NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.201
IA/531(MP)2025
IN
CP (IB) NO. 3 OF 2024

Order under Section 60(5)

IN THE MATTER OF:

Mr. Yashvardhan Bandi,
Legal Heir of Dr. Radhika Bandi ....**Applicant**

V/s ....**Respondent**

Mrs. Chaya Gupta & Ors

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 21/08/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/- Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

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NATIONAL COMPANY LAW TRIBUNAL

BENCH AT INDORE

IA/531(MP)2025

IN

CP (IB) NO. 3 OF 2024

[*An Application filed under Section 60(5) of the IBC, 2016 r.w. Rule 11 of the NCLT Rules, 2016]*

Mr. Yashvardhan Bandi,
(S/o Dr. Anil Bandi / Dr. Radhika Bandi)
4, Lad Colony, Tukoganj Police Station,
Y.N. Road, Vallabhnagar (M.P.) – 452003 **......Applicant**

Vs

Mrs. Chaya Gupta
Resolution Professional
M/s Greater Kailash Hospitals Pvt. Ltd
911, Apollo Premier
Near Vijaynagar Square Indore,
Madhya Pradesh, 452010. **......Respondent No. 1**

LIC-Housing Finance Ltd.
COC Member
9/1-A, UV House, Second Floor
South Tukoganj, Indore (M.P.) **......Respondent No. 2**

Coram: Brajendra Mani Tripathi, Hon'ble Member (J)
Man Mohan Gupta, Hon'ble Member (T)

Order Pronounced On 21.08.2026

Appearance:

For the Applicant : Mr. Rahul Sripat, Sr. Adv a.w.
Ms. Kriti Vyas, Adv

For the Respondent : Mr. Neeraj Kumar Gupta, Adv (R-1)
Mr. Shantnu Chourasia, Adv (R-2)

O R D E R

1. This is an Application under Section 60(5) of the IBC, 2016 r.w. Rule 11 of the NCLT Rules, 2016, with the following prayers:

   i. *Direct the Respondent No. 1, i.e. the resolution professional to exclude plot no. 1/11, 2/11 & 11A, Old Palasia in the CIRP process as the said land was not transferred to the company thus, they are not part of CIRP process.*

   ii. *Declare that Late Dr. Kusum J. Singh never gave or signed any personal guarantee for the company's loans or borrowings with LIC or any other lender. Therefore, her personal property and estate cannot be used to pay those loans, and her legal heirs also cannot be held responsible for such debts.*

   iii. *Declare that all 3 land parcels are not part of the estate of the Hospital and hence should be kept out of the scope of CIRP.*

   iv. *Declare that the Power of Attorney executed in favour of Dr. Radhika Bandi does not authorize her to give the land parcels for equitable mortgage as that power of attorney has limited application as regards loans taken for hospital are concerned and hence the equitable mortgage created in favour of Respondent 2 is invalid in law.*

1. Brief of Facts of the Case:

The present Interlocutory Application has been filed by Mr. Yashvardhan Bandi, Advocate, describing himself as the legal heir of Dr. Radhika Bandi, who was herself a legal heir of Late Dr. Kusum J. Singh. The application is filed in CP (IB) No. 3 of 2024, arising out of the CIRP initiated against M/s Greater Kailash Hospitals Pvt. Ltd. ("the Corporate Debtor"). The Applicant seeks directions against Respondent No. 1, Mrs. Chaya Gupta, the Resolution Professional, to exclude three parcels of land at 1/11, 2/11 and 11A, Old Palasia, from the CIRP asset pool, on the ground that the land was, and continues to be, the personal property of Late Dr. Kusum J. Singh and was never transferred to the Corporate Debtor.

a) Late Dr. Kusum J. Singh was the original, absolute and undisputed owner of the three parcels of land on which the hospital and clinic were constructed and operated. Title to the land stood exclusively in her name throughout, as evidenced by the registered sale deeds annexed as Annexure A1 (Colly). The hospital was initially set up and run by her as a sole proprietorship concern. On 01.11.2007, the proprietorship was converted into a partnership firm, M/s Greater Kailash Hospital, with all assets and liabilities of the proprietorship — expressly excluding Dr. Singh's personal movable and immovable properties — transferred to the partnership at book value. Thereafter, on 07.11.2008, the partnership firm was reconstituted and incorporated as a private limited company, M/s Greater Kailash Hospitals Pvt. Ltd. At no stage during either conversion, according to the Applicant, was ownership of the land transferred to the partnership firm or the company; the Partnership Deed and the MOA/AOA of the company, annexed as Annexure A2 (Colly), do not reflect any such transfer, and the land remained Dr. Singh's personal property.

b) On 28.03.2017, LIC-Housing Finance Ltd. ("LIC-HFL"), Respondent No. 2, disbursed a loan of Rs. 40 crore to the Corporate Debtor. The Applicant's case is that Dr. Kusum J. Singh never personally executed any deed of guarantee in favour of LIC-HFL or any other lender in respect of this or any borrowing of the firm/company, as substantiated by the terms and conditions sheet of the loan agreement annexed as Annexure A3. It is further averred that the Power of Attorney executed by Dr. Singh in favour of her daughter, Dr. Radhika Bandi, authorising her to sign loan documents as director of the company, was limited in its application to loans obtained specifically from a "bank." Since LIC-HFL is a non-banking financial company (NBFC) and not a bank, the Applicant contends Dr. Radhika Bandi lacked authority to create an equitable mortgage over the land parcels in favour of LIC-HFL, rendering the mortgage — annexed along with the Power of Attorney as Annexure A4 (Colly) — invalid in law.

