IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

IA(IBC)/142/KOB/2026
IN
CP(IB)/33/KOB/2021
(Under Section 60(5) of the IBC, 2016 r/w Rule 11 of the NCLT Rules, 2016)

Date of Institution: 23.03.2026
Order delivered on: 21.07.2026

In the matter of: -
M/s Kerala Chamber of Commerce and Industries

Memo of Parties: -
JOSSY STEEPHEN KATTUR
Resolution Professional of Kerala Chamber of Commerce and Industries
Skyline Imperial Gardens,
Next to IMA house,
Kaloor, Kochi

... Applicant

Vs.

Cherupushpam Films Private Limited,
Represented by to MP
4 th Floor, Cherupushpam Building,
Shanmugham Road, Ernakulam-682 031

... Respondent No. 1

Phoenix ARC Private Limited
Represented by its MD
5th Floor, Dani Corporate Park, 158,
CST Road, Kalina SantaCruz (E),
Mumbai-400098

... Respondent No. 2

Kerala Trade Centre Owners Association
Represented by its NMD
Kerala Trade Centre Building, Marine Drive,
Kochi-682031
Represented by its Secretary
... Respondent No. 3

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL
HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Applicant	: Mr. Akhil Suresh, Advocate.
For the Respondent No. 1	: Mr. Pradeep Joy, Advocate.
For the Respondent No. 2	: Mr. Suresh Dobhal, Advocate.
For the Respondent No. 3	: Mr. Terry V James, Advocate.

ORDER

Per Coram

1. The present Application has been filed by Mr. Jossy Steephen Kattur, the Resolution Professional of the Kerala Chamber of Commerce and Industries (the Corporate Debtor), against the Respondents, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking the following reliefs:

   a. *Declare that the land/property belonging to the 1st Respondent, Cherupushpam Films Private Limited, which was placed into and forms part of the joint development arrangement/project undertaken with the Corporate Debtor, constitutes an asset/property right forming part of the CIRP estate and value base of the Corporate Debtor for the purposes of insolvency resolution;*
   b. *Direct the 1st Respondent to cooperate with the Resolution Applicants/Professional and, upon approval of the resolution plan,*

to execute, register and complete all necessary documents, deeds, assurances and acts required for implementation of the approved resolution plan in relation to the said project/property;

c. pass such other order or orders as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case.

Brief facts of the case:

2. It is submitted by the Applicant that the Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor commenced pursuant to the admission of CP(IB)/33/KOB/2021 under Section 7 of the Insolvency and Bankruptcy Code, 2016, by this Adjudicating Authority vide order dated 21.02.2022. Mr. K. Parameswaram Nair was appointed as the Interim Resolution Professional and was subsequently confirmed as the Resolution Professional by the 1st Committee of Creditors meeting. Thereafter, at the 10th Committee of Creditors meeting held on 03.03.2023, the present Applicant was appointed as the Resolution Professional in place of Mr. K. Parameswaram Nair, which was approved by this Adjudicating Authority vide order dated 17.03.2023 in IA(IBC)/108/KOB/2023.
3. It is submitted that the present application concerns the Kerala Trade Centre project developed under the Joint Development Agreement dated 09.03.2001, as supplemented on 08.12.2003, between the Corporate Debtor and the 1st Respondent, Cherupushpam Films Private Limited. Under the arrangement, the 1st Respondent contributed the land, while the Corporate Debtor undertook the development of the project. The parties agreed to a 60:40 revenue-sharing arrangement, and the 1st Respondent executed a Power of Attorney authorising the Corporate Debtor to obtain approvals, construct, market and sell units, pursuant to which the Corporate Debtor developed the project and collected monies from homebuyers. Following disputes culminating in an arbitral award dated 26.12.2018, the parties executed a Settlement Deed dated 05.08.2020,

reaffirming their intention to jointly complete the project, with the Corporate Debtor identifying investors and the 1st Respondent extending necessary cooperation.

