Resolution Applicant Aadarsh Surana is approved with directions.

Inv.P(IBC)/11(CHE)/2025

Present: Ld. Counsel Shri. Girish for the Liquidator of EAP Infrastructure
Private Limited.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

Vide common order pronounced in Open Court, application is **dismissed**.

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Inv.P(IBC)/5(CHE)/2026

Present: Ld. Counsel Shri. Krishna Dath for the Applicant

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

None for the CoC.

Vide common order pronounced in Open Court, application is **disposed of** with the following observations.

6.3. Since the amount claimed by the erstwhile Interim Resolution Professional towards his fees and expenses already forms part of the CIRP costs and the CIRP costs are, in any event, payable in priority in terms of Section 30(2) of the Code, the claim of the Applicant stands subsumed within and is to be dealt with as part of the said CIRP costs. So, nothing further survives for adjudication in this Intervention Application.

Inv. P / (IBC)/6(CHE)/2026

Present: Ld. Counsel Shri. V. Adithyan for the Applicant / Latha Devi
Gani.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

None for the CoC / R2.

None for R3 and R4.

Vide common order pronounced in Open Court, application is **disposed of** with the following observations.

7.3. Having heard the parties and considered the matter, we are of the view that the Applicant holds a registered Sale Deed dated 23.02.2015 in respect of Flat No. H-111, and the right, title and possession of the said flat in her favour stands recognised by the orders of the TNRERA. The 1st Respondent / Resolution Professional is directed to reconcile.

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7.4. *In so far as the relief at prayer clause (c) is concerned, namely a direction to include the compensation amount of Rs.11,69,520/- said to have been awarded by the Hon'ble TNRERA in CCP No. 134/2019 dated 16.12.2019 and in EP No. 4/2021 in C.No. 306/2019 dated 30.12.2021, in the Resolution Plan, we find that the same cannot be granted. The Applicant has fairly admitted that the said compensation amount of Rs.11,69,520/- was not included in the claim submitted by her before the Resolution Professional in Form CA. It is well settled that the Resolution Professional can collate and admit only such claims as are made before him in the manner and within the time prescribed under the Code and the CIRP Regulations, and a claim that was never lodged before the Resolution Professional cannot be directed to be included in the Resolution Plan at this belated stage, more so after approval of the Resolution Plan by the CoC. The Applicant having not made any claim towards the said compensation/damages before the Resolution Professional, the relief sought at prayer clause (c) is liable to be and is hereby rejected. It is, however, made clear that the treatment of the Applicant as a homebuyer shall be in accordance with the approved Resolution Plan.*

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IA(IBC) /1905 (CHE)/ 2025

Present: Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

Ld. Counsel Shri. Pawan Jhabakh for R1.

Vide common order pronounced in Open Court, the application is **disposed of** with following observations.

8.3. In view of the undertaking dated 27.05.2026 given by the Resolution Applicant to pay the incentive fee of the Resolution Professional as part of the CIRP cost, and the approval thereof by the CoC in its 39th meeting held on 10.06.2026, the very grievance raised in this application stands redressed and the relief sought therein has been substantially secured. The Resolution Applicant shall remain bound by the said undertaking and shall pay the incentive fee of the Resolution Professional, as part of the CIRP cost, in priority, in terms thereof and in accordance with Regulation 34B of the CIRP Regulations, 2016.

IA(IBC)/700(CHE)/2026

Present: Ld. Counsel Shri. RAGhav Menon for RP of Amar Prakaash
Developers Private Limited

Vide common order pronounced in Open Court, application is **disposed of** with the following observations.

5.3. The said applications under Section 66 of the Code have already been considered and disposed of by this Tribunal independently by a separate order. In view of the independent disposal of the said Section 66 applications, the very cause for which the present Application came to be filed no longer subsists.

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IA(IBC)/1985(CHE)/2025

Present: Ld. Counsel Shri. Bilal Ali for the Ayra Consortium.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

Vide common order pronounced in Open Court, the application is **dismissed**.

IA(IBC)/53(CHE)2026; IA(IBC)/2082(CHE)/2025

Present: Ld. Counsel Ms. Madhuvandhi for State Bank of India.

Ld. Counsel Shri. Pawan Jhabakh for R1 and R2.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

None for LICHFL.

Vide common order pronounced in Open Court, both the applications are dismissed with no orders as to cost. However, the said dismissal will not prevent State Bank of India / Applicant from initiating proceedings against the Borrowers for recovery of its dues since the flats are under mortgage with the Applicant / State Bank of India.

IA(IBC)/1369(CHE)2025; IA(IBC)/1646(CHE)/2024

Present: None for the Manish Mardia.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

None for the CoC.

Ld. Counsel Shri. Pawan Jhabakh for Aadarsh Surana.

Ld. Counsel Shri. Girish for the Liquidator of EAP
Infrastructure Private Limited.

