



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

IA (IBC)/333/KOB/2025

IN

IA (IBC)/325/KOB/2023

IN

CP(IB)/1/KOB/2021

*(Under Section 60 (5) r/w Section 31(4) of
IBC and 11-Rule 11 of the NCLT Rules, 2016)*

Date of institution: 20.08.2025

Order delivered on: 07.10.2025

In the matter of:

M/s Nucleus Premium Properties Private
Limited

MEMO OF PARTIES:

Mr. Sajikumar K. P,

Managing Partner, M/s.Buildwell,
Successful Resolution Applicant in the
matter of M/s Nucleus Premium
Properties Private Limited. Address: 1
Floor, Faiha Arcade, Arakkakadavu Road,
Vennala PO, Kochi - 692028

&

Mr. Dileep. KP

Erstwhile Resolution Professional &
Chairman Project Monitoring Committee
of M/s Nucleus Premium Properties
Private Limited. Address: Veluthedath
House, Ponnurunni, Vytilla P.O., Kochi-
682019

..... Applicants

-Vs-



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KOCHI BENCH

IA (IBC)/333/KOB/2025 IN IA (IBC)/325/KOB/2023 IN CP(IB)/1/KOB/2021
In re: M/s Nucleus Premium Properties Private Limited

**M/s. State Bank of India, Edappally
Branch**

Address: Kurickal Arcade, Near
Changampuzha Park, Edappally, Kochi
682024

..... Respondent

Coram:

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

HON'BLE MEMBER(TECHNICAL) : SMT. MADHU SINHA

Appearances:

For the Applicants : Mr. Krishnan Unni, CS

For the Respondent : Mr. Vinod PV, Advocate

ORDER

Per Coram

1. This is an application filed by Mr. Sajikumar K.P., Managing Partner, M/s Buildwell, Successful Resolution Applicant in the matter of M/s Nucleus Premium Properties Private Limited, and Mr. Dileep K.P., Erstwhile Resolution Professional & Chairman, Project Monitoring Committee of M/s Nucleus Premium Properties Private Limited (hereinafter referred to as the "Applicants") under Section 60(5) read with Section 31(4) of the Insolvency and Bankruptcy Code, 2016 and Rule 11 of the NCLT Rules, 2016. The reliefs, as prayed for by the Applicants herein, are reproduced as follows:



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- a. *Pass an order directing the Respondent, State Bank of India, Edappally Branch, to permit immediate operation and disbursement from the existing Escrow Accounts (currently being treated as RERA Accounts) for the ongoing real estate projects, in accordance with the approved Resolution Plan and under the oversight of the Project Monitoring Committee (PMC), pending formal renewal of RERA registration.*
- b. *Pass an order directing the Respondent to release the funds lying frozen in the said accounts (approximately Rs. 2,37,00,000/-).*
- c. *Pass such other or further order(s) as this Hon'ble Tribunal may deem just and appropriate in the facts and circumstances of the case.*

2. It is submitted by the Applicants that this Adjudicating Authority, vide order dated 09.02.2024, approved the Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016, in the Corporate Insolvency Resolution Process of Nucleus Premium Properties Pvt. Ltd. Pursuant to the said approval, the Applicant, as the Successful Resolution Applicant, assumed control and management of the Corporate Debtor to complete stalled real estate projects under the active oversight of the Project Monitoring Committee chaired by the erstwhile Resolution Professional.
3. It is further submitted by the Applicants that, in accordance with the approved Resolution Plan, separate project-wise Escrow Accounts designated as RERA accounts were to be maintained with a scheduled commercial bank. These accounts, operational with the State Bank of India, Edappally Branch, since 2020, were to function with milestone-based disbursements under the supervision of the Project Monitoring Committee. Following the approval of the Resolution Plan by this Adjudicating Authority on 09.02.2024, the State Bank of India permitted the continued operation of three designated RERA accounts for each project, subject to submission of the RERA renewal application, and allowed such operations



until June 2025. These accounts were structured as follows: Account A – homebuyer collection account, Account B – account for 70% construction-linked disbursements, and Account C – account for 30% administrative and ancillary costs. In compliance with the Resolution Plan, the Applicants regularly submitted separate quarterly progress reports duly certified by a Chartered Accountant, Engineer, and Architect to the Bank at regular intervals. Initially, an automated sweep facility enabled 70% of collections to be transferred to the construction account and 30% to the administrative account. However, after a system change, this facility was discontinued, requiring manual transfers. State Bank of India permitted such operations until June 2025, following submission of the RERA renewal application.

4. The Applicants have submitted that, without advance notice, State Bank of India abruptly froze all RERA accounts, thereby blocking approximately Rs. 37 lakhs, including about Rs. 32 lakhs of the Raymount Project. This has brought construction to a standstill, even though progress was being made in accordance with the Resolution Plan. The delay has caused severe prejudice to home allottees who have already suffered inordinate delays of 8 to 10 years, and the stoppage of account operations directly undermines implementation of the approved Resolution Plan.
5. It is further submitted by the Applicants that the RERA renewal application has already been filed with K-RERA along with all requisite documents, and even a personal follow-up was undertaken by the Corporate Debtor's Managing Director. Despite such compliance, the State Bank of India has expressed its inability to permit further operations without specific



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directions from this Adjudicating Authority. Multiple letters and representations have been made to the State Bank of India, but the arbitrary freezing of funds has caused grave injustice to all stakeholders. The Applicants, therefore, seek urgent intervention of this Adjudicating Authority to direct the release and operation of the said accounts in the interest of justice.