4. It is further submitted that upon commencement of the CIRP, the Kerala Trade Centre project became the principal value-bearing asset of the Corporate Debtor. The four valuers appointed during the CIRP valued the land and building as an integrated asset. Both compliant resolution plans received by the Applicant are based on the inclusion of the project land and the associated development rights. Each plan provides for the completion of the project, consideration to the landowner, payment to the homebuyers, and satisfaction of the Financial Creditor. Despite the Joint Development Agreement, the Power of Attorney, and the Settlement Deed, the 1st Respondent has failed to cooperate with the Applicant or the Prospective Resolution Applicants. Having authorised the Corporate Debtor to develop the project and transact with homebuyers, the 1st Respondent cannot obstruct the CIRP by withholding cooperation. Further, except for a claim of Rs. 1.36 crore (Rs. 1.31 crore admitted) arising from the arbitral award, the 1st Respondent has filed no claim in respect of the land or the Joint Development Agreement and cannot assert rights outside the CIRP.
5. It is stated that the application is maintainable under Section 60(5) of the Code, as it concerns rights arising directly from the CIRP. The Corporate Debtor's development rights constitute "property" under Section 3(27) of the Code. The Hon'ble Supreme Court in Rajendra K. Bhutta v. Maharashtra Housing and Area Development Authority and the Hon’ble NCLAT in New Okhla Industrial Development Authority v. Amit Agarwal and Jitender Arora, RP of Premia Projects Ltd. v. Tek Chand & Ors. have consistently held that development rights, leasehold rights and the land component of a real estate project are valuable

assets of the corporate debtor protected under the Code. These principles squarely apply to the present Joint Development Agreement.

6. In discharge of its duties under Sections 18, 20 and 25 of the Code, the Resolution Professional is bound to preserve and maximise the value of the Corporate Debtor's assets. Since the existing CIRP record consistently treats the Kerala Trade Centre project and the associated land as the principal value-bearing asset, the Applicant seeks a declaration that the project land and development rights form part of the Corporate Debtor's asset base for the purposes of the CIRP, valuation, Information Memorandum and resolution, together with consequential directions requiring the 1st Respondent to cooperate with implementation of the approved resolution plan.

<u>Reply filed by Respondent No. 1:-</u>

7. Respondent No. 1 submitted that the present Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 is wholly misconceived, not maintainable and liable to be dismissed in limine. The Applicant seeks reliefs beyond the scope of the Code, suppresses material facts, and relies on documents that do not confer any title upon the Corporate Debtor. The Joint Venture/Development Agreement dated 08.12.2003 did not transfer ownership of the land to the Corporate Debtor. It only authorised the Corporate Debtor to develop the project, while ownership remained with Respondent No. 1. The Corporate Debtor has failed to complete the project and hand over the agreed 60% share to Respondent No. 1.

8. It is submitted that the Applicant's reliance on the Power of Attorney is equally misplaced, as it did not create any ownership or proprietary rights. The Power of Attorney dated 05.08.2003 was revoked on 26.05.2014, as recorded in the Arbitral Award in A.R. No. 31/2018 dated 26.02.2018. The Applicant has also suppressed the Corporate Debtor's breaches under the Settlement Deed dated

05.08.2020, including its failure to pay Rs.59,50,000/- under Clause 25 and to perform its contractual obligations.

9. It is further submitted that the inclusion of the project in CIRP documents does not make it an asset of the Corporate Debtor. The Resolution Professional's powers under Sections 18 and 25 of the Code extend only to the assets of the Corporate Debtor and not to property belonging to third parties. Further, no Resolution Plan can confer a better title than that held by the Corporate Debtor, which never acquired ownership of Respondent No. 1's property. Accordingly, the Applicant has no legal basis to seek directions affecting the proprietary rights of Respondent No. 1.

