IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/VC Mode (Hybrid)]

ITEM No. 12
IA No.173, 637, 640, 644/2025
CP (IB) No. 246/BB/2019

IN THE MATTER OF:

M/s. India Asset Growth Fund &
M/s. Vistra (ITCL) India Ltd. … Petitioner

Vs
M/s. Vikram Structures Pvt. Ltd. … Respondent

Petition under Section 7 of I&B Code, 2016

Order delivered on: 13.07.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For IA Nos. 637 & 644/2025	:	P. Chitra Nirmala for Applicant
For Liquidator	:	Maitreyi Bhat

ORDER

1. **IA No. 173/2025** has been **dismissed** vide separate order.
2. **IA No. 640/2025** is **partly allowed** by impleading the applicants in pending PUFE application against the suspended directors of Corporate Debtor.
3. **IA No. 644/2025 & IA No. 637/2025:**
   Learned Counsel for the Applicants states that in between the last two dates the suspended directors of CD did not even meet the applicants. No discussions thus have been initiated.
4. In view of this, as the applications have already been heard, list them **on 29.07.2026 for orders.**

-Sd/-	-Sd/-
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

IA No. 640 of 2025
in
C.P. (IB) No. 246/BB/2019
*(Application U/s. 60(5) of the Insolvency and Bankruptcy Code, 2016
read with Rule 11 of the National Company Law Tribunal Rules, 2016.)*

IN THE MATTER OF:

1. Mr. Shailendra Ravi
H1003, T6 Adarsh Palm Retreat,
Devarabisanahalli Bangalore – 560103 …Applicant No.1

2. Mrs. Meghana T.V
No.6, Anugraha Nilaya Behind Maramma Temple,
Virupakshapura Near Kocligehalli Railway Gate
Bengaluru – 560097 …Applicant No.2

3. Ms. Hannah Afthia Hector
Flat No.102, Prestige Melbrook
#23/24, D'Costa Layout 1st Cross,
Cooke Town, Bengaluru – 560084 …Applicant No.3

4. Mr. Harshan Goodwin Hector
Flat No.102, Prestige Melbrook
#23/24, D'Costa Layout 1st Cross,
Cooke Town, Bengaluru – 560084 …Applicant No.4

Versus

Mr. Surender Devasani, Liquidator of
M/s Vikram Structures Private Limited
1st and 2nd Floor, No. 14, Sankey Road,
Sadashivnagar, Bangalore – 560080 …Respondent

IN THE MAIN MATTER OF:
M/s India Asset Growth Fund
601, 6th Floor, Jet Prime, Plot No. 39-B,
Suren Road, Andheri (East), Mumbai – 400093 …Petitioner

Versus

M/s Vikram Structures Private Limited

No. 22, 5th A Main Road, Near Baptist Hospital,
Bengaluru 560 024 … Respondent/Corporate Debtor

Order Delivered on: 13/07/2026

Coram: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

Parties/Counsels Present:

For the Applicant	:	Shri L. Harish Srivatsa
For the Respondent	:	Shri Arjun Rao

O R D E R

1. The Present IA 640 of 2025 in Company Petition (IB) No. 246/2019, has been filed on 23.07.2025 by **Mr. Shailendra Ravi & Ors.**(herein after as '**Applicant**') praying for:
   (1) To allow the Applicants to implead as Respondent No.3 to 6 in the Section 66 of IBC Application filed by the Resolution Professional in the above CP No.246/2019.
   (2) To expunge the applicants registered sale deed transactions as fraudulent / avoidance transaction under section 66 of IBC.
   (3) To issue a direction to the Liquidator to maintain the status quo in distribution of sale proceeds received from the promoter of the Corporate Debtor (auction purchaser) till disposal of Section 66 of IBC Application;
   (4) To pass such other orders as this Hon'ble Tribunal may deems fit in the circumstances in the interest of justice and equity.
2. The facts stated in the application are mentioned below:
   i. The Applicants are bona fide purchasers of separate commercial units in the project known as **VSPL Pinnacle**, developed by the Corporate Debtor pursuant to the Joint Development Agreement dated 11.09.2013 and the Supplementary Agreement dated 05.02.2015 executed between the Corporate Debtor and the landowners. According to the Applicants, each of them had entered into agreements for sale with the Corporate Debtor and thereafter obtained duly registered Sale Deeds dated 03.10.2019, 27.11.2019, 20.12.2019, 24.12.2019 and 30.12.2019 in respect of their respective commercial units after payment of the entire sale consideration

