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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **31.07.2026** THROUGH VIDEO CONFERENCE

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

Application No	:	
Petition No	:	CP(IB)/71(CHE)2022
Name of Petitioner & Name of Respondent	:	M/s Phoenix ARC Pvt Ltd (Trustee of Phoenix Trust FY22-16) Vs M/s Virgo Realtors Pvt Ltd
Section	:	7 Rule 4 of IBC, 2016

ORDER

CP(IB)/71(CHE)2022

Present: Mr. Vijay, Ld. Counsel for the Petitioner.
Mr. P.C.Harikumar along with Mr. Chiron Singhi and
Mr. Charuhasan, Ld. Counsel for the Respondent.

Vide separate order pronounced in the open Court, petition is admitted.

CIRP is initiated against the Corporate Debtor i.e. Virgo Realtors Pvt Ltd.

Ms. Renuka Devi Rangaswamy is appointed as the IRP.

-sd-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

-sd-
[SANJIV JAIN]
MEMBER (JUDICIAL)

MS

Date: 31.07.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH – I, CHENNAI

CP(IB)/71(CHE)/2022

[filed under Section 7 of IBC, 2016 r/w Rule 4 of IBC Rules, 2016]

In the matter of ***Virgo Realtors Private Limited***

1. **Phoenix ARC Limited,**
   Trustee of Phoenix Trust FY 22-16
   3rd Floor, Wallace Towers, 139 0 130/B/1,
   Vile Parle East, Mumbai, Maharashtra – 400 047.

. . . Petitioner / Financial Creditor

Vs.

1. **Virgo Realtors Private Limited,**
   "Plaza House", New No. 5, Old No. 3,
   Thirumurthy Street,
   T.Nagar, Chennai – 600 017

. . . Corporate Debtor

Present:

For Petitioner : E. Om Prakash, Senior Advocate
Vijay R Sekar, Advocate

For Respondent : Kumarpal Chopra , Advocate
Chiron Singhi, Advocate
P.C. Harikumar, Advocate

Along with

CP(IB)/28(CHE)/2022

[filed under Section 7 of IBC, 2016 r/w Rule 4 of IBC Rules, 2016]

In the matter of ***Virgo Properties Private Limited***

1. **Phoenix ARC Limited,**
Trustee of Phoenix Trust FY 22-16
3rd Floor, Wallace Towers, 139 0 130/B/1,
Vile Parle East, Mumbai, Maharashtra – 400 047.

. . . Petitioner / Financial Creditor

Vs.

1. **Virgo Properties Private Limited,**
"Plaza House", New No. 5, Old No. 3,
Thirumurthy Street,
T.Nagar, Chennai – 600 017

. . . Corporate Debtor

Present:

For Petitioner : *E. Om Prakash, Senior Advocate*
Vijay R Sekar, Advocate

For Respondent : *Kumarpal Chopra , Advocate*
Chiron Singhi, Advocate
P.C. Harikumar, Advocate

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 31st July, 2026

COMMON ORDER

(Heard through Hybrid Mode)

1. By this **common order**, We shall dispose of two petitions i.e. CP/71/2022 & CP/28/2022 filed under Section 7 of Insolvency and Bankruptcy Code (IBC), 2016 by the Financial Creditor Phoenix ARC Limited against the Corporate Debtors **Virgo Realtors Private Limited**

(CP/71/2022) & Virgo Properties Private Limited (CP/28/2022) for initiating Corporate Insolvency Resolution Process (CIRP) since both the petitions relate to a single loan agreement dated 23.06.2017 sanctioned to the Corporate Debtors Virgo Realtors Private Limite, (Borrower) and Virgo Properties Private Limited (Co-Borrower).

Common facts

2. L&T Housing Finance Limited sanctioned a term loan of Rs. 107,00,00,000/- vide sanction letter dated 15.06.2017 (annexed as **Annexure 3**) to the Corporate Debtors Virgo Realtors Private Limited (Borrower) and Virgo Properties Private Limited (Co-Borrower). They executed the loan documents including loan agreement dated 23.06.2017. The loan was assigned by L&T Housing Finance Limited to L&T Finance Limited vide assignment deed dated 29.03.2019. Later, L&T Housing Finance Limited merged with L&T Finance Limited under a scheme of merger and amalgamation vide an order dated 19.03.2021 (annexed as **Annexure 4**). L&T Finance Limited thereafter assigned the loan to Phoenix ARC Private Limited vide assignment agreement dated 29.03.2022.