Reply filed by Respondent No. 3:-

10. The 3rd Respondent, an association representing the purchasers/allottees/unit owners of the Kerala Trade Centre project, submitted that it supports the reliefs sought by the Applicant, as the present Application is necessary to preserve the value of the Corporate Debtor's CIRP and enable completion of the project. The members purchased/agreed to purchase units based on the Joint Venture/Development Agreement between the Corporate Debtor and the 1st Respondent. The project was developed as an integrated arrangement, wherein the land of the 1st Respondent and the development rights and obligations of the Corporate Debtor were interlinked. The Power of Attorney and subsequent Settlement Deed permitted the Corporate Debtor to undertake development, construction, marketing, sale, and completion of the project.

11. It is stated that the 1st Respondent, having contributed the land, participated in project documents and enabled the creation of third-party rights, cannot now claim that the project land is outside the CIRP framework. The project rights, including development, marketing, possession, sale, and completion rights, are

valuable rights covered under Section 3(27) of the Code and must be considered for CIRP, valuation, Information Memorandum, and resolution planning.

12. It is submitted that the disputes between the 1st Respondent and the Corporate Debtor cannot prejudice homebuyers or other CIRP stakeholders. The purchasers invested based on the integrated project structure, including land, approvals, common areas, and project benefits. Several homebuyers have obtained awards under the Arbitration and Conciliation Act, 1996. Any monetary claims of the 1st Respondent, if any, must be dealt with under the Insolvency and Bankruptcy Code, 2016, and cannot obstruct completion of the project. The Kerala Trade Centre project remains incomplete, without numbering, power or water supply, causing prolonged hardship to allottees. The CIRP provides a statutory mechanism for revival and completion. The Resolution Professional is required to preserve value and maximise resolution, and the cooperation of the 1st Respondent is necessary for the implementation of any approved Resolution Plan.

13. Further, it is submitted that the relief sought does not involve adjudication of title but only recognition of project rights for CIRP purposes. The 1st Respondent, having permitted the development and creation of third-party rights, cannot withdraw from the project structure. The Application deserves to be allowed in the interest of value maximisation, justice, and protection of homebuyers. The 3rd Respondent relies upon the Joint Venture Agreement, Power of Attorney, Settlement Deed, sale deeds, sale agreements, and other project documents relied upon by the Applicant.

Rejoinder against the reply of Respondent No. 1:-

14. It is submitted by the Applicant that the allegations in the counter affidavit are denied except those admitted as matters of record. The present Application is maintainable under Section 60(5) of the Insolvency and Bankruptcy Code, 2016,

as it concerns recognition of the land, development rights and allied project rights arising from the Joint Development Arrangement as part of the Corporate Debtor's CIRP value base. The Application does not seek transfer of title or expropriation of the 1st Respondent's land. It only seeks recognition of the project rights and necessary cooperation for the implementation of the Resolution Plan. The Applicant has approached this Adjudicating Authority in discharge of statutory duties to preserve and maximise the value of the Corporate Debtor, particularly when two compliant Resolution Plans depend on completion of the Kerala Trade Centre project.

15. It is submitted that the Joint Venture/Development Agreement, disputes, arbitral proceedings, and Settlement Deed dated 05.08.2020 have been disclosed. The Settlement Deed reaffirmed the continuation of the project, and the 1st Respondent cannot rely on past disputes to deny the integrated project structure. The Corporate Debtor's rights arise from the Joint Development Agreement, Power of Attorney, Settlement Deed, and subsequent conduct of the parties. The Power of Attorney is not relied upon as a conveyance of title but as evidence of development, project, possessory, and commercial rights granted to the Corporate Debtor.

16. Further, it is submitted that the Kerala Trade Centre project, including the land and development rights, is the principal value-bearing asset of the Corporate Debtor. The Application relates to CIRP, valuation, and implementation of two compliant Resolution Plans and not a private contractual dispute. The 1st Respondent, having contributed the land, authorised development, enabled the creation of third-party rights and reaffirmed the arrangement through the Settlement Deed dated 05.08.2020, now cannot deny the integrated project structure or obstruct the CIRP. Any contractual or monetary claims, including

those under Clause 25 of the Settlement Deed, must be addressed within the insolvency framework and cannot prejudice homebuyers or other stakeholders.