ii. The Corporate Debtor, Vikram Structures Private Limited, had undertaken development of a commercial project known as "VSPL Pinnacle" pursuant to a Joint Development Agreement entered into with the landowners. The project was marketed and commercial units were sold by the Corporate Debtor to various purchasers, including the Applicants.

iii. In terms of the Joint Development Agreement, the Owners agreed to allot 50% of the constructed area together with corresponding undivided share in land in favour of the Corporate Debtor towards consideration for development of the project.

iv. Pursuant to development of the project, the commercial complex constructed on the Schedule Property came to be known as "VSPL Pinnacle" and the Applicants contend that their respective sale deeds form part of the Corporate Debtor's legitimate allocation under the Joint Development Agreement and constitute **priority registered sale deeds** falling within the Corporate Debtor's entitlement of approximately **82,216.30 sq. ft.** of super built-up area.

v. Although registered sale deeds were executed in their favour, actual possession of their respective commercial units was never handed over as the Corporate Debtor had sold commercial space in excess of its contractual entitlement under the Joint Development Agreement, resulting in multiple competing claims over the project. The project remained incomplete and became the subject matter of multiple civil disputes between the Corporate Debtor and the landowners, thereby depriving the Applicants of the benefit of their registered conveyances.

vi. Thereafter, several purchasers of units in the project had approached this Tribunal by filing proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC/Code) and Corporate Insolvency Resolution Process came to be initiated against the Corporate Debtor vide order dated 17.02.2022 passed in Petition under Section 7 of the Code initiated by ***M/s India Asset Growth Fund*** and ***M/s Vistra (ITCL) India Limited*** and Mr. Surendar Devasani came to be appointed as Interim Resolution Professional and was subsequently confirmed as Resolution Professional and thereafter appointed as the Liquidator of the Corporate Debtor.

vii. On commencement of the Corporate Insolvency Resolution Process, the Applicants had lodged their claims before the Interim Resolution Professional. However, their claims came to be rejected by the Respondent on 16.05.2022 on the ground that, being registered sale deed holders, title to the respective units had already passed in their favour and the assets therefore did not belong to the Corporate Debtor. According to the Applicants, this reasoning itself establishes the validity of their proprietary rights.

viii. Even after rejecting their claims on the above basis, the Resolution Professional/Liquidator has initiated avoidance proceedings treating all registered sale transactions relating to *VSPL Pinnacle* as fraudulent or excess-space transactions, thereby adopting mutually inconsistent positions. He could not on the one hand recognise that title had already passed under the registered sale deeds and, seek to avoid those very transactions in proceedings under Section 66 of the Code, on the other.

ix. The Resolution Professional has failed to distinguish genuine priority sale deed holders from purchasers whose transactions allegedly exceeded the Corporate Debtor's allocable share under the Joint Development Agreement. According to them, all registered sale deed holders were uniformly included in the avoidance proceedings without any examination of the chronology of registrations or the doctrine of priority under property law and despite knowledge of such over-selling and multiple transactions relating to the project, the Resolution Professional/Liquidator failed to identify and demarcate the units already sold and rejected the claim of the Applicant without undertaking proper verification of the assets and records of the Corporate Debtor.