3. As per the loan agreement, both Borrower and Co-Borrower have joint and several liability towards any or every amount due under the loan agreement (annexed as **Annexure 5**). The loan was granted for the construction projects *interalia* as under:

i. *Tranquil Square by M/s. Virgo Realtors Private Limited (Corporate Debtor) located at Kovilambakkam, Chennai admeasuring 126.50 Cents comprised in various survey Nos. situate at Kovilambakkam Village, Sholinganallur Taluk, Kancheepuram District.*

ii. *Bounty Acres by M/s. Virgo Properties Private Limited (Co-Borrower) located at Kovilambakkam, Chennai admeasuring 353 Cents situate at Periyar Salai, Indrajit Nagar, Kovilambakkam, Chennai.*

Rs. 44,70,34,770/- were disbursed to the Corporate Debtor Virgo Realtors Private Limited and Rs. 56,85,98,913/- were disbursed to Virgo Properties Private Limited. Both Borrower and Co-Borrower were made jointly and severally liable towards the repayment of entire loan and not just the amount disbursed to them as all the disbursements were made under the single loan agreement dated 23.06.2017. The details of disbursement to both the Corporate Debtors are as under.

Corporate Debtor (Virgo Realtors Private Limited):

Date	Amount (Rs.)
30-Jun-2017	30,21,70,512.00
30-Jun-2017	25,72,500.00
30-Jun-2017	77,15,000.00
30-Jun-2017	2,500.00
10-Aug-2017	2,75,39,488.00
16-Oct-2017	2,00,00,000.00
31-Jan-2018	2,00,00,000.00
27-Apr-2018	2,00,00,000.00
13-Aug-2018	2,00,00,000.00
26-Jun-2019	1,00,00,000.00
28-Sep-2019	82,05,423.00
26-Mar-2020	31,29,347.00
31-Mar-2021	57,00,000.00
Total	44,70,34,770.00

Co-Borrower (Virgo Properties Private Limited):

Date	Amount (Rs.)
30-Jun-2017	46,57,76,286.00
30-Jun-2017	30,45,000.00
30-Jun-2017	6,56,250.00
30-Jun-2017	91,35,000.00
10-Aug-2017	4,13,87,464.00
16-Oct-2017	2,50,00,000.00
31-Jan-2018	1,30,00,000.00

28-Sep-2019	81,40,495.00
26-Mar-2020	24,58,418.00
Total	56,85,98,913.00

4. It is alleged that as of 15.02.2022, amongst other defaults, the Corporate Debtor Virgo Realtors Private Limited failed in repayment of installments due and payable as on 15.08.2021, 15.09.2021, 15.10.2021, 15.11.2021, 15.12.2021, 15.01.2022 and 15.02.2022 amounting to Rs. 19,43,35,289/-. The computation is annexed as **Annexure 6**. (CP/71/2022)

5. Similarly, the Corporate Debtor Virgo Properties Private Limited failed in repayment of installments due and payable as on 15.08.2021, 15.09.2021, 15.10.2021, 15.11.2021, 15.12.2021, 15.01.2022 and 15.02.2022 amounting to Rs. 16,75,27,204.78. The computation is annexed as **Annexure 6**. (CP/28/2022)

6. It is alleged that despite several reminders and follow ups, the Corporate Debtors continued to remain in default. Some of the letters / notices issued by the erstwhile lender before recalling the entire loan are detailed below.

(a) Emails dated 22.07.2019 and 23.07.2019 and Letters dated 26.08.2019 issued by the Original Applicant to the Corporate Debtor and Co-Borrower, inter alia, for not clearing the overdue sum. A copy of email dated 22.07.2019 and 23.07.2019 is annexed herewith and marked as Annexure 7 (Colly). Copy of the letter dated 26.08.2019 is annexed as Annexure 8.

(b) Demand notice dated 24.10.2019 issued by Original Applicant to the Corporate Debtor and Co-Borrower, inter alia, for non-clearance of overdue sum of Rs. 1,81,16,509/-. Further, Original Applicant directed Corporate Debtor and Co-Borrower to deposit in an escrow account, the amount (Rs. 32.39 Crores) submitted in Escrow Account towards Project Revenue. It is submitted that the Corporate Debtor vide its reply dated 25.10.2019 stated that "due to poor market condition and sales. Their efforts to borrow money outside are also futile as the markets are tight and there is no liquidity. As they do not have receivables from any other project, they are unable to pay the interest. However, they are arranging funds to regularize the account and this effort will take 30 days." Copy of the demand notice dated 24.10.2019 and reply notice dated 25.10.2019 is annexed as Annexure 9. (Colly.)

(c) Letter dated 08.08.2020 issued by the Original Applicant to the Corporate Debtor and Co-Borrower requesting for compliance with the Facility Agreement and paying a sum of Rs. 6,91,92,936/-, towards the sum payable against units for which NOCs were obtained from the Original Applicant, in the escrow account. Copy of letter dated 08.08.2020 is annexed as Annexure 10.