Vide common order pronounced in Open Court, both the applications are **dismissed** with no orders as to cost.

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IA(I.B.C)/892(CHE)2025

Present: Ld. Counsel Shri. Raghav Menon for the Appliacnt / RP of Amar Prakaash.

Ld. Counsel Shri. Pawan Jhabakh for all the Respondents.

Vide separate order pronounced in Open Court, the application is **dismissed** with no orders as to cost.

IA(IBC)/2095/(CHE)/2025

Present: None for the Applicant / Dugar Finance and Investments Limited.

Ld. Counsel Shri. Raghav Menon for the Appliacnt / RP of Amar Prakaash.

Vide separate order pronounced in Open Court, application is allowed with directions to include the claim of the Applicant as Secured Financial Creditor which may be paid in terms of the resolution plan.

IA(IBC)/2209(CHE)2024

Present: Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash Developers Private Limited.

Ld. Counsel Shri. Pawan Jhabakh for R2 and R3.

Ld. Counsel Shri. Shri. Girish for the Liquidator of EAP Infrastructure India Private Limited.

None for the other Respondents.

Vide separate order pronounced in Open Court, the application is **dismissed** with no orders as to cost.

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IA(IBC)/1877(CHE)/2025

Present: None for the Applicant / NHD Homes.

Ld. Counsel Shri. Raghav Menon for RP of Amar Prakaash
Developers Private Limited.

Vide separate order pronounced in Open Court, the application is disposed of with the following observations and directions.

Considering the fact that the claim of the Applicant very much exists in the list of claims as evident from the IBBI website, the same has to be treated in the category of 'Home Buyers' in a class. The claim was never cancelled by the RP nor omitted in the resolution plan.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 30.06.2026

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH-1
AT CHENNAI

IA(IBC)/53(CHE)/2026
IN
IA(IBC)/1418(CHE)/2024
IN
CP(IB)/73(CHE)2022

*(filed under Section 60 (5) of the Insolvency and Bankruptcy Code, 2016 R/w rule 11 of the
National Company Law Tribunal Rules, 2016)*

In the matter of Amar Prakaash Developers Private Limited

- 1. State Bank of India**
Rep by its Manager,
Plot No.9, Karambakkam First Main Road,
Arcot Road, Porur, Chennai - 600 116
Presently migrated to
Stressed Asset Recovery Branch-II No.44,
1st Floor, Eldams Road, Teynampet, Chennai-600 018

... Applicant

Vs

- 1. Mr. Aadarsh Surana,**
F201, Taisha Housing Society,
Natesan Nagar, 2ndMain Road,
Kaliammankoil Street, Virugambakkam,
Chennai – 91
- 2. Mr. S. Kuldeep Surana,**
No.42, Rajendra Prasad Road, Nehru Nagar,
Chrompet, Chennai – 600 044
- 3. M/s.Trupro Insolvency Services LLP,**
Resolution Professional of
Amar Prakaash Developers Private Limited
No. 581, Third Floor (Top Floor)
Sector 27, Gurugram-122001.

Email ID: amar.prakaash@truproinsolvency.com

- LIC Housing Finance Limited**
No.30, Harrington Chambers,
Block C, II. IA, Abdul Razzack,
Ist Street, Saidapet, Chennai — 600 015

... Respondents

For Applicant : M.L. Ganesh, Advocate

For Respondent : Pawan Jhabakh, Advocate for Promoter Directors.
Raghav Menon, Advocate for RP.

Along with

**IA(IBC)/2082(CHE)/2025
IN
CP(IB)/73(CHE)/2022**

*(filed under Section 60 (5) of the Insolvency and Bankruptcy Code, 2016 R/w rule 11 of the
National Company Law Tribunal Rules, 2016)*

In the matter of Amar Prakaash Developers Private Limited

- State Bank of India**
Rep by its Manager,
Plot No.9, Karambakkam First Main Road,
Arcot Road, Porur, Chennai - 600 116
Presently migrated to
Stressed Asset Recovery Branch-II No.44,
1st Floor, Eldams Road, Teynampet, Chennai-600 018

... Applicant

Vs

- Mr. Aadarsh Surana,**
F201, Taisha Housing Society,
Natesan Nagar, 2nd Main Road,
Kaliammankoil Street, Virugambakkam,
Chennai — 91
- Mr. S. Kuldeep Surana,**

No.42, Rajendra Prasad Road, Nehru Nagar,
Chrompet, Chennai – 600 044

3. **M/s.Trupro Insolvency Services LLP,**
Resolution Professional of
Amar Prakaash Developers Private Limited
No. 581, Third Floor (Top Floor)
Sector 27, Gurugram-122001.
Email ID: amar.prakaash@truproinsolvency.com

4. **LIC Housing Finance Limited**
No.30, Harrington Chambers,
Block C, II. IA, Abdul Razzack,
Ist Street, Saidapet, Chennai – 600 015

. . . Respondents

For Applicant : M.L. Ganesh, Advocate

For Respondent : Pawan Jhabakh, Advocate for Promoter Directors.
Raghav Menon, Advocate for RP.