x. The Applicants also contend that under Section 48 of the Transfer of Property Act, 1882, earlier registered conveyances enjoy priority over subsequent transfers. Therefore, even if excess sale transactions are ultimately held to be invalid, the Applicants' registered sale deeds, being within the Corporate Debtor's legitimate allocation and executed earlier in point of time, cannot be invalidated merely because subsequent fraudulent transactions were entered into by the Corporate Debtor.

xi. The Applicants have been shown as respondents or their transactions have been questioned in the pending proceedings initiated by the Liquidator under Sections 43, 45 and 66 of the Code. According to the Applicants, any adjudication in those proceedings is likely to directly affect their proprietary rights under the registered sale deeds and, therefore, they seek appropriate participation and protection in those proceedings.

xii. The affairs of the Corporate Debtor are presently the subject matter of investigation pursuant to an order passed under Section 213 of the Companies Act, 2013. The outcome of the investigation may have a direct bearing upon the validity of the impugned transactions and the competing rights asserted by various stakeholders in the *VSPL Pinnacle* project and the Liquidator, despite being in control and custody of the records and assets of the Corporate Debtor, failed to undertake proper demarcation of sold and unsold portions of the project. As the Liquidator, ought to have identified the units sold under registered Sale Deeds and taken appropriate measures either for handing over possession to purchasers or for resolving their claims in accordance with law.

xiii. The Liquidator has failed to properly examine the status of completed sales, the rights of registered purchasers and the legal consequences arising from execution of registered Sale Deeds. He has mechanically rejected the claims of all purchasers without undertaking any independent examination in collusion between certain stakeholders including the Financial Creditor and has questioned various transactions undertaken prior to commencement of CIRP, contending that the affairs of the Corporate Debtor warrant forensic scrutiny.

xiv. Despite being a purchaser under a registered Sale Deed, the Applicants have not been granted possession. Aggrieved by the actions of the Corporate

Debtor and rejection of the claim by the Liquidator, the Applicants have filed this Application for enforcing Applicant's rights flowing from the registered Sale Deed, failed to handover the possession and to direct the Liquidator to recognize the distinction between genuine priority registered sale deed holders and alleged excess purchasers, appropriate protection of their proprietary rights, impleadment in the pending avoidance proceedings, exclusion of their sale transactions from the avoidance applications and such other consequential directions as this Tribunal may deem fit in the facts and circumstances of the case

3. The Respondent /Liquidator has filed objections on 29.10.2025 contending that:
    i. The present Application is highly belated and has been filed by a registered Sale Deed holder of the VSPL Pinnacle project, which had already been completely sold, or rather oversold, prior to commencement of CIRP
    ii. The Applicants never became creditors of Corporate Debtor whose claim stood admitted during the Corporate Insolvency Resolution Process or the liquidation proceedings because they themselves admitted that they are registered sale deed holders of commercial units in the VSPL Pinnacle Project and that such sale deeds were executed long prior to commencement of the Corporate Insolvency Resolution Process. Their claims were never admitted during the CIRP or liquidation proceedings and, therefore, they neither formed part of the Committee of Creditors nor the Stakeholders' Consultation Committee. They have no locus standi to maintain the present Application under Section 60(5) of the Code.
    iii. Pursuant to an order passed by this Tribunal in **IA No. 508/2024**, the Corporate Debtor has already been sold as a **going concern** and possession thereof has been handed over to the Successful Auction Purchaser on **15.03.2025**. Clause 10 of the Sale Certificate contemplates substitution of the Successful Auction Purchaser in pending proceedings and, consequently, the Liquidator no longer exercises control over the affairs of the Corporate Debtor.

iv. While denying the allegation that the Applicants' claims were rejected arbitrarily, it is submitted that after receipt of the claims, the Interim Resolution Professional had addressed communications dated 12.03.2022 seeking clarification from each of the Applicants as to whether they intended to relinquish their proprietary rights under the registered sale deeds and would instead pursue monetary claims in the CIRP. No clarification was furnished by the Applicants despite the opportunity granted and, consequently, their claims were classified as "not admitted" by communication dated 16.05.2022. Further, the Applicants were advised to seek appropriate remedies before this Tribunal, but they failed to challenge the rejection of their claims at the relevant point of time.