Death of Dr. Kusum J. Singh and devolution of her estate

c) The application refers to Dr. Kusum J. Singh as "Late" throughout. Paragraph XI of the application ("Succession and Shareholding Post-Demise") states that upon her demise, her 48% shareholding in the company devolved by succession upon her legal heirs, namely her two daughters, and that ownership of the land — still standing in her name — likewise devolved upon them. One of these two daughters is Dr. Radhika Bandi, whose own legal heir, the present Applicant, has filed this application. It is noted that Dr. Kusum J. Singh died intestate on 29.10.2024, a fact not disclosed with a date in the original application or in its List of Dates and Events.

d) On 30.07.2024, the Tribunal admitted a petition under Section 7 of the Code filed by the Financial Creditor, Sukhkarta Medicose, against the Corporate Debtor, initiating CIRP and appointing Mr. Mangesh Vitthal Kekre as Interim Resolution Professional (IRP). On 23.01.2025, the Applicant sent a legal notice to the erstwhile IRP (Annexure A5) informing him that the land parcels did not belong to the hospital/company and ought to be excluded from CIRP; no response was received. On 03.03.2025, the Tribunal appointed Mrs. Chaya Gupta, Respondent No. 1, as Resolution Professional in place of the IRP. Towards the end of May 2025, the Corporate Debtor/hospital ceased operations and shut down.

<u>2. Submissions of Respondent No. 1:</u>

Respondent No. 1, Mrs. Chaya Gupta, Resolution Professional, filed her Reply dated 12.01.2026 opposing the application on five principal grounds.

a) Lack of locus standi

Respondent No. 1 submits that the Applicant sued as "legal heir of Dr. Radhika Bandi," who is his mother and, to the best of Respondent No. 1's knowledge, alive, along with the Applicant's father Dr. Anil Bandi — both ex-Directors of the Corporate

Debtor. It is submitted that Late Dr. Kusum Singh died intestate on 29.10.2024, and under Sections 14, 15 and 16 of the Hindu Succession Act, 1956, her legal heirs are her two daughters, Dr. Radhika Bandi and Pammi Bhatia. Since Dr. Radhika Bandi is alive, the Applicant has no locus to claim inheritance during his mother's lifetime. Dr. Kusum Singh had resigned as Director on 07.10.2019.

b) Absolute transfer of property and estoppel

Respondent No. 1 admits self-acquisition of the three plots by Dr. Kusum Singh but submits they were contributed to the partnership firm "Greater Kailash Hospital" via the Partnership Deed dated 01.11.2007, clarified by a Supplementary Deed of Partnership dated 05.11.2007 (relied upon by the Applicant himself, at page 91 of the application), whereby the plots were expressly transferred to the firm. In consideration, Dr. Kusum Singh received a 60% partnership share, with a revaluation gain of Rs. 6 crore recorded in the firm's balance sheet as on 31.03.2008, and partner's capital of Rs. 50 lakh which later became share capital of the Corporate Debtor. This balance sheet was filed with the RoC/MCA via e-Form 39, digitally signed by both Dr. Radhika Bandi and Dr. Kusum Singh. A Net Worth Certificate submitted by Dr. Kusum Singh dated 04.02.2017 (for the LIC-HFL loan) listed her personal properties but excluded the three plots — said to demonstrate her own acknowledgment that the plots belonged to the Corporate Debtor. It is submitted the Applicant is estopped from contending otherwise.

c) Application actuated at the behest of Applicant's parents

It is submitted that since all three Directors — Dr. Kusum Singh, Dr. Anil Bandi and Dr. Radhika Bandi — signed the Corporate Debtor's first audited balance sheet (07.11.2008 to 31.03.2009) showing the plots as assets with an opening value of Rs. 8,19,26,440/-, neither parent could contend otherwise without self-contradiction, and their son has therefore been used to challenge the CIRP on frivolous grounds to pressure the Successful Resolution Applicant (SRA). Related PUFE applications against the parents are stated to be pending separately.

d) Section 17(1)(b), Registration Act, 1908 — inapplicable

Respondent No. 1 submits that compliance with Section 17(1)(b) of the Registration Act is not required when immovable property is contributed as capital to a partnership. Relying on Section 14 and 15 of the Partnership Act, 1932. The extract of the Section 14 and 15 of the Partnership Act, 1932 is given below:

"14. The property of the firm.—

Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of business of the firm, and includes also the goodwill of the business.Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm.

15. Application of the property of the firm.—
Subject to contract between the partners, the property of the firm shall be held and used by the partners exclusively for the purposes of the business."