(d) Letter dated 24.8.2020 issued by the Original Applicant to the Corporate Debtor and Co-Borrower requesting for compliance with the Loan Agreement and paying a sum of Rs. 11,46,79,594/-, towards the sum payable against units for which NOCs were obtained from the Original Applicant, in the escrow account. Copy of letter dated 24.08.2020 is annexed as Annexure 11.

(e) That the Corporate Debtor and Co-Borrower issued a Letter dated 03.09.2020 by virtue of which they had promised to settle the dues at the earliest which was finally realized at INR 64,38,45,459/-. The

details of the settlement proposal are detailed in the Notice dated 03.09.2020 annexed as Annexure 12.

(f) Email dated 12.10.2020 issued by the Original Applicant to the Corporate Debtor and Co-Borrower directing them to deposit receivables of Rs. 10.6 Crores towards receivables from certain unit holder from whom part sum was due and payable at the time of availing loan. Copy of e-mail dated 12.10.2020 is annexed as Annexure 13.

(g) Legal Notice dated 03.05.2021 issued on behalf of the Original Applicant to the Corporate Debtor and Co-Borrower detailing their default in not depositing in escrow account, in part or in full, money received towards units for which NOCS were obtained from the Original Applicant. Also, Corporate Debtor and Co-Borrower committed default in selling certain units without obtaining NOC from the Original Applicant. Copy of legal notice dated 03.05.2021, is annexed as Annexure 14.

(h) Original Applicant issued notice of non-compliance cum demand notice dated 06.09.2021 and 29.10.2021 to the Corporate Debtor and Co-Borrower for various defaults committed by them and directed them to pay sum of Rs. 5,72,14,016/-. By letter dated 29.10.2021, the Original Applicant also invoked arbitration in case the Corporate Debtor and/or Co-Borrower fails to make the payment within 7 days therefrom. By a letter dated 23.11.2021 the Corporate Debtor only with a view to deprive Original Applicant of its rightful money has given a bald and vague reply, that too after two months, thereby falsely denying the outstanding dues. The response of the Corporate Debtor is nothing but a moonshine being contrary to records. Copies of demand notices dated 06.09.2021 and 29.10.2021 is annexed herewith and marked as Annexure 15 & 16. Copy of letter dated 13.11.2021 is annexed as Annexure 17.

(i) Original Applicant vide its replies dated 23.12.2021 and 13.01.2022 stated that the allegations made by the Corporate Debtor are baseless and do not merit any consideration. All the transactions documents are valid and has been confirmed and approved by the respective

borrower and co-borrower. Copy of replies dated 23.12.2021 and 13.01.2022 are annexed as Annexure 18 (colly).

(j) Despite numerous reminders, telecons, emails issued to the Corporate Debtor/Co-Borrower, they have both neglected, and failed to honour its obligations under the Loan Agreement including payment obligation and the Corporate Debtor/Co-Borrower have defaulted in honouring the terms of payment and the account has been classified as a non-performing asset in terms of guidelines issued by Reserve Bank of India. Due to various defaults on the part of the Corporate Debtor/Co-Borrower, the Original Applicant was constrained to issue a Demand Notice dated 17.12.2021. Copy of the Notice dated 17.12.2021 is annexed as Annexure 19. The defaults as mentioned in the notice include;

(i) The Corporate Debtor and Co-Borrower have failed to clear the overdue sum, aggregating to Rs. 14,03,92,043/- (Rupees Fourteen Crores Three Lakhs Ninety-Two Thousand and Forty-Three Only).

(ii) The Corporate Debtor and Co-Borrower have failed to maintain adequate Security Cover and Receivable Cover and failed to comply with the construction and sales schedule as per sanction terms and conditions.

(iii) The Corporate Debtor and Co-Borrower have failed to provide monthly reports of the sale of units and collection of projects set out in the agreement.

(iv) The Corporate Debtor and Co-Borrower have failed to replenish Debt Service Reserved Account (DSRA) aggregating to the sum of Rs. 1,01,82,244/-.

(v) The Corporate Debtor and Co-Borrower have failed to deposit all project receivables in respect of the Project in the Escrow Account.

(vi) The Corporate Debtor and Co-Borrower have failed to bring Rs 5,00,00,000/- (Rupees Five Crores Only) committed to the

Financial Creditor and documented in the Supplementary Agreement dated 31.10.2019.

(vii) The Corporate Debtor and Co-Borrower have failed to provide insurance documents pertaining to the projects.

(viii) The Corporate Debtor and Co-Borrower have failed to share the quarterly MIS inspection report for the said projects and the same is pending from 31.03.2020.

7. **Part I** of the petition provides the particulars of the Financial Creditor (L&T Finance Limited). It was incorporated on 24.11.1993 having its registered office at No. 62, 6th Floor, KGN Towers, Ethiraj Salai, Egmore, Chennai – 600 008.