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 30th June, 2026

ORDER

(Heard Through Hybrid Mode)

1. This application IA(IBC)/53(CHE)/2026 in IA(IBC)/1418(CHE)/2024 under Section 60(5) of IBC r/w Rule 11 of NCLT Rules, 2016 and Section 5 of the Limitation Act, 1963 has been filed by State Bank of India seeking recall of order dated 19.02.2025 passed in IA/1418/2024 in so far

as the Applicant Bank is concerned. Another application IA(IBC) / 2082 (CHE) /2025 in IA(IBC)/1418 (CHE) / 2024 under Section 60(5) of IBC r/w Rule 11 of NCLT Rules, 2016 has been filed by State Bank of India seeking condonation of delay of 307 days in filing the application IA(IBC)/53(CHE)/2026.

2. As per the case of the Applicant, Respondent No. 1 / Aadarsh Surana and Respondent No. 2 / S. Kuldeep Surana had filed an application IA/1418/2024 seeking the following reliefs.

a) Direct the Respondent No. 1, Resolution Professional not to treat the Applicants as homebuyers in view of cancellation of flats Nos. CB-31, FE-31, A-312, BA-31, M-711 and GF-31 as already accepted by the corporate debtor. (Kuldeep Surana — Flat A-312 and Ashish Surana — M-711).

b) Direct the Respondent No. 1, Resolution Professional to treat apartments bearings Flat Nos. CB-31, FE-31, A-312, BA-31, M-711 and GF-31 allotted to the applicants and which now stands cancelled as unsold inventory and treat the Respondent No.2 & 3 (Respondent No.2 — SBI Arcot Road Porur Branch) as secured financial creditors for the amount disbursed by them to the corporate debtor in terms of the above flats of the Applicants.

3. It is stated that Respondent No. 1 / Aadarsh Surana had not availed any loan from the Applicant / State Bank of India. He was one of the Directors in the suspended Board of the Corporate Debtor. Aashish Surana, who was not the party in IA/1418/2024, had availed the housing loan on 23.03.2016 for Rs. 2.05 Crores for purchase of a flat M711 in Palm Riviera with super built up area of 4614 sq.ft. together with undivided share of land admeasuring 1801 sq.ft. Aashish Surana also sought for additional top up loan of Rs. 1.29 Crores on 02.07.2019 and executed the loan cum security documents confirming the loan liability. He also created an equitable mortgage over the flat by executing MOD registered as Document No. 2414/2016 with SRO, Padappai and extended the same by constructive delivery and MOD registered as Doc. No. 4723/2019. Respondent No. 2 Kuldeep Surana also availed a housing loan on 30.09.2019 for Rs. 94.44 Lakhs for purchase of a flat A312 in Palm Riviera having super built up area of 1850 sq.ft. together with undivided share of land admeasuring 722 sq.ft. He also executed non-security documents confirming his liability and executed the Equitable Mortgage over the aforesaid by executing MOD on 03.12.2019 vide registered document No. 9073/2019 with SRO, Padappai.

4. It is stated that since both defaulted in repaying the loan amount, the accounts of Aashish Surana and Kuldeep Surana slipped into NPA on 06.09.2023 and 03.10.2023 respectively in the books of the bank. Demand notices under Section 13(2) of the SARFAESI Act were issued to Aashish Surana on 07.09.2023 and Kuldeep Surana on 05.10.2023 respectively by CRAMC of the Bank. It is stated that though both the Respondents were fully conscious of the fact that the loan accounts were dealt with CRAMC and RACPC, now migrated to SARB II, Teynampet, Chennai and not with the original loan sanction branch namely the Porur Branch but they did the acts / omissions and caused great prejudice to the Applicant. It is stated that the said acts were without the knowledge and information of the Bank. It is stated that both the Respondents were Directors of the Corporate Debtor and were actively involved in the day to day affairs of the Corporate Debtor. It is stated that the sale deed for UDS of land was executed in favour of Aashish Surana by the builder on 11.04.2016. EM and MOD were created on 11.04.2016 and extended on 01.07.2019 for top-up loan. It is stated that the sale deed for UDS of land was executed in favor of the 2nd respondent (Kuldeep Surana) by the builder on 03/12/2019 and EM