Findings: -

17. We have heard the learned counsel for the parties, perused the pleadings, records, written submissions and the judgments relied upon. The present Application has been filed by the Resolution Professional of the Corporate Debtor, Kerala Chamber of Commerce and Industries, in relation to the Corporate Insolvency Resolution Process commenced against the Corporate Debtor pursuant to the admission of the petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, vide order dated 21.02.2022. The applicant, the Resolution Professional, has approached this Adjudicating Authority for certain reliefs concerning the treatment and enforceability of rights arising out of a Joint Development Agreement entered into between the corporate debtor and the 1st Respondent in respect of the project, Kerala Trade Centre. The Respondent No. 1 contributed its land, whereas the corporate debtor undertook the development and construction of the project. The profit sharing, as per the Joint Development Agreement, was in the ratio of 60:40. The Respondent No. 1 executed a Power of Attorney, giving authorisation to the corporate debtor to undertake all necessary acts for the due execution of the project and also to deal with prospective buyers and authorities. In order to perform its part of the contract, the corporate debtor infused money into the project, and the allottees also showed interest and invested money in the project to honour the genuineness of the inter se arrangement between Respondent No. 1 and the corporate debtor.

18. There was some dispute between the parties, which resulted in the invocation of the arbitration clause, and the Sole Arbitrator passed an award on 26.02.2018, against which an appeal was filed by one of the parties challenging the findings.

There was also a counterclaim in the award. During the pendency of the appeal, there was a settlement between the parties, reduced into a Settlement Agreement dated 05.08.2020, wherein both parties agreed to keep the execution of the award in AR No. 31/16 in abeyance and agreed to complete the project jointly. Now, during the CIRP, after the constitution of the CoC, the Resolution Professional received a claim from Respondent No. 1 to the tune of Rs. 59,50,000/- (Rupees Fifty-Nine Lakhs and Fifty Thousand Only) on the basis of the award, and the same has been admitted. The Resolution Professional issued the public Information Memorandum calling for expressions of interest from the general public, and in the said Information Memorandum, the Resolution Professional has shown the project as a CIRP asset. Two entities submitted their plans, wherein there is a proposal for completion of the project, and further there is a provision for payment of a lump sum amount to the land owner, i.e., Respondent No. 1. The Resolution Professional has filed this application, and Respondents No. 2 and 3 are practically supporting the reliefs claimed in the application, whereas Respondent No. 1 has vehemently contested the reliefs claimed on various grounds.

19. The core question raised by Respondent No.1 is about the maintainability of the present application under Section 60(5) of the IBC, 2016, and the effects of the arbitral award dated 26.02.2018 on the rights and obligations arising under the Joint Development Agreement dated 08.12.2003. Respondent No. 1 has further taken the defence that the Resolution Professional is misusing the provisions of the Insolvency and Bankruptcy Code for the purpose of unlawfully appropriating the assets of Respondent No. 1, and that the land underneath the project is the property of Respondent No. 1 and cannot be treated as an asset of the corporate debtor. Third-party assets cannot be treated as assets of the corporate debtor, and the Resolution Professional has no right to take over the management of

such third-party assets. It is further contended that the CIRP, which was initiated on 17.03.2022, has been allowed to continue for over 1,500 days in clear violation of the Insolvency and Bankruptcy Code, 2016, and that the Resolution Professional cannot be allowed to enlarge the rights of the corporate debtor beyond the terms of the arbitral award.