The above provision of section 14 has been interpreted by various High Courts and by Hon'ble Supreme Court, the latest judgment of Hon'ble Supreme Court in Sachin Jaiswal Vs Hotel Alka Raje & Other (2025 INSC 275), in para 11 of judgment upholding the verdict of Hon'ble Allahabad High Court quoted as-

"........It is not in dispute that 'Hotel Alka Raje' which was constructed upon two plots out of which one belonged to late Bhairon Prasad Jaiswal was contributed by him as a part and parcel of the partnership deed. The said property inclusive of the land and building for all legal consequences became a property of the firm namely 'M/s Hotel Alka Raje' situated at Rikabganj, Faizabad."

The above judgment leaves no doubt that the effect of Section 14 is that the said 3 plots became the property of Partnership firm upon signing of partnership deed and supplementary deed by Late Dr. Kusum Singh.

e) Statutory vesting under Companies Act, 1956

It is submitted that upon conversion of the partnership into the Corporate Debtor under Part IX (Sections 565–579) of the Companies Act, 1956, Section 575 of that Companies Act,1956 provides automatic statutory vesting of all partnership property in the successor company without conveyance. The extracts of the Section 575 of that Companies Act,1956 is given below:

"575. Vesting of property on registration .-

All property, movable and immovable (including actionable claims), belonging to or vested in a company at the date of its registration in pursuance of this Part, shall, on such registration, pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein."

The provision of section 575 has been interpreted by the Hon'ble Supreme Court in **Commissioner of Income Tax, Udaipur Vs Chetak Enterprises Pvt. Ltd. (2020 INSC 279)**, whereby the Hon'ble Supreme Court has held as-

"It is manifest that all properties, movable and immovable (including actionable claims) belonging to or vested in a company at the date of its registration would vest in the company as incorporated under the Act. In other words, the property acquired by a promoter can be claimed by the company after its incorporation without any need for conveyance on account of statutory vesting. On such statutory vesting, all the properties of the firm, in law, vest in the company and the firm is succeeded by the company. The firm ceases to exist and assumes the status of a company after its registration as a company."

Therefore, it is clear that upon conversion of partnership into a company under Part IX, the properties of firm stand vested in the company being the Corporate Debtor herein, without any need for conveyance.

3. Submissions of Respondent No. 2:

Respondent No. 2, LIC-HFL, filed its Reply-cum-Objections dated 19.01.2026, through its authorised signatory Mr. Umesh Kumar Datley, denying all contentions of the Applicant and praying for dismissal with exemplary costs.

a) That the plots cannot be excluded from the CIRP

Respondent No. 2 submits that the plots form part of the Corporate Debtor's estate, evident from the equitable mortgage at page 140 of the application read with Schedule-1 thereto, created in its favour. It is submitted that the Partnership Deed records in its preamble and explanation that the plots were transferred from the proprietorship to the partnership, rendering the Applicant's contrary claim untenable. It is asserted that the legal heirs of Dr. Kusum Singh have given a sworn statement that the plots do not belong to any individual and have accordingly refrained from approaching the Tribunal themselves. Reliance is placed on Article 2.12 of the loan agreement (joint and several liability of borrowers) and on the framework of Section 14 of the Partnership Act, 1932; Section 575 of the Companies Act, 1956 (Section 368 of the 2013 Act); Section 47(xiii) of the Income Tax Act, 1961; the Registration Act, 1908; and the Indian Stamp Act, 1958 (M.P. amendment) — submitting that, to claim capital-gains tax exemption on conversion, all assets and liabilities of the firm, including the land (shown as "revaluation of assets" in the 31.03.2008 balance sheet), had to vest in the successor company. It is alleged the Applicant has filed the application, through "clever drafting" and suppression of material facts, as a dilatory tactic to delay the resolution plan.

b) That the Applicant lacks locus standi

Respondent No. 2 submits that Dr. Kusum Singh died intestate on 29.10.2024 — after initiation of CIRP on 30.07.2024 —

leaving two living legal heirs, Dr. Radhika Bandi and Pammi Bhatia. The Applicant, son of Dr. Radhika Bandi, has not placed on record any succession certificate, relinquishment deed, or power of authority, and the application is liable to be dismissed in limine. It is further submitted that neither heir has filed the application herself, which may expose them to liability for perjury, fraud, and forgery in connection with the credit facilities extended, and the application is characterised as an attempt to "hijack" the process.