and MOD were created on 03/12/2019. It is stated that both the sale deeds and MODs are not cancelled and are in force. When the applicant was about to take physical possession of the secured assets, the Corporate Debtor went into CIRP on 18.04.2023. It is stated that the Respondent No. 1 & 2 had filed an application I.A No. 1418 of 2024 in C.P. 73 of 2022 before this Tribunal seeking for direction to the 3rd respondent/RP not to treat them as homebuyers in view of cancellation of flat nos. CB-31, FE-31, A-312, BA-31, M-711 and GF-31 and to treat them and 4th Respondent as secured financial creditors. It is stated that Aashish Surana and Respondent No. 2 had submitted the request to the Corporate Debtor for the cancellation of flats fully knowing that the sale deeds executed and MODs created by them are in force and in subsistence. It is stated that the Corporate Debtor accepted the requests of Aashish Surana and the 2nd Respondent, Kuldeep Surana and cancelled the allotments without taking the consent from the Applicant Bank. Even the cancellations were not intimated to the Applicant Bank. It is stated that Aashih Surana & Respondent no. 2 had also received the amount / refund from the Corporate Debtor which is against the Quadripartite agreement.

5. It is stated that allotment of flats cannot be cancelled by them unilaterally without the consent of the Applicant Bank particularly when the title deeds are deposited with the Applicant and the mortgage in favour of the Applicant is in force.
6. It is stated that the Applicant caused a show cause notice on them on 15.03.2025 to declare the loan accounts as fraud as per RBI Guidelines on which they gave an evasive reply on 26.03.2025. The Applicant after considering the reply declared the loan accounts 'fraud' on 19.04.2025 against which they filed the writ petitions W.P Nos. 16424 and 16413 of 2025 before Hon'ble High Court which is pending adjudication.
7. It is stated that the Applicant also contacted the RP and collected the details with regard to the order dated 19.02.2025 passed in IA/1418/2024 and found that this Tribunal has passed the following order. It is stated that the order is factually incorrect:

"36. Since in the present case, the Respondent No.2 and 3 have filed the claims in Form-C vide dated 05.05.2023 as Secured Financial Creditors, the RP is directed to proceed in terms of the claims filed by the Respondent No.2 and 3 in Form-C vide dated 05.05.2023 in respect the

of the above flats categorizing their claims as the Secured Financial Creditors.”

8. It is stated that the Applicant has not filed any claim before the RP in respect of the dues of Aashish Surana and Kuldeep Surana. The observation of the Tribunal in the impugned order has caused great prejudice to the fraud declaration proceedings initiated against them pending before Hon'ble High Court and also the recovery proceedings initiated by the Applicant against them. It is stated that the cancellation of allotments and partial receipt of sale consideration from the Corporate Debtor without the knowledge and information of the Applicant is a fraudulent act committed by them which is to be seriously viewed by the Tribunal.

9. It is stated that the Applicant came to know of the order dated 19.02.2025 when it was about to take physical possession of the secured property under the SARFAESI Act. In the application IA/1418/2024, SBI, Arcot Road, Karambakkam, Porur was made as 2nd Respondent which is not dealing with the said subject. After the loan account slipped into NPA, it was transferred to SARB II, Chennai which has been monitoring the NPA accounts. It is stated that the Applicant had

sent a mail to the RP on 07.03.2025 enquiring about the submission of claim but it evoked no response. Subsequently, the Counsel for the Applicant filed an application on 19.11.2025 with the Registry for verification about the service of notice on Porur branch but the Registry refused to accept the application. Its Counsel sent various mails to the Registry for inspection of documents but the Registry did not furnish any security code. It is stated that the Applicant also verified about the service of notice with the Porur Branch which reported that no notice was received from the Respondent No. 1 and 2. The Applicant has also filed the copy of the sale deed dated 11.04.2016 and 03.12.2019 vide SR. No. 618 dated 11.02.2026 executed in favour of Aashish Surana and Kuldeep Surana. The Applicant has also filed an affidavit vide SR. No. 761 dated 19.02.2026 stating that the Applicant had come to know of the order dated 19.02.2025 when it was about to take physical possession of the secured property under the SARFAESI Act. At that time, the RP had informed the Applicant on 21.02.2025 of the aforesaid order

10. **In the condone delay application filed vide IA/2082/2025**, the Applicant reiterated the facts as stated in the application IA/53/2026 and

stated that delay of 307 days be condoned in filing the application for recalling of the order dated 19.02.2025 passed in IA/1418/2024.

11. **On the applications, Respondent No. 1 and 2 Aadarsh Surana and Kuldeep Surana filed a memo** stating that the application IA/1418/2024 was served on the Porur Branch of the Applicant. The documents filed by the Applicant show that migration of the account to SARB branch was made on 08.03.2024. It was communicated to Respondent No. 3 / RP on 03.03.2025 and was never communicated to Respondent No. 1 and Respondent No. 2. A complaint was also filed by the Applicant through its Iyappanthangal Branch, Chennai before the Police, Bank Fraud Team, Central Crime Branch which had issued summons to Aashish Surana on 23.04.2024 on which Aashish Surana submitted a detailed response on 14.06.2024 stating that communication dated 18.06.2022 was issued to SBI for cancellation of the flat drawing reference of IA/1418/2024 filed against the Applicant. It is stated that the documents establish the fact that Applicant had received the communication of cancellation of the flat on 18.06.2022.