20. We have considered the submissions of both sides and also gone through the records. Respondent No. 1 has primarily founded its defence on the arbitral award dated 26.02.2018. There is no denial about the existence of the Joint Development Agreement dated 08.12.2003. There is no denial that, in terms of the said arrangement between the corporate debtor and Respondent No. 1, there was an investment of land in the project for a specific profit-sharing arrangement. There is no denial that a General Power of Attorney was executed, with specific powers, by Respondent No. 1, empowering the corporate debtor to take all important, ancillary, and collateral decisions required to implement the project effectively. There is no denial of the fact that the general public, as home buyers and investors, invested their hard-earned money in the project, believing in the genuineness of the arrangement between the corporate debtor and Respondent No. 1. There is no doubt that there was a dispute between the corporate debtor and Respondent No. 1, which resulted in arbitration proceedings.

21. The home buyers were not parties to the said arbitration proceedings, and in the said arbitration proceedings, the learned Sole Arbitrator recognised the Joint Development Agreement and also made provisions for its implementation with certain SOPs as suggested therein. There is no dispute about the subsequent settlement between the parties, wherein the corporate debtor and Respondent No. 1, prior to the initiation of the CIRP on 05.08.2021, agreed to keep the execution of the arbitral award in abeyance. Once, before the initiation of the

CIRP, by their own act and conduct, Respondent No. 1 and the corporate debtor put the arbitral award in abeyance; Respondent No. 1 cannot now be allowed to rely on the said award.

22. Even otherwise, the award, as passed, was not in derogation of the Joint Development Agreement but, as suggested, provided certain SOPs to regulate the affairs between the corporate debtor and Respondent No. 1 in a more effective manner. As far as the relationship between the corporate debtor and Respondent No. 1 is concerned, by entering into a Joint Development Agreement, having invested its land in the project, and prompting the general public to invest their hard-earned money in the project as home buyers or investors, Respondent No. 1 cannot be permitted to do anything which may go against the spirit of the Joint Development Agreement. The Insolvency and Bankruptcy Code, 2016, is a complete code governing the insolvency resolution process. Once the CIRP is initiated, the provisions of the Insolvency and Bankruptcy Code and the rules and regulations framed thereunder will prevail, and the stakeholders are bound by such process. Respondent No. 1 has already filed its claim, and it has not challenged the inclusion of the project in the Information Memorandum. At this stage, in an application filed by the Resolution Professional to facilitate matters in terms of the Joint Development Agreement, Respondent No. 1 has no right to agitate any such issue as taken in its defence.

23. Though Respondent No. 1 has no locus to question the extension of the CIRP or the right of the Resolution Professional to seek such extension, the defence taken by the landowner, Respondent No. 1, is not tenable. As far as the contention that third-party property cannot be included as an asset of the Corporate Debtor or that the Resolution Professional cannot take over its management is concerned, there cannot be any straitjacket formula, and each case has to be decided on its own facts and the nature of the rights created in favour of the Corporate Debtor.

In the present case, the claim of Respondent No. 1 arising out of the very same agreement crystallised in the arbitral award has been duly admitted by the Resolution Professional in the CIRP. Further, despite the inclusion of the Kerala Trade Centre Project and the development rights in the Information Memorandum, Respondent No. 1 never challenged such inclusion at the relevant point of time in accordance with law. Having accepted participation in the CIRP by lodging its claim and having failed to assail the inclusion of the project in the Information Memorandum when the same was published, Respondent No. 1 cannot now be permitted to contend that the project or the rights arising therefrom do not form part of the asset base of the Corporate Debtor. The Resolution Professional has, therefore, rightly included the project and the associated rights in the Information Memorandum, and Respondent No. 1 is under an obligation to cooperate with the Resolution Professional for the completion of the project and to extend all assistance necessary to uphold the spirit and object of the Insolvency and Bankruptcy Code, 2016. Respondent No. 1 is bound to do the needful, as may be required or directed by the Resolution Professional, the Committee of Creditors, or the Monitoring Committee, at the appropriate stage for the effective implementation of the Resolution Plan, subject to the other provisions of the Code.