4. Additional Submissions of Applicant as set out in Rejoinder:

The Applicant filed this Combined Rejoinder dated 06.03.2026 to the Replies of Respondent No. 1 (12.01.2026) and Respondent No. 2 (19.01.2026, received 23.02.2026), reiterating that the three plots are the self-acquired property of Late Dr. Kusum J. Singh and cannot be treated as Corporate Debtor assets absent valid registered transfer instruments. The Replies are said to selectively cite law and rely on accounting entries that cannot substitute for statutory conveyance and registration. Allegations of mala fides, proxy litigation and "remote control" are denied as scandalous and unsupported.

a) On locus standi

The Applicant submits that as a prospective heir and beneficiary he has a legally cognisable interest in preventing fraudulent or unregistered alienation of property prejudicing his future rights, relying on Kartar Singh v. Harjinder Singh (AIR 1990 SC 854). Any defect in description of capacity is submitted to be curable under Order I Rule 10 CPC, with liberty reserved to implead other heirs.

b) On transfer of property, Section 54 TPA, and estoppel

The Applicant contends that under Section 54 of the Transfer of Property Act, 1882, transfer of immovable property above the statutory threshold requires a registered instrument, and that agreements, accounting entries, board resolutions or ROC filings cannot divest title. Reliance is placed on Suraj Lamp & Industries v. State of Haryana [(2012) 1 SCC 656] and Addanki Narayanappa v. Bhaskara Krishnappa (AIR 1966 SC 1300), the latter holding that immovable property brought into a partnership must be conveyed by a registered instrument, mere intention being insufficient. On estoppel, reliance is placed on K.D. Sharma v. Steel Authority of India [(2008) 12 SCC 481] for the proposition that estoppel cannot legalise an act prohibited by statute.

c) On the Registration Act and MOA/AOA

The Applicant reiterates that Section 17(1)(b) of the Registration Act, 1908 mandates registration of instruments assigning rights in immovable property exceeding Rs. 100, and that the Corporate Debtor's MOA/AOA are silent on any allotment or vesting of the plots, underscoring that corporate records cannot substitute for statutory registration. The extract of Section 17(1)(b) of the Registration Act, 1908 is produced below:

"17. Documents of which registration is compulsory.— (1) The following documents shall be registered, if the property to which they relate is situate in a district in which, and if they have been executed on or after the date on which, Act No. XVI of 1864, or the Indian Registration Act,

1866, or the Indian Registration Act, 1871, or the Indian Registration Act, 1877, or this Act came or comes into force, namely:—

(a) instruments of gift of immovable property;

(b) other non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property;"

d) On conversion, statutory vesting, and Companies Act compliance

It is submitted that statutory vesting under Section 575 of the Companies Act, 1956 presupposes valid antecedent ownership by the firm; since the firm never acquired registered title, nothing could vest in the company. Reliance is again placed on CIT v. Chetak Enterprises Pvt. Ltd. (2020 INSC 279). It is submitted, hypothetically, that were the SRA to seek transfer of the land into its own name in revenue records, the RP could not sign as the properties are not registered in the company's name, and only Dr. Kusum Singh's legal heirs could execute such a transfer — demonstrating that no valid transfer was ever completed.

e) On malice allegations and factual chronology

The Applicant submits that imputations of mala fides are irrelevant to questions of title and should be expunged, and that his professional knowledge as a practising advocate supports, rather than undermines, his locus. It is clarified that the land was acquired in 1973, with hospital operations commencing on plots 11/1 and 11/2 in 1977, while plot 11A was separately acquired by Dr. Kusum Singh in 2007 from personal funds.

f) On documentary gaps, loan documents, and third-party knowledge

It is submitted that notional balance-sheet values and ROC filings cannot cure the absence of a registered conveyance, and that even the Supplementary Partnership Deed's recital of "transfer" does not substitute for a registered instrument. The Applicant contends that loan files and net worth certificates show the property continued to be treated as belonging to Dr. Kusum Singh personally, that LIC-HFL had actual or constructive knowledge the plots were not the Corporate Debtor's, and that in the absence of any Personal Guarantee agreements coupled with a defective Power of Attorney, the equitable mortgage in favour of LIC-HFL is null and void. Reliance is placed on the concluding paragraph of the Board Resolution annexed by Respondent No. 2 (Annexure-2, page 13), which requests Dr. Kusum Singh to create a mortgage over "her respective properties" — submitted to be an admission that the company never held effective title.

g) On intestate succession and heirs' rights

The Applicant reiterates that Dr. Kusum Singh died intestate, giving rise to a statutory order of devolution under the Hindu Succession Act, 1956, which must be respected before the plots can be treated as corporate assets, and that the law recognises a protectable future interest sufficient to confer locus even absent an immediate possessory claim. The threat of criminal proceedings raised by Respondent No. 2 against the legal heirs is characterised as a harassment tactic.