12. The Respondent No. 3 / RP also filed the reply in the form of written synopsis stating that no claim was lodged with the RP in respect of the alleged dues of Aashish Surana and Kuldeep Surana. Respondent No. 3 has filed IA/892/2025 under Section 66 of IBC against the suspended management of the Corporate Debtor where the issue relating to the present matter has been raised.

Analysis and Findings

13. We have heard Ld. Counsels for the parties and perused the order in IA/1418/2024.
14. Ld. Counsel for the Applicant submits that Mr. Aashish Surana (who was not a party to the said application) had availed the housing loan of ₹2.05 Crores on 23.03.2016 from SBI for purchase of Flat No. M-711 in the project "Palm Riviera", and subsequently availed a top-up loan of ₹1.29 Crores on 02.07.2019, creating equitable mortgage over the said property by deposit of title deeds. He further submitted that 2nd Respondent, Mr. Kuldeep Surana, had availed a separate housing loan of ₹94.44 Lakhs on 30.09.2019 for purchase of Flat No. A-312 in the same project, and had similarly created security interest by way of mortgage.

15. Ld. Counsel further submits that both the aforesaid borrowers defaulted in repayment of their respective loan accounts, which were classified as Non-Performing Assets (NPAs) on 06.09.2023 and 03.10.2023 respectively. Thereafter, demand notices under Section 13(2) of the SARFAESI Act were issued, followed by further recovery steps including possession proceedings. The Applicant contends that despite subsistence of mortgage and deposit of title deeds in favour of the Bank, the said borrowers, in collusion with the Corporate Debtor, sought cancellation of the flat allotments without the knowledge or consent of the Applicant Bank, and further received refund amounts, allegedly in violation of the tripartite/quadripartite arrangements governing the transaction.
16. Ld. Counsel submits that 1st and 2nd Respondent, who were associated with the management of the Corporate Debtor, had approached this Tribunal in IA(IBC)/1418(CHE)/2024 and obtained an order dated 19.02.2025, wherein, *inter alia*, it was recorded that SBI had filed claims before the Resolution Professional in Form C as a secured financial creditor. The Applicant asserts that the aforesaid observation is

factually incorrect, as no such claim was ever filed by SBI before the Resolution Professional in respect of the said loans. It is further contended that the said order was passed without proper notice to the competent branch (SARB-II, Chennai), as the earlier proceedings had arrayed a different branch of SBI which was not handling the subject loan accounts.

17. Ld. Counsel further submits that it became aware of the order dated 19.02.2025 only when it initiated steps for taking physical possession of the secured assets under SARFAESI proceedings, whereupon the Resolution Professional informed about the said order. Thereafter, the Applicant made efforts to verify records and obtain documents from the Registry, including filing applications for inspection and corresponding through emails; however, according to the Applicant, such attempts were not facilitated by the Registry.
18. Ld. Counsel submits that the Applicant has initiated proceedings to classify the loan accounts as fraud in terms of RBI guidelines, and the same is presently subject to challenge before the Hon'ble High Court of Madras in writ petitions filed by the concerned borrowers. The Applicant contends that the order dated 19.02.2025 has caused serious

prejudice to its rights, including in the pending recovery and fraud classification proceedings, and therefore seeks recall of the said order on the ground of error apparent on the face of the record.

19. The Learned Counsel appearing for Respondent Nos. 1 and 2 submits that the present applications filed by the Applicant are not maintainable either in law or on facts and are liable to be dismissed at the threshold. He contends that there is an inordinate delay of 307 days in filing the present applications seeking recall of the order dated 19.02.2025, for which no sufficient cause has been shown. According to the Respondents, the Applicant has failed to furnish any plausible or cogent explanation demonstrating that the delay was due to circumstances beyond its control, and the same is attributable solely to negligence and lack of due diligence. He submits that the application for condonation of delay itself deserves to be rejected.
20. He contends that the Applicant was duly served in the proceedings in IA(IBC)/1418(CHE)/2024, and despite such service, it consciously chose not to appear before this Tribunal. In this regard, reliance is placed on the affidavit of service and the series of orders passed by this

Tribunal from July 2024 to January 2025, which clearly demonstrate that notice was served upon the Applicant through email as well as speed post, and that the Applicant failed to enter appearance, leading to closure of its right to file reply and being set *ex parte*. In such circumstances, the Applicant cannot now be permitted to seek recall of the order on the ground of alleged non-service.