8. **Part II** sets out the details of the Corporate Debtor Virgo Realtors Private Limited (Borrower). It was incorporated on 22.03.2006 with authorized share capital of Rs. 10,00,00,000/- and paid up capital of Rs. 2,77,96,660/-. Its registered address is at Plaza House, New No. 5, Old No. 3, Thirumurthy Street, T.Nagar, Chennai – 600 017 within the jurisdiction of this Tribunal. **Part II** also sets out the details of the Corporate Debtor Virgo Properties Private Limited (Co-Borrower). It was incorporated on 14.09.2004 with authorized share capital of Rs. 5,00,00,000/- and paid up capital of Rs. 4,50,60,000/-. Its registered office

is at Plaza House, New No. 5, Old No. 3, Thirumurthy Street, T.Nagar, Chennai – 600 017 within the jurisdiction of this Tribunal.

9. In **Part III** of the petition, the Petitioner has proposed the name of Ms. Renuka Devi Rangaswamy with IP Registration No. IBBI/IPA-001/IP-P01862/2019-2020/12871 and email ID: jrassociatesbe@gmail.com.

10. In **Part IV** of the petition, the Petitioner has given the particulars of debt, amount claimed in default and date of default which are respectively Rs. 19,43,35,289/- (Virgo Realtors Private Limited) and Rs. 16,75,27,204.78 (Virgo Properties Private Limited). Date of defaults are 15.02.2022 and 15.01.2022 respectively.

11. In **Part V** of the petition, the Petitioner has given the details of securities and their valuation as **Annexure 20**, copy of charge certificates along with modification as **Annexure 21**, record of default with information utility as **Annexure 22**, deed of hypothecation dated 23.06.2017 as **Annexure 23**, deed of personal guarantee dated 23.06.2017 issued by the Guarantors Mr. T. Shyam Prasad, Mrs. T. Radhika and Mr. B.V.V. Prasad as **Annexure 24** collectively, deed of mortgage dated 27.07.2017 as **Annexure 25**. It has also placed copy of bank statements reflecting

non-payment since August 2021 as **Annexure 26** (collectively) with other documents as detailed below:

i. Sanction letter dated 15.06.2017.
ii. Loan Agreement dated 23.06.2017.
iii. Deed of Hypothecation dated 23.06.2017.
iv. Deed of Mortgage dated 27.07.2017.
v. Merger Order dated 19.03.2021.
vi. Copy of emails dated 22.07.2019 and 23.07.2019.
vii. Copy of the letter dated 26.08.2019.
viii. Copy of the demand notice dated 24.10.2019 and reply notice dated 25.10.2019
ix. Copy of letter dated 08.08.2020.
x. Copy of letter dated 24.08.2020.
xi. Copy of the Notice dated 03.09.2020.
xii. Copy of e-mail dated 12.10.2020.
xiii. Copy of legal notice dated 03.05.2021.
xiv. Copy of dated demand notice dated 06.09.2021.
xv. Copy of demand notice dated 29.10.2021.
xvi. Copy of letter dated 23.11.2021.
xvii. Copy of replies dated 23.12.2021 and 13.01.2022.
xviii. A copy of the Notice dated 17.12.2021.
xix. Details of securities and their valuation.
xx. Copy of the charge certificate as per Companies Act.
xxi. Copy of the record of default with Information Utility valuation.
xxii. Copies of Bank Statement reflecting no payment towards repayment of debt by Corporate Debtor since August, 2021.

12. After the debt was assigned by the erstwhile Financial Creditor to Phoenix ARC Private Limited (now Phoenix ARC Limited). Phoenix ARC Private Limited filed an application for substitution in place of erstwhile Financial Creditor vide IA/824/2022 which was allowed by this Tribunal vide an order dated 05.08.2022 giving reference to Clause

17.4 of the loan agreement dated 23.06.2017 and the assignment agreement dated 29.03.2022 holding that Phoenix ARC Private Limited acting in its capacity as Trustee of Phoenix Trust FY 22-16, has all the rights, title and interest which were vested in the original petitioner against the Corporate Debtor and it is therefore entitled to pursue / continue, initiate any legal action against the Corporate Debtor in order to recover the financial debt legally owed by them. Against this order, the Corporate Debtor preferred an appeal before Hon'ble NCLAT which was dismissed as withdrawn by an order dated 04.11.2022 with the following observations:

> *"Before parting with the case, it is abundantly made, quite clear, that it is open to the Appellant to raise all 'Factual' and 'Legal Pleas' before the 'Competent Forum', of course, in the manner known to 'Law' and in accordance with Law, if it so desires / advised".*

13. The Corporate Debtor then filed an IA/1513/2022 in IA/824/2022 for setting aside the order dated 05.08.2022 in IA/824/2022. The application IA/1513/2022 was dismissed with the observations that since the application was disposed of on merits and appeal was dismissed as withdrawn, the application is not maintainable. It was held that under the garb of the application, the Applicant seeks review of the