5. Chronology of Events

Date	Event
30.04.1973	Plots 1/11 and 2/11, Old Palasia, purchased by Dr. Kusum J. Singh.
1977	Hospital/nursing home commences operations on plots 1/11 and 2/11 (Applicant's version, per Rejoinder).
26.02.2007	Plot 11A, Old Palasia, purchased by Dr. Kusum J. Singh.
01.11.2007	Proprietorship converted into partnership firm, M/s Greater Kailash Hospital.
05.11.2007	Supplementary Deed of Partnership executed (relied upon by both sides).
22.09.2008	Balance sheet of partnership firm as on 31.03.2008 signed by Dr. Radhika Bandi (per RP's Reply).
07.11.2008	Partnership firm incorporated as Corporate Debtor, M/s Greater Kailash Hospitals Pvt. Ltd. (Part IX, Companies Act, 1956).
07.11.2008–31.03.2009	First balance sheet of Corporate Debtor drawn, signed by all three Directors, showing plots as assets.
04.02.2017	Net Worth Certificate of Dr. Kusum Singh (as on 31.03.2016) submitted to LIC-HFL — excludes the three plots.
28.03.2017	LIC-HFL disburses loan of Rs. 40 crore to Corporate Debtor; equitable mortgage created.
07.10.2019	Dr. Kusum Singh resigns as Director of Corporate Debtor.
30.07.2024	Section 7 petition of Sukhkarta Medicose admitted; CIRP initiated; Mr. Mangesh Vitthal Kekre appointed IRP.
29.10.2024	Dr. Kusum J. Singh dies intestate (per RP's and LIC-HFL's Replies; date disclosed at page 171 of the application).
23.01.2025	Applicant sends legal notice to erstwhile IRP; no response received.
03.03.2025	Mrs. Chaya Gupta appointed Resolution Professional in place of IRP.

Date	Event
End of May 2025	Corporate Debtor/hospital ceases operations and shuts down.
15.10.2025	Present Interlocutory Application (IA No. 531/2025) filed by Applicant.
12.01.2026	Reply filed by Respondent No. 1 (Resolution Professional).
19.01.2026	Reply-cum-Objections filed by Respondent No. 2 (LIC-HFL).
06.03.2026	Combined Rejoinder filed by the Applicant.

6. Observation and analysis:

We have heard the Learned Counsel for the Applicant and perused the Petition, the Affidavit in Replies filed by the Respondents, the Rejoinder filed by the Applicant, and the documents annexed thereto.

The following issues arise for consideration:

Issue I — Locus Standi

a) The Application, as filed, proceeds on the footing that Late Dr. Kusum J. Singh died intestate on 29.10.2024, that her estate — including the three plots — devolved upon her two daughters under Sections 14 to 16 of the Hindu Succession Act, 1956, and that the Applicant, describing himself as "Legal Heir of Dr. Radhika Bandi" in the cause title itself, sues in that capacity. This premise is legally unsustainable on its own terms. It is not in dispute — indeed it is affirmatively pleaded by both Respondents and nowhere denied by the Applicant — that Dr. Radhika Bandi, through whom the Applicant claims, is alive. Succession, testate or intestate, opens only on death; nothing can, in law, devolve upon a grandchild as "legal heir" of a living person, and the very premise on which this Application has been instituted does not exist.

b) What the Applicant possesses, at best, in relation to his mother's estate is a mere expectancy of succeeding to her property upon her death, contingent on his surviving her — a spes successionis. It is well settled that such an expectancy is not property in the eye of law, confers no present or vested right, and cannot found an independent cause of action to seek exclusion of assets from a CIRP or invalidation of a registered mortgage — reliefs that would operate in rem and bind the very persons (Dr. Radhika Bandi and Ms. Pammi Bhatia) who alone presently hold whatever right, if any, subsists in Late Dr. Kusum J. Singh's estate.

c) This difficulty is not cured by tracing the claim one step further back to Late Dr. Kusum J. Singh's own estate. Section 15 of the Hindu Succession Act, 1956, which governs the order of succession to the property of a female Hindu dying intestate, provides as follows:

"15. General rules of succession in the case of female Hindus.—

(1) The property of a female Hindu dying intestate shall devolve according to the rules set out in section 16,—

(a) firstly, upon the sons and daughters (including the children of any pre-deceased son or daughter) and the husband;

(b) secondly, upon the heirs of the husband;

(c) thirdly, upon the mother and father;

(d) fourthly, upon the heirs of the father; and

(e) lastly, upon the heirs of the mother."

Section 16, in turn, prescribes the manner of distribution among the heirs specified in Section 15, and Rule 1 thereof provides:

"16. Order of succession and manner of distribution among heirs of a female Hindu.—
The order of succession among the heirs referred to in section 15 shall be, and the distribution n of the intestate's property among those heirs shall take place, according to the following rules, namely:—
Rule 1.—Among the heirs specified in sub-section (1) of section 15, those in one entry shall be preferred to those in any succeeding entry, and those included in the same entry shall take simultaneously."

d) On a plain reading of these provisions, Late Dr. Kusum J. Singh's estate vested, immediately and simultaneously upon her death, in her two daughters as heirs falling within Section 15(1)(a) — being both her "sons and daughters" and, in the absence of any surviving son, her only heirs in that entry. A grandchild takes by representation only where the intermediate parent has predeceased the propositus; where, as here, the parent is admittedly alive, the estate does not skip her to vest, even in part or contingently, in the Applicant. No succession certificate, relinquishment deed, power of attorney, or any other instrument of authorisation from either of the two actual legal heirs has been placed on record to show that the Applicant has been clothed with authority to represent their interest in these proceedings, nor has either heir sought to join the Application.

e) For these reasons, we are of the considered view that the Applicant has failed to demonstrate a locus standi sufficient to maintain the present Application