21. The Learned Counsel further submits that the contention of the Applicant that notice was issued to an incorrect branch of the Bank is wholly untenable. It is submitted that the Porur Branch of the State Bank of India, to which notice was issued, is admittedly a branch of the Applicant Bank and was the branch which had originally dealt with the loan transaction. Therefore, service upon the said branch constitutes valid service upon the Applicant, and the internal administrative arrangements or subsequent transfer of the account to another branch cannot be a ground to dispute service.
22. He also contends that the plea of the Applicant that it came to know of the order only at a later stage during SARFAESI proceedings is vague and unsubstantiated, as no specific date or particulars have been

furnished. Despite opportunities granted by this Tribunal, the Applicant has failed to disclose when exactly knowledge of the order was obtained. He submits that such a plea is an afterthought, raised only to overcome the bar of limitation.

23. In view of the above, he submitted that the Applicant, having been duly served and having failed to participate in the earlier proceedings, has effectively acquiesced to the order passed by this Tribunal and cannot now seek to reopen the matter by way of the present applications. The Respondents therefore pray that the applications, including the application for condonation of delay, be dismissed with costs.
24. We have given our thoughtful consideration to the rival contentions and perused the record.
25. A perusal of the order and the proceedings in IA/1418/2024 reveal that Aadarsh Surana and other had filed the application against the Respondents i.e. Resolution Professional, State Bank of India (Porur Branch, Chennai) and LICHFL seeking the following reliefs.

a) Direct the Respondent No. 1, Resolution Professional not to treat the Applicants as homebuyers in view of cancellation of flats Nos. CB-31, FE-31, A-312, BA-31, M-711 and GF-31 as already accepted by the

corporate debtor. (Kuldeep Surana – Flat A-312 and Ashish Surana – M-711).

b) Direct the Respondent No. 1, Resolution Professional to treat apartments bearings Flat Nos. CB-31, FE-31, A-312, BA-31, M-711 and GF-31 allotted to the applicants and which now stands cancelled as unsold inventory and treat the Respondent No.2 & 3 (Respondent No.2 – SBI Arcot Road Porur Banch) as secured financial creditors for the amount disbursed by them to the corporate debtor in terms of the above flats of the Applicants.

26. It was averred in the application IA/1418/2024 that the Applicants and others had booked the flats with the Corporate Debtor in the project Palm Riviera and entered into tri-partite agreements with the Corporate Debtor and the Financial Creditors State Bank of India and LICHFL. When the Applicants and others did not get the possession of the flats within 90 days, they sent the request to the Corporate Debtor for cancellation of flats and refund of amounts on 03.05.2021 and 01.10.2021 respectively. They sent the reminders on 15.12.2021 and 01.04.2022. It is stated that the CIRP against the Corporate Debtor was initiated on 08.04.2023. The Applicants also communicated to the RP and shared the documents including the cancellation documents. The Corporate Debtor issued a letter of cancellation with a covenant that *as the project has been financed by the Banker and an encumbrance has been created over the*

UDS sale deed, they and the Bankers have to necessarily come forward for cancellation of UDS sale deed and agreement of project promotion and construction, discharge of memorandum of title deeds simultaneously. Process of refund of amount paid towards the apartment will be initiated immediately after the resale or it will buy back the said apartment.

27. This Tribunal in its order dated 19.02.2025 on the application IA/1418/2024 referred to the tri-partite agreement issued by the Bank / LICHFL which provided that in case of cancellation, builder shall not be entitled to transfer or sell the property to another person till such time the entire amount advanced by LICHFL is refunded to LICHFL. Unless such time, the property shall remain charged in favour of LICHFL since Borrower and the Builder jointly and severally had agreed to indemnify LICHFL against all monetary loss. It was observed that Aadarsh Surana did not take 'no objection' from LICHFL or the Bank qua the cancellation and there was lien in their favour as there was no cancellation of UDS sale deed and other documents. It was held that since the loans were taken in their individual capacity for the flats being constructed by the Corporate Debtor, borrowers and the Corporate

Debtor are jointly and severally liable to service the loan of LICHFL and SBI even though they have cancelled the flats.

28. In the instant case, LICHFL has filed the claims in respect of the four cancelled units by the Applicants and others which the RP has admitted. This Tribunal vide order dated 19.02.2025 in the application IA/1418/2024 held as under:

34. Considering the loan documents, tri-partite agreements, cases referred supra and that after the cancellation of flats, the flats became the inventory / assets of the Corporate Debtor and the fact that the loans given by Respondent No. 2 and 3 to the Applicant have not been completely serviced and that the Applicants and the Corporate Debtor are jointly and severally liable to repay the loan and the Respondents No. 2 and 3 have charge on the flats and the UDS and MoDT have not been cancelled by the Respondent No. 2 and 3, we are of the view that Respondent No. 2 and 3 are the Secured Financial Creditors to the Corporate Debtor in respect of the amount disbursed to the Corporate Debtor and not paid in respect of the above flats.