24. Though at the time of execution of the Joint Development Agreement, Respondent No. 1 executed a General Power of Attorney in favour of the corporate debtor, after the initiation of certain disputes, Respondent No. 1 cancelled the said Power of Attorney. It is the case of the Resolution Professional that Respondent No. 1 could not have unilaterally cancelled the said Power of Attorney. This Adjudicating Authority is of the opinion that the cancellation or non-cancellation of the Power of Attorney would not have any bearing on the rights, duties, and obligations of Respondent No. 1 and the Resolution

Professional. Respondent No. 1 is bound by the provisions of the IBC, 2016, and is under an obligation to assist the Resolution Professional in carrying out the necessary tasks under the IBC. Further, the Resolution Professional does not require any authority under the General Power of Attorney, as he otherwise possesses ample powers to do the needful

25. We also place reliance on the judgment relied upon by the learned Resolution Professional in ***Victory Iron Works Ltd. v. Jitendra Lohia & Anr.,* (2023) ibclaw.in 29 SC**, wherein the Hon'ble Supreme Court has held as under:

> *35. From the sequence of events narrated above and the terms and conditions contained in the Agreements entered into by the parties, it is more clear than a crystal that a bundle of rights and interests were created in favour of the Corporate Debtor, over the immovable property in question. The creation of these bundle of rights and interests was actually for a valid consideration. But for the payment of such consideration, Energy Properties would not even have become the owner of the property in dispute. Therefore, the development rights created in favour of the Corporate Debtor constitute "property" within the meaning of the expression under Section 3(27) of IBC. At the cost of repetition, it must be recapitulated that the definition of the expression "property" under Section 3(27) includes "every description of interest, including present or future or vested or contingent interest arising out of or incidental to property". Since the expression "asset" in common parlance denotes "property of any kind", the bundle of rights that the Corporate Debtor has over the property in question would constitute "asset" within the meaning of Section 18(f) and Section 25(2)(a) of IBC.*
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> *36. In Sushil Kumar Agarwal (supra), this Court brought out the distinction between different types of Development Agreements, with particular reference to Section 14(3)(c) of the Specific Relief Act, 1963. After summarizing the different types of Development Agreements in paragraph 17 of the decision, this Court held in paragraph 19 as follows:-*
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> > *"19. …An essential incident of ownership of land is the right to exploit the development potential to construct and to deal with the constructed area. In some situations, under a development agreement, an owner may part with such rights to a developer. This in essence is a parting of some of the incidents of ownership of the immovable property…"*
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> *37. Therefore, it is not very difficult to conclude, that a bundle of rights and interests were created in favour of the Corporate Debtor, by a series of*

> *documents such as (i) the MoU dated 24.01.2008; (ii) the shareholders agreement dated 24.01.2008; (iii) the flow of the consideration from the Corporate Debtor to the UCO Bank and to Energy Properties; (iv) the Development Agreement dated 16.06.2008; (v) the Memorandum Recording Possession dated 02.03.2010 executed by the original shareholders of Energy Properties; (vi) the Memorandum Recording Possession dated 24.06.2010 executed by Energy Properties in favour of the Corporate Debtor; and (vii) the Leave and License Agreement primarily executed by the Corporate Debtor in favour of Victory, which was merely confirmed by Energy Properties as a confirming party. Some of these bundle of rights and interests, partake the character and shade of ownership rights. Therefore, these rights and interests in the immovable property are definitely liable to be included by the Resolution Professional in the Information Memorandum and the Resolution Professional is duty bound under Section 25(2)(a) to take custody and control of the same.*

26. The ratio laid down by the Hon'ble Supreme Court in the aforesaid judgment squarely applies to the facts of the present case. Here also, the Corporate Debtor, under the Joint Development Agreement, the General Power of Attorney and the subsequent Settlement Deed, acquired a bundle of valuable development, commercial and project rights over the property belonging to Respondent No. 1. Acting upon the said arrangement, the Corporate Debtor undertook the development of the Kerala Trade Centre project, invested substantial resources, dealt with prospective purchasers, created third-party rights and developed the project in furtherance of the contractual arrangement. These rights were not gratuitous but were created for valid consideration under the agreed revenue-sharing mechanism. Consequently, though the title to the land continues to vest with Respondent No. 1, the development rights and other incidental rights created in favour of the Corporate Debtor constitute "property" within the meaning of Section 3(27) of the Code and, consequently, form part of the assets required to be taken into custody and control by the Resolution Professional under Sections 18 and 25 of the Code. Therefore, the inclusion of the Kerala Trade Centre project and the attendant development rights in the Information Memorandum cannot be faulted, and Respondent No. 1 cannot, at this stage,