Issue II — Whether the three plots vested in the partnership firm and, thereafter, the Corporate Debtor

a) The Applicant's case rests on Section 17(1)(b) read with Section 49 of the Registration Act, 1908: that the Supplementary Partnership Deed dated 05.11.2007 merely recites that the immovable property "have been transferred," is unregistered, is silent as to the mode of transfer, and cannot, as a matter of law, affect title to immovable property of a value exceeding the statutory threshold. On this footing, it is contended by the applicant that title never left Late Dr. Kusum Singh, that nothing could therefore vest in the partnership firm, and that consequently nothing could statutorily vest in the Corporate Debtor under Section 575 of the Companies Act, 1956 upon Part IX conversion, since that provision presupposes antecedent ownership by the firm.

b) Respondent No. 1 and Respondent No. 2 meet this squarely on the footing of Sections 14 and 15 of the Indian Partnership Act, 1932. Their submission is that a partner may bring separately-owned property into the stock of the firm by evidence of intention — recorded here in the Partnership Deed and Supplementary Deed, and corroborated by conduct — without a separate registered conveyance, because such a contribution does not operate as a "transfer" in the classical Transfer of Property Act sense from one legal person to another, but as a change in the character in which the property is thereafter held: no longer as the partner's exclusive asset, but as an asset of, and for the purposes of, the firm's business, subject to the rights of the other partners. On this footing, Section 575 of the

Companies Act operates to vest all property "belonging to or vested in" the firm in the successor company automatically, without any further conveyance.

c) On perusal of the Partnership deed dated 01.11.2007 and supplementary partnership deed dated 05.11.2026 it has been observed that Whereas, the Deed of Partnership dated 1.11.2007 records that all the assets and liabilities of the proprietorship firm as on 31 October 2007, except the personal movable and immovable assets of the Party of the First Part, Dr. Smt. Kusum Jaisingh, were agreed to be transferred to the newly constituted firm, M/s Greater Kailash Hospital, including its branch, at their respective book values. On perusal of supplementary partnership deed dated 05.11.2026 it has been observed that the Late. Ms. Kusum Singh has agreed to transfer the subject property to the partnership firm and the relevant extracts of the supplementary partnership deed dated 05.11.2026 is produced below:

WHEREAS a deed of partnership was executed on 1st day of November 2007 between above parties with the sole object to run the hospital known as M/S. GREATER KAILASH HOSPITAL situated at 11/2, Old Palasia, Indore in partnership which was being run as a proprietorship concern by the party of the first part Dr. Kusum J. Singh till 31st October 2007.

AND WHEREAS, all the parties had mutually decided and agreed to transfer entire assets and liabilities of the proprietorship concern i.e. M/s. GREATER KAILASH HOSPITAL for which separate set of books were being maintained till 31st October 2007 as going concern at its book value.

AND WHEREAS, as referred to in the clause of partnership deed, entire assets and liabilities as appearing in the Balance sheet of Dr. Kusum J. Singh, have been transferred to the partnership business w.e.f. 01.11.2007 as going concern other than personal assets of Dr. Kusum J. Singh.

Now, for the sake of clarity it is mutually agreed between the partners that immovable property of the proprietorship concern being land situated at 11/1 & 11/2, Old Palasia, Indore measuring 13629.70 sqft. along with structure thereon in the form of hospital building and adjacent land located at 11A, Old Palasia, Indore measuring 6000 sq.ft. have been transferred to the partnership firm along with entire equipments of the hospital. However personal assets being residential house owned by Dr. Kusum J. Singh situated at 6/5, Manoramaganj, Indore and agricultural land along with form house situated at Village Palda, District Indore will continue to remain the personal property of the party of the first part and the paid personal assets have not been transferred to the partnership firm.

This supplementary deed will form part of deed of partnership executed on 1st day of November 2007 and has been sealed and signed by all the partners hereunder on this day of 5th day of November 2007.

d) On perusal of the balance sheet for the period ended 31st March 2009, it is observed that the value of the plot was shown as Rs. 8,19,26,440 as on 6.11.2008, whereas the cost of the plot was reflected at Rs. 8,58,99,709 as on 31.03.2009. This indicates that the subject plot had been included in the assets of the Corporate Debtor. The relevant extract of the balance sheet for the period ended 31st March 2009 is produced below:

GREATER KAILASH HOSPITAL PVT. LTD., INDORE

SCHEDULES TO BALANCE SHEET
For the Period ended on 31.03.2009

SCHEDULE - "E"
FIXED ASSETS

(Amount in Rupees)