35. We are in agreement with the contention of the Applicants that the RP of his own cannot revise the claims, in terms of the CIRP Regulations. In case any revised claims are filed / accepted, it requires the approval of the Tribunal.

36. Since in the present case, the Respondent No. 2 and 3 have filed the claims in Form-C vide dated 05.05.2023 as Secured Financial Creditors, the RP is directed to proceed in terms of the claims filed by the Respondent No. 2 and 3 in Form-C vide dated 05.05.2023 in respect of the above flats categorizing their claims as the Secured Financial Creditors.

29. The record of the proceedings of IA/1418/2024 would reveal that despite service, R2 / SBI did not appear nor filed any reply. Even on 20.08.2024, R2 / SBI did not appear. It was set as ex-parte and its right to file reply was closed. This Tribunal vide an order dated 13.12.2024 again directed for fresh service on SBI but despite service, none appeared for SBI as recorded in the order dated 06.01.2025. Thereafter, the order on the application was reserved and pronounced.
30. The Applicant / SBI in the application and the affidavit has admitted that the Applicant came to know of the order on 21.02.2025 i.e. within two days of passing of the order but this application for recall has been filed on 24.12.2025 i.e. after about 10 months. It was submitted by the Applicant that after the account becoming NPA, on 03.10.2023 in the books of the Applicant, the loan accounts were dealt with by CRAMC and RACPC, Iyyapanthangal now migrated to SARB II, Teynampet, Chennai and not by the Arcot Branch, Porur but the Applicants in IA/1418/2024 filed on 10.06.2024 intentionally made the Porur Branch of SBI as Respondent No. 2. It was submitted that after transfer of the loan accounts, Arcot Branch, Porur did not deal with the loan account.

31. The Respondent No. 1 and 2 in the above application have stated that they were never informed of the transfer of the loan account to CRAMC or RACPC or SARB and for that reason they made the Arcot Branch, Porur as Respondent No. 2 in the application IA/1418/2024. When questioned from the Applicant, whether R1 and R2 were informed about the transfer of loan accounts by the Applicant to which Ld. Counsel gave an evasive reply stating that R1 and R2 were knowing of the transfer of the loan. However, no such communication has been placed in this regard. In the affidavit filed by the Applicant, the Applicant has stated the contrary fact that Porur Branch has not received any notice of the application IA/1418/2024. This submission in the affidavit is against the service report in the IA/1418/2024 which clearly provides that notice of the application was duly served on the Arcot Branch, Porur. In these circumstances, it was incumbent upon the Porur Branch which earlier had been dealing with the loan account to inform CRAMC or RACPC or SARB which has been dealing with the loan account as on date.
32. It is true that SBI had not filed any claim with the RP in respect of two flats cancelled by Aashish Surana and Kuldeep Surana and initiated the

SARFAESI proceedings and inadvertently in the order dated 19.02.2025 in IA/1418/2024, it was recorded that Applicant Bank / R2 has filed the claim in Form C dated 05.05.2023 as secured financial creditor but since this fact / order had come to the knowledge of the Applicant on 21.02.2025, it is beyond comprehension what had prevented the Applicant from bringing to the notice of this Tribunal immediately that no claim was filed by SBI and it was inadvertently recorded in the order about filing of the claim by SBI. This application for recall has been filed only on 24.12.2025. Even no appeal was preferred against the said order. The reasons for delay in filing the application also do not inspire confidence that the Applicant had sent a mail to RP on 07.03.2025 enquiring about the submission of claim for which no reply was received. The RP in his reply has not referred to any such mail dated 07.03.2025. The alleged verification was first made on 19.11.2025 and not before. It assumes significance because the Applicant had initiated the proceedings for declaring the account of Aashish Surana and Kuldeep Surana as fraud after initiating the SARFAESI proceedings and passed an order on 19.04.2025 after the show cause notice considering the representation. The said

declaration was challenged by Aashish Surana and Kuldeep Surana and others before Hon'ble High Court by filing writ petitions which has granted stay and the same is still in force.

33. It is well settled law that the timeline for filing recall / review / appeal against the order is 30 – 45 days, but in the present case, the application has been filed after about 10 months i.e. 300 days without giving any reasonable and plausible explanation for the delay. The delay needs to be explained cogently with documents which the Applicant has failed to explain. That being the position, the application is hopelessly barred by limitation and the application IA/2082/2025 seeking condonation of delay in filing IA/53/2026 is liable to be dismissed.
34. Even on merits, in the order dated 19.02.2025, the interest of the Applicant has been protected. It was held that the Borrowers and the Corporate Debtor are jointly and severally liable to repay the loan and the Respondent No. 2 (LICHFL) and Respondent No. 3 (State Bank of India) have charge on the flats and UDS and MoDT have not been cancelled by them and thus they are the secured Financial Creditors. The order records that in case of cancellation, builder shall not be entitled to transfer or sell the property to another person till such time

the entire amount advanced by SBI is serviced. Until such time, the flats shall remain charged in favour of the Bank and it is the liability of the Borrower jointly and severally with the Corporate Debtor to service the loan of the Applicant even though they have cancelled the flats but they would not be absolved by the cancellation unless the whole loan is serviced.