6. The Respondent, i.e, the State Bank of India, submitted that Nucleus Premium Properties Pvt. Ltd., the Corporate Debtor, has been maintaining three bank accounts with State Bank of India, Edappally Branch, for its “Raymount” project, namely Account No. A-39470459389, Account No. B-39477181654, and Account No. C-39477181428, wherein 100% collections were first received in Account A and thereafter auto-transferred in the ratio of 70:30 into Accounts B and C. It is further submitted that this Adjudicating Authority, by order dated 09.02.2024 in IA(IBC)/325/KOB/2023, approved the Resolution Plan, which under Clause 5.1.2 required the Successful Resolution Applicant to open separate project-wise RERA-designated Escrow Accounts monitored by the Project Monitoring Committee, and at Para 20(e) also permitted the newly reconstituted Board of Directors of the Corporate Debtor to operate its existing bank accounts, pursuant to which the automatic transfer facility in the above accounts continued even after approval of the Plan.
7. It is further submitted by the Respondent that, upon expiry of the RERA registration and in the absence of renewal, the automated transfer facility was discontinued since no valid RERA certificate was submitted. While the Bank, temporarily, permitted manual operation of the accounts to a limited



extent, despite sufficient time being granted, the RERA renewal was not obtained. As a result, the State Bank of India had no option but to stop further operations in the accounts. The Bank has consistently informed the Successful Resolution Applicant and the Monitoring Committee that, without valid RERA registration, it is not authorised to permit withdrawals.

8. The Respondent further submitted that they made its position clear through its email dated 07.07.2025, wherein it was conveyed that unless specific directions are obtained from this Adjudicating Authority, funds cannot be released from the accounts in the absence of a valid RERA certificate, even if the renewal application is pending. Copies of correspondence between the Applicants and the Bank, along with relevant account statements, have been annexed with the reply as Annexures R/1 to R/3. The Respondent further stated that if this Adjudicating Authority permits continuation of operations in the existing accounts till renewal of RERA registration, subject to compliance with RERA guidelines, the Bank shall facilitate such transactions in accordance with this Adjudicating Authority's directions.
9. We have carefully considered the submissions advanced by the Learned Counsels appearing for the Applicants as well as the Respondent, and perused the material placed on record. It is an admitted position that the Resolution Plan in respect of the Corporate Debtor, M/s Nucleus Premium Properties Pvt. Ltd., was approved by this Adjudicating Authority vide order dated 09.02.2024 under Section 31 of the Insolvency and Bankruptcy Code, 2016. The said Resolution Plan envisaged the maintenance of project-wise RERA-designated Escrow Accounts to ensure milestone-based



disbursals under the supervision of the Project Monitoring Committee, with the ultimate objective of completing the stalled projects and delivering homes to the allottees.

10. It is an undisputed fact that the State Bank of India, Edappally Branch, had permitted operation of the designated RERA accounts pursuant to the approval of the Resolution Plan. However, the accounts were subsequently frozen by the Bank on account of the expiry of the RERA registration, despite the Applicants having already filed the renewal application before K-RERA and complying with all requisite documentation. As a result, substantial sums of money collected from homebuyers have remained blocked, bringing construction activity to a halt.
11. We find merit in the submissions made on behalf of the Applicants that the freezing of the accounts would defeat the very object of the approved Resolution Plan. The continuance of account operations is essential for the timely completion of the projects, protection of homebuyers' interests, and fulfillment of the objectives of the Code. Merely because the renewal of the RERA registration is pending before the competent authority, the Corporate Debtor and its stakeholders cannot be subjected to further hardship, particularly when the funds are lying idle in the designated accounts and were intended to be utilized strictly under the monitoring mechanism of the Project Monitoring Committee.
12. It is clarified that the action of the State Bank of India in freezing the accounts due to non-renewal of the RERA registration is justified. The Bank is bound by regulatory and statutory obligations and cannot operate the Escrow Accounts in the absence of a valid RERA certificate. However, in



exercise of the powers conferred upon this Adjudicating Authority, and in the interest of completing the ongoing projects and safeguarding the homebuyers' interests, directions are issued to permit manual transfers and release of the frozen funds in the same 70:30 ratio as done earlier until the renewal of the RERA registration is obtained.

13. Accordingly, the Respondent, State Bank of India, Edappally Branch, is directed to permit manual intervention for the transfer of funds between the designated Escrow Accounts (presently treated as RERA Accounts) in accordance with the approved Resolution Plan and under the oversight of the Project Monitoring Committee, until renewal of the RERA registration is obtained. The Bank is further directed to release forthwith the funds lying frozen in the said accounts to enable the completion of the ongoing projects. And the terms and conditions will remain the same.
14. The Applicants shall ensure that all withdrawals are made strictly in accordance with the approved Resolution Plan and the monitoring requirements envisaged therein, and shall furnish quarterly reports to the Bank and to this Adjudicating Authority confirming such compliance. The account would be operative to facilitate the usage of all amounts lying in as per the need and requirement of the already approved Resolution Plan.
15. The Applicants will also make enhanced follow-ups with RERA to obtain their renewal approval on priority and report the status to this Adjudicating Authority, along with the quarterly reports.
16. In view of the above, this application bearing **IA (IBC)/333/KOB/2025** is **allowed** and **disposed of**.



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17. The Registry is hereby directed to send e-mail copies of the order forthwith to all the parties and their counsel for information and for taking necessary steps.
18. Let the certified copy of the order be issued upon compliance with requisite formalities.
19. File be consigned to records.

Sd/-

MADHU SINHA
(MEMBER TECHNICAL)

Sd/-

VINAY GOEL
(MEMBER JUDICIAL)

Signed on this, the 7th day of October, 2025.

A*