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BAL. as on 06.11.08	RING YEAR ADD.	SALE	COST AS ON 31.03.09	UP TO 31.03.08	FOR THE YEAR	WRITE BACK	UP TO 31.03.09	AS AT 31.03.09	AS AT 06.11.08
Ambulance (04.75%)	1544583	0	0	1544583	0	28945	0	28945	1515638	1544583
Building (03.34%)	20470174	18205686	0	38675860	0	464785	0	464785	38211075	20470174
Colour Doppler (07.07%	454628	0	0	454628	0	12681	0	12681	441947	454628
Computer (16.21%)	210129	638763	0	848892	0	28311	0	28311	820581	210129
CT Scan Machine(07.0	32513823	0	0	32513823	0	906895	0	906895	31606928	32513823
X-Ray Machine(07.07%	1550910	0	0	1550910	0	43259	0	43259	1507651	1550910
Electric Appliance (04.7	3434997	2109183	0	5544180	0	68794	0	68794	5475386	3434997
Furniture & Fixtures (06	1709153	136448	0	1845601	0	43797	0	43797	1801804	1709153
Plant & Machinery (04.7	46006594	18062360	0	64068954	0	978155	0	978155	63090799	46006594
Plot (0.00%)	81926440	3973269	0	85899709		0		0	85899709	81926440
Total	107894991		0	232947140	0	2575622	0	2575622	230371518	189821431

e) Further, on perusal of the balance sheet for the period ended 31.03.2008, it is observed that Mrs. Kusum Singh was entitled to a 50% share in the profits of the partnership firm. However, as per the Partnership Deed, her profit-sharing ratio was increased to 60%. It is also pertinent to note that, as per the Net Worth Certificate of Mrs. Kusum Singh as on 31st March 2016, the subject plots are not reflected amongst her assets.

f) It is further observed that the three plots were reflected as assets of the partnership firm in the balance sheet as on 31.03.2008 (filed with the RoC by e-Form 39, digitally signed by both Dr. Radhika Bandi and Late Dr. Kusum Singh); they were carried forward as opening assets in the Corporate Debtor's first audited balance sheet for the period 07.11.2008 to 31.03.2009, signed by all three then-Directors, including Late Dr. Kusum Singh; and the Net Worth Certificate submitted by Late Dr. Kusum Singh herself to Respondent No. 2 on 04.02.2017 — for the very loan transaction now impugned — excluded these three plots from her list of personal assets, while listing her other properties. Late Dr. Kusum Singh continued as Director without demur until her resignation on 07.10.2019 and raised no objection of the present kind during her lifetime.

g) This unbroken and internally consistent documentary record, maintained and endorsed by the very person alleged to be the true owner, is, in our prima facie view, sufficient "evidence of intention" within the meaning of Section 14 of the Partnership Act to constitute the three plots as partnership property, and thereafter Corporate Debtor property upon statutory vesting under Section 575 of the Companies Act. We are conscious that a balance-sheet entry cannot, by itself, create title where none otherwise exists, and we have not treated it as doing so; rather, we treat it — together with the recitals in the Partnership Deed and Supplementary Deed, the RoC filings, and the Net Worth Certificate — as cumulative evidence of a concluded intention to contribute the property to the firm's stock, which the

Applicant, standing in a derivative capacity, has not been able to dislodge on the material placed before us.

h) We accordingly find that the Applicant has not made out a case, on the material before this Tribunal, that the three plots stand excluded from the estate of the Corporate Debtor.

Issue III — Effect of the Will

a) In view of our findings on Issue II, this question is largely subsumed: since the plots ceased to be Late Dr. Kusum Singh's personal property with effect from 2007, the Will of 2012 — whatever its genuineness — could not, on the facts as they stand, operate to bequeath these specific plots. We accordingly do not consider it necessary to try the disputed question of the Will's genuineness in this Application.

Issue IV — Validity of the equitable mortgage / scope of the General Power of Attorney

a) The Applicant's challenge to the mortgage in favour of Respondent No. 2 proceeds on the footing that Dr. Radhika Bandi executed it merely as constituted attorney of Late Dr. Kusum Singh under a General Power of Attorney that did not expressly authorise mortgage. Having regard to our finding on Issue II that the subject property stood vested in the Corporate Debtor well before the mortgage was created in 2017, the mortgage falls to be examined as one created by the Corporate Debtor, through its Director, over an asset reflected as its own in its books and filings, and not as an act done by Dr. Radhika Bandi in a purely attornment capacity on behalf of Late Dr.

Kusum Singh in her personal capacity. On this footing, the question of the sufficiency of the General Power of Attorney does not, in our view, arise for determination in the manner framed by the Applicant.

b) Even for the sake of argument, if it is presumed that the General Power of Attorney was validly executed in favour of Mrs. Radhika Bhandi, and that the Late. Ms. Kusum Bandi has transferred her all rights to transfer the subject property, it is pertinent to examine the scope of the powers conferred upon her under the said Power of Attorney.