35. We are also unable to agree with the contention of the Learned Counsel for the Applicant that the impugned order dated 19.02.2025 passed in IA(IBC)/1418(CHE)/2024 was rendered without notice. The said contention is clearly contrary to the record. The materials placed before this Tribunal unequivocally establish that notice was duly served upon the Applicant through email as well as speed post, and despite such service, the Applicant failed to enter appearance, resulting in closure of its right to file reply and the matter being proceeded *ex parte*. In such circumstances, the Applicant cannot be permitted to allege violation of principles of natural justice. The Hon'ble Supreme Court in **Parimal v. Veena** (2011) 3 SCC 545 has categorically held that once a party, despite due service, chooses not to appear, it cannot subsequently seek recall of the order on the ground of denial of opportunity.

36. It is further evident from the record that sufficient and repeated opportunities were afforded to the Applicant to participate in the proceedings. Even after the Applicant was set *ex parte* on 20.08.2024, the matter continued to be listed on multiple occasions, namely on 24.09.2024, 07.11.2024, 06.01.2025, and ultimately on 24.01.2025 when the orders were reserved. Despite such opportunities, the Applicant remained absent and failed to avail the same. This Tribunal, thereafter, proceeded to pass a detailed and reasoned order dated 19.02.2025 upon due consideration of the pleadings and material on record. Hence, it cannot be said that the impugned order was passed without appreciation of the merits of the case.

37. The further contention of the Applicant that notice was served upon an incorrect branch is equally devoid of merit and cannot be sustained. It is not in dispute that the branch upon which service was effected is a constituent branch of the Applicant Bank itself. Once service has been duly effected upon any branch of the Applicant, the same constitutes valid and sufficient service in the eyes of law. The internal administrative arrangements of the Applicant, including transfer of accounts between branches or internal segregation of responsibilities,

cannot be set up as a ground to invalidate service or defeat judicial proceedings. A litigant cannot be permitted to rely upon its own internal mechanisms to circumvent the consequences of due service.

38. It is further evident from the records that notice was duly served upon the Applicant both by way of e-mail on 02.07.2024 and by Speed Post on 08.07.2024, and the same stands delivered. In the face of such material evidence, the Applicant cannot, without placing any cogent documentary proof to the contrary, baldly contend that no notice was received at its Porur Branch. Such a plea is not only unsupported by record but also contrary to the established facts and is therefore liable to be rejected.

39. This Tribunal also finds that the present application is, in substance, not a recall application but an attempt to seek review of the order on merits. The distinction between recall and review is well settled. The Hon'ble Supreme Court in *Asit Kumar Kar v. State of West Bengal & Ors.* (2009) 2 SCC 703 has held that recall lies only where an order is passed without affording an opportunity of hearing, whereas review involves re-examination of the merits of the case. Similarly, in *Cine Exhibition Pvt. Ltd. v. Collector, District Gwalior & Ors.* (2013) 2 SCC 698, it has

been held that applications styled as recall, but in substance seeking rehearing or reconsideration, are not maintainable and amount to review petitions in disguise. In the present case, no procedural infirmity, absence of notice, or fraud has been established; rather, the Applicant seeks to reopen the findings recorded in the earlier order, which is impermissible in exercise of recall jurisdiction.

40. In light of the aforesaid authoritative pronouncements, it is evident that a recall application is maintainable only in limited circumstances, namely where there is a patent procedural defect such as absence of notice, violation of principles of natural justice, clerical or typographical error, or where the order has been obtained by fraud. However, where the relief sought is essentially to revisit findings, reappreciate facts, or reconsider the merits of the case, the same falls squarely within the domain of review or appeal and not recall.
41. Applying these principles to the present case, this Tribunal finds that the Applicant, under the guise of seeking recall of the order dated 19.02.2025, is in fact attempting to reopen and reargue the matter on merits. No case of procedural illegality, absence of notice, or fraud has been made out. Therefore, the present application, being in substance a

review petition camouflaged as a recall application, is not maintainable and is liable to be dismissed on this ground alone.

42. Accordingly, both the applications IA(IBC)/53(CHE)/2026 & IA(IBC)/2082(CHE)/2025 stand **dismissed**. No costs. However, the said dismissal will not prevent State Bank of India from initiating proceedings against the Borrowers for recovery of its dues since the flats are under mortgage with the Applicant / Bank.

Sd/-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-

SANJIV JAIN
MEMBER (JUDICIAL)