obstruct the CIRP by denying the very rights which it had consciously created in favour of the Corporate Debtor.

27. We also find that, in a case arising on substantially similar facts and circumstances, this Adjudicating Authority, in IA(IBC)/419/KOB/2024 in IBA/11/KOB/2020, vide order dated 23.04.2026, while dealing with the status of development rights created under a Joint Development Agreement during the Corporate Insolvency Resolution Process, has observed as under:

> *32. The nature of the Joint Venture Agreement also reinforces this position. Ownership of the land remained with the landowners; however, development rights, possession, and the right to market and sell units were unequivocally vested with the Corporate Debtor. The Corporate Debtor assumed full responsibility for execution of the project, including obtaining approvals, mobilising finance, undertaking construction, and effecting sales to third-party purchasers. The landowners, in turn, were entitled only to their agreed share in the developed property or sale proceeds, without participating in the actual development activity. Such an arrangement clearly demonstrates that the Corporate Debtor was clothed with the authority to create binding third-party rights.*
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> *XXXX*
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> *37. It is not in dispute that the Corporate Debtor undertook development of the project "MIR Greens" pursuant to the Joint Venture Agreement and entered into agreements with third-party purchasers, including the Applicant. The Applicant has placed on record the Sale Agreement and Construction Agreement dated 22.08.2007, which form part of the composite transaction.*
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> *XXXX*
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> *40. In the present case, the conduct of the parties, read in conjunction with the documentary evidence on record, clearly establishes that the transaction has been substantially materialized. The Applicant has fulfilled his obligations by paying the agreed consideration, and the Corporate Debtor has reciprocally performed its part by handing over possession. Ideally, the Applicant would have been entitled to protection under the doctrine of part performance as embodied under Section 53A of the Transfer of Property Act, 1882; however, in the absence of a registered instrument, such protection may not be strictly available. Nevertheless, the possession of the Applicant assumes significance and can be relied upon for collateral purposes. In the context of the Insolvency and Bankruptcy Code, 2016, which recognises and protects the rights of allottees in possession, such possession becomes a material factor in determining the continuity and enforceability of the transaction between the parties, notwithstanding the non-registration or registration of the underlying documents.*
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> *XXXX*

46. In this context, guidance can be drawn from the judgment of the Hon'ble High Court of Bombay in Paramanand Builders LLP v. Competent Authority & District Deputy Registrar and Ors 2026:BHC-AS:9299, wherein, while considering the scheme of Section 11 of the Maharashtra Ownership Flats Act, 1963 and the earlier decisions in Farhat Co-operative Housing Society Ltd. and Mr. Haresh Bhatia & Ors., the Hon'ble Court has clearly held that the entitlement of a purchaser or society must be co-extensive with the actual right, title and interest held by the promoter, and cannot be restricted to a lesser estate by virtue of internal arrangements or contractual drafting. It has been emphasised that the true nature of the promoter's title is determinative, and not merely the language employed in allotment letters or development agreements. Thus, where the promoter holds ownership, ownership must be conveyed; where leasehold rights are held, the entirety of such leasehold interest must be transferred. It has also been held that the promoter includes any person who has enabled and caused the development and sale of flats, including landowners acting through developers, and such persons cannot avoid statutory obligations by relying on internal arrangements or dilute the statutory mandate to convey the entire right, title and interest vested in them.