   The applicant has pleaded that Mrs. Radhika Bhandi, being the mother of the applicant, Mr. Yashvardhan Bhandi, did not possess the authority to execute the mortgage deed and that the General Power of Attorney executed between Mrs. Kusum Singh and Mrs. Radhika Bhandi did not expressly confer the power to create a mortgage over the subject property. In support of the said contention, the applicant has placed reliance upon the following judgments:

   1. Solema vs. Hafez AIR 1927 CAL 836
   2. Loknath vs. Shah Wahib AIR 1930 PATNA 181
   3. Loknath vs. Shah Wahib AIR 1930 PATNA 181

c) However, even assuming, for the sake of argument, that the aforesaid contention of the applicant is to be accepted, the Power of Attorney executed in favour of Mrs. Radhika Bhandi contains the following provisions:

2.यह कि, निष्पादक अपनी वृद्ध अवस्था के चलते सदर संपत्ति की देख-रेख तथा विक्रय एवं निष्पादन संबंधित संपूर्ण कार्य करने मे अपने आपको असमर्थ महसूस करती है, इसलिए सदर संपत्ति के संबंध में अपनी सुविधा के लिये अपनी पुत्री डॉ. राधिका बण्डी पति श्री अनिल बण्डी को अपना अधिकृत आम मुखत्यार नियुक्त करते हुये संपत्ति के विषयक निम्नानुसार अधिकार प्रदान करती हैं:-
अ.मेरे अधिकृत आम मुखत्यार, सदर संपत्ति के संबंध मे आवश्यक कार्यवाहियों का निष्पादन करे, सदर संपत्ति के विषय मे समस्त शासकीय एवं अशासकीय कार्यालयो मे आवश्यकता होने पर आवेदन-पत्र, शपथ-पत्र, प्रार्थना-पत्र व अन्य लेख का निष्पादन प्रमाणीकरण करे। सदर संपत्ति के लिए समस्त एवं आवश्यक कार्यवाहियों का निष्पादन करें। सदर संपत्ति पर नगर निगम, इन्दौर व अन्य शासकीय एवं अशासकीय कार्यालयों से मानचित्र प्रस्तुत कर स्वीकृत करवाना, नल, बिजली पावर के कनेक्शन प्राप्त करना व उससे संबंधित विभागों में आवेदन करना राशि जमा करना एवं समस्त कार्यवाहियों का संपादन एवं उपस्थिति दर्ज करना।

d) A perusal of the aforesaid clauses would indicate that extensive powers relating to the transfer and dealing with the subject property were conferred upon Mrs. Radhika Bhandi. It is further evident that Mrs. Radhika Bhandi herself executed the relevant documents in her capacity as Director. In such circumstances, the applicant, who is himself the legal heir of Mrs. Radhika Bhandi, cannot, without more, seek to challenge the very acts and approvals undertaken by her during her lifetime in respect of the same transaction. The challenge raised by the applicant, therefore, has to be considered in the backdrop of the authority conferred upon Mrs. Radhika Bhandi under the Power of Attorney and the documents subsequently executed by her pursuant thereto.

It is further observed that the Applicant, in his rejoinder, has relied upon the judgment of the Hon'ble Supreme Court in Addanki Narayanappa v. Bhaskara Krishnappa, AIR 1966 SC 1300, and has quoted certain observations therein in support of his contention that partnership property includes the assets brought in, but the partner must have legally transferred the title thereto. The relevant extract of the rejoinder is produced below:

"10.In Addanki Narayanappa v. Bhaskara Krishnappa, AIR 1966 SC 1300, the Court clarified that partnership property includes assets brought in, but the partner must have legally transferred title. "Whatever may be the character of the property which is brought in by the partners when the partnership is formed or which may be acquired in the course of the business of the partnership, it becomes the property of the firm. <u>But if the property is immovable, it must be conveyed to the partnership by a registered instrument. Mere intention to treat it as partnership property is not sufficient</u>"

(Emphasis Supplied)

However, upon perusal of the reported judgment itself, it is found that while the initial portion of the passage quoted by the Applicant appears in the judgment, the latter underlined portion of the quotation relied upon by the Applicant does not form part of the said judgment. Thus, the quotation reproduced in the rejoinder is not an accurate reproduction of the observations contained in the reported judgment.

It is further pertinent to note that the Respondent, in its written submissions, and in his oral arguments specifically brought this discrepancy to the notice of the Tribunal. Despite the same, the Applicant has neither offered any clarification nor explained the basis on which the disputed portion came to be incorporated in the quotation attributed to the Hon'ble Supreme Court.

The Tribunal takes a serious view of such conduct. A judicial precedent must be cited faithfully and accurately, and no party can be permitted to alter, interpolate or present observations as forming part of a judgment when they do not find place therein. Such conduct has the effect of misleading the Tribunal and amounts to an improper use of judicial precedent. In the circumstances, this conduct on the part of the Applicant is liable to be deprecated and warrants imposition of an appropriate penalty/costs.

For the reasons set out above, we find that the Applicant has not established locus standi to maintain the present Application, and has, in any event, failed to establish on the material before us that the three plots at 1/11, 2/11 and 11A, Old Palasia do not form part of the estate of the Corporate Debtor. Thus, IA/531(MP)/2025 is liable to be dismissed.

ORDER

- IA/531(MP)/2025 is **dismissed** with the cost of Rs. 25,000/- and disposed of. The cost is to be deposited within 2 weeks from the date of this order to the PM National Relief Fund.

Sd/-	Sd/-
MAN MOHAN GUPTA	**BRAJENDRA MANI TRIPATHI**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**

Vanshika-LRA