v. Even prior to rejection of the Applicant's claim, other registered sale deed holders had themselves addressed legal notices and emails requesting that the *VSPL Pinnacle Project* should not be treated as forming part of the assets of the Corporate Debtor since ownership had already passed under registered conveyances. As the project had ceased to form part of the estate available for insolvency resolution, the relief sought by the Applicants directing inclusion of the project within the liquidation estate cannot now be granted particularly when the Corporate Debtor as a going concern has already been sold and custody thereof handed over to the Successful Auction Purchaser.

vi. The books of accounts of the Corporate Debtor, as on the insolvency commencement date i.e. 17.02.2022, did not reflect the *VSPL Pinnacle project* as part of the liquidation estate as it had already been sold prior to commencement of CIRP, the same did not form part of the liquidation estate of the Corporate Debtor and this treatment had been accepted by the CoC and SCC. The Applicants have never challenged the exclusion of project from the liquidation estate and, therefore, cannot now seek inclusion of the same after disposal of the Corporate Debtor in an auction. The relief sought by the Applicants directing inclusion of the project within the liquidation estate cannot now be granted since the Corporate Debtor has already been disposed of and custody handed over to the Successful Auction Purchaser. It is pertinent to state that Clause 10 of the Sale Certificate required the Successful Auction Purchaser to seek substitution in all pending litigations and, consequently, the Liquidator no longer retained control over the affairs of the Corporate Debtor.

vii. The Respondent contends that the registered sale deeds themselves record delivery of possession of the respective units and that, in terms of the conditions contained therein, all purchasers are required to enjoy the common areas jointly without claiming partition. Since the project had already been alienated before commencement of CIRP, there was no occasion for the Liquidator to assume possession or exercise control over the project.

viii. Regarding forensic investigation and examination of alleged fraudulent transactions of the Corporate Debtor, a comprehensive transaction audit has already been undertaken and proceedings under Sections 43, 45 and 66 of the Insolvency and Bankruptcy Code, 2016 initiated in respect of preferential, undervalued and fraudulent transactions for recovery of amounts exceeding **Rs.230 Crores** and recoveries, if any, arising from the same will be ultimately be dealt with in accordance with directions of this Tribunal. The admitted claims in liquidation aggregated to **Rs.121.02 Crores** and that investigations under Section 213 of the Companies Act, 2013, as directed vide order dated 07.12.2023 in CP 14/2022 is also underway before the RoC, Karnataka.

ix. Lastly, the Respondent contended that the dispute raised by the Applicants emanated from a pre-CIRP contractual transactions and did not fall within the scope of insolvency proceedings. All grievances of the Applicants regarding enforcement of contractual rights would lie before the competent civil court or under the provisions of the Real Estate (Regulation and Development) Act, 2016 and not before this Adjudicating Authority under Section 60(5) of the Code after completion of the liquidation process.

4. The Applicant has filed written submissions on 29.05.2026 stating as follows:
   i. The Applicants submit that they are bona fide purchasers holding valid registered sale deeds in respect of commercial units in the VSPL Pinnacle project and that their transactions were executed within the Corporate Debtor's legitimate allocable share under the Joint Development Agreement. They submit that despite their claims being rejected during the CIRP on the ground that title had already passed under the registered sale deeds, the Resolution Professional and the Liquidator subsequently included those very sale deeds in the Section 66 avoidance application seeking recovery of approximately ₹104.11 crore for distribution amongst creditors. According to the Applicants, this amounts to inconsistent and discriminatory treatment, as they have neither been recognised as creditors nor protected as lawful owners. They further rely upon Section 48 of the Transfer of Property Act, 1882 to contend that earlier registered conveyances enjoy priority over subsequent transactions and seek exclusion of their sale deeds from the avoidance proceedings, impleadment in the pending Section 66 proceedings, and protection of their proprietary rights.
   ii. The Applicants further allege serious irregularities in the conduct of the CIRP and liquidation process, asserting that the Resolution Professional failed to verify material records such as encumbrance certificates, conducted inadequate due diligence while admitting the claim of Essel Finance, and wrongly treated genuine sale deed holders as beneficiaries of fraudulent transactions. On this basis, they submit that intervention in the pending Section 66 proceedings is necessary to safeguard their rights and to prevent their genuine sale transactions from being treated as avoidable transactions.

<u>OPERATIVE PART:</u>

5. We have heard Learned Counsels for the Parties and carefully perused the material on record.

6. The Applicants claim title over the subject commercial space/unit by virtue of the registered Sale Deeds dated 03.10.2019, 27.11.2019, 20.12.2019, 24.12.2019 and 30.12.2019 executed by the Corporate Debtor much prior to the commencement of the Corporate Insolvency Resolution Process on 17.02.2022. Thus, the dispute fundamentally emanates from a pre-CIRP contractual and property transaction.

7. The Applicant's claim before the Interim Resolution Professional during CIRP, came to be classified as 'not admitted' by communication dated 16.05.2022

8. The Applicants have been insisting that notwithstanding the rejection of his claim, the Liquidator was under statutory obligation to protect the interest of registered purchasers and to complete post-sale formalities and safeguard the project. The Respondent, on the other hand, claims that the project had already been over-sold much prior to the commencement of CIRP as registered conveyances had been executed in favor of various purchasers. Consequently, the *VSPL Pinnacle Project* did not form part of the liquidation estate of the Corporate Debtor and therefore, no observations qua the sale deeds of applicants can be made by this Authority.

9. The Applicants have also sought various other directions including directing the Liquidator to recognize their ownership rights and protect the Applicant's proprietary interest. Such reliefs, in our considered opinion, travel far beyond the scope of liquidation proceedings under the Insolvency and Bankruptcy Code. The jurisdiction of this Authority under Section 60(5) cannot be expanded so as to convert the insolvency process into a forum for adjudication of disputed civil and contractual rights arising from the transactions entered into prior to the commencement of CIRP. Moreover, it is for SCC and the Liquidator to take a call as to in which civil matter the Corporate Debtor needs to be represented and not for the Authority to guide them.

10. Significantly, pursuant to the orders passed by this Authority in the liquidation proceedings, the Corporate Debtor has already been sold as a going concern, a Sale Certificate has been issued in favour of the Successful Auction Purchaser who is now in possession and control of the Corporate Debtor. Consequently, the

Liquidator no longer retains custody or management of the Corporate Debtor to be able to undertake the various acts sought to be performed by the Liquidator.

11. The Applicants have alleged fraudulent conduct of Liquidator in rejecting his claim, the admission of the Financial Creditor's claim, the exclusion of the VSPL Pinnacle Project from the liquidation estate. From the record we find that proceedings under Sections 43, 45 and 66 of the Insolvency and Bankruptcy Code have already been instituted by the Liquidator in respect of preferential, undervalued and fraudulent transactions against the ex-promoters of Corporate Debtor. This Tribunal has already directed investigation into the affairs of the Corporate Debtor under Section 213 of the Companies Act, 2013, which is pending before the competent authority. Therefore, the allegations are without foundation and may have been levelled to obstruct and prolong the conclusion of liquidation proceedings.

12. Without producing concrete material on record the Applicants cannot seek to enlarge the scope of application to reopen issues concerning admission of claims in CIRP or the admission of the Section 7 Petition itself after having participated in CIRP and chose not to challenge the rejection of his claim at the relevant point of time in accordance with law. The insolvency proceedings and concluded steps in liquidation proceedings having attained finality cannot be re-opened at the instance of Applicant.

13. The principal relief sought in the present Application requires this Adjudicating Authority to determine whether the Applicants' sale transactions constitute valid priority conveyances entitled to protection independently of other sale transactions executed by the Corporate Debtor and, consequently, whether the Applicants ought to be excluded from the pending avoidance proceedings. Such determination necessarily involves adjudication of competing proprietary rights arising out of pre-CIRP conveyances, interpretation of the Joint Development Agreement, examination of the chronology of multiple registered sale deeds and application of principles governing transfer of immovable property. Here, the Applicants are asserting their rights under a registered Sale Deed executed prior to commencement

of CIRP and seeks enforcement of proprietary and contractual rights after completion of liquidation and sale of the Corporate Debtor as a going concern. Such disputes cannot form subject matter of fading insolvency proceedings for adjudication.

14. It is a settled proposition that disputes concerning enforcement of title, possession, contractual obligations arising under sale transactions, completion of conveyancing formalities and similar civil rights are matters falling within the jurisdiction of the competent civil forum or such other forum as may be available in law. The insolvency jurisdiction is intended to facilitate resolution and liquidation of the Corporate Debtor in accordance with the summary statutory mechanism under the Code and cannot be enlarged to determine core civil disputes between purchasers, developers and other stakeholders arising from transactions preceding the insolvency commencement date.

15. It is a fact that vide order dated 04.03.2025 passed in IA No. 508/2024, sale of the Corporate Debtor as a going concern was permitted under Regulation 32A read with Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016 on approval of the proposal by SCC after due deliberations by a majority vote of 94.33% in its 4th meeting held on 27.09.2023 after the RoC, Karnataka had stated that IA 508/2024 can be decided on the merits but the decision would be subject to the outcome of investigation being carried out in the affairs of the Corporate Debtor by the Ministry of Corporate Affairs under Section 213 of the Companies Act, 2013, pursuant to an order dated 07.12.2023 passed in CP 14/2022

16. Based thereon, Sale Certificate was executed in favour of the Successful Auction Purchaser namely Mr. Vikram Prabhakar and the Corporate Debtor as a going concern has already been handed over to him. The order of sale and issuance of sale certificate having attained finality for all practical purposes insofar as the liquidation process is concerned, cannot be re-opened.

17. Pertinently the Respondent No.1/Liquidator of the Corporate Debtor has filed IA Nos. 427/2022, 428/2022 and 429/2022 under Sections 43, 45 and 66 of the Insolvency and Bankruptcy Code, 2016 for the recovery of approximately Rs.

230.94 Crores from the suspended Directors of Corporate Debtor while the total admitted claims in Liquidation process are Rs. 121.02 crores! The sale of the Corporate Debtor as a going concern specifically protects the continuance and effect of PUFE proceedings and RoC/MCA investigation with the outcome of the same binding on the successful purchaser of the Corporate Debtor.

18. The applicants have prayed for a direction to the Liquidator to maintain the status quo in distribution of sale proceeds received from the promoter of the Corporate Debtor (auction purchaser) till disposal of IA Nos. 427/2022, 428/2022 and 429/2022 under Sections 43, 45 and 66 of the Insolvency and Bankruptcy Code, 2016. The request however is exaggerated and cannot be accepted as it would set the order at naught with Liquidation Regulations and cause hardship to already distressed creditors particularly when the proceeds pertain to assets of Corporate Debtor other than *VSPL Pinnacle,* wherein the applicants have no stake.

19. Since the Liquidator has not been able to segregate the claims of various projects of Corporate Debtor in avoidance and fraudulent transactions applications i.e. IA Nos. 427/2022, 428/2022 and 429/2022 under Sections 43, 45 and 66 of the Code, as reflected from the quantum of disputed transactions sought to be realized therein and the admitted claims of Creditors of these proceedings, the transactions pertaining to VSPL Pinnacle Project may have been included in such claims, making imperative for the applicants as representative stakeholders of VSPL Pinnacle project to be necessarily heard on being impleaded therein.

20. In view of the above reasons, **the application is allowed in part** by impleading the Applicants as respondents in I.A. Nos. 427/2022, 428/2022 and 429/2022.

-Sd/-	**-Sd/-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**