47. The aforesaid judgments of the Hon'ble High Court of Bombay, rendered in the context of Section 11 of the Maharashtra Ownership Flats Act, 1963, are applicable in principle and lend persuasive value to the present case. When viewed in the light of Section 11 of the Maharashtra Ownership Flats Act, 1963, the emphasis is on ensuring that the entire right, title and interest of the promoter is conveyed to the purchasers or their collective body, without dilution through private arrangements. This principle aligns seamlessly with the scheme and objectives of the Insolvency and Bankruptcy Code, 2016. The spirit of the Code is to give effect to the purpose for which such protections are recognised in law, namely, to safeguard the interests of homebuyers who have invested their hard-earned money in acquiring residential properties. The Insolvency and Bankruptcy Code, 2016, by recognising homebuyers as a distinct class of financial creditors, accords them a special status and seeks to ensure that they are not rendered remediless on account of disputes between landowners and developers. Judicial pronouncements of the Hon'ble Higher Courts have consistently emphasised that the interests of homebuyers, who have invested their hard-earned money to purchase a shelter or home, are required to be protected.

48. The Applicant, being an allottee, has been put in possession of the subject property after payment of the entire consideration, which stands established on record. It is also a matter of fact that the landowners failed to file any claim before the Resolution Professional during the Corporate Insolvency Resolution Process or before the Liquidator. By operation of law, any alleged right, title or interest, if at all subsisting, stood extinguished upon culmination of the insolvency process under the Insolvency and Bankruptcy Code, 2016. In such circumstances, the landowners are left with no beneficial interest in the subject property, which is presently under the active control and management of the Liquidator.

28. The principles laid down by this Adjudicating Authority in the aforesaid decision are equally applicable to the facts of the present case. Here also, the Corporate Debtor acquired valuable development and project rights under the Joint Development Agreement and created third-party rights in favour of homebuyers. Respondent No. 1, having consciously contributed the land to the joint development project and enabled the Corporate Debtor to undertake the development, cannot now assert rights inconsistent with the arrangement so as to obstruct the Corporate Insolvency Resolution Process or defeat the rights flowing therefrom.

29. In view of the foregoing discussion and the settled legal position, this Adjudicating Authority is of the considered opinion that the development rights and allied project rights created in favour of the Corporate Debtor under the Joint Development Agreement, read with the subsequent agreements and the conduct of the parties, constitute valuable property rights forming part of the asset base of the Corporate Debtor for the purposes of the Corporate Insolvency Resolution Process. Accordingly, the reliefs sought by the Applicant deserve to be granted. Respondent No. 1 is directed to extend full cooperation to the Resolution Professional and the Successful Resolution Applicant, as the case may be, and, upon approval of the Resolution Plan, to execute, register and complete all such documents, deeds, assurances and other acts as may be necessary for the effective implementation of the approved Resolution Plan in relation to the Kerala Trade Centre project.

30. Accordingly, it is hereby declared that the Kerala Trade Centre Project, together with the development rights and all allied rights vested in the Corporate Debtor under the Joint Development Agreement and the subsequent arrangements between the parties, shall constitute part of the asset base of the Corporate Debtor for the purposes of the Corporate Insolvency Resolution Process and

shall continue to form part of the Information Memorandum. Respondent No. 1 is accordingly directed to extend full cooperation to the Resolution Professional and, upon approval of the Resolution Plan, to the Successful Resolution Applicant/Monitoring Committee by executing, registering and completing all such documents, deeds, assurances and other acts as may be necessary for the effective implementation of the process under IBC, at relevant time as needed, expected and demanded.

31. In view of the above, **IA(IBC)/142/KOB/2026** in **CP(IB)/33/KOB/2021** stands **allowed** and **disposed of.**
32. The Registry is directed to send e-mail copies of this order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
33. A Certified Copy of this Order may be issued, if applied for, upon compliance with all requisite formalities.

Sd /-
RAVICHANDRAN RAMASAMY
(MEMBER TECHNICAL)

Sd /-
VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 21st day of July, 2026.

*A**
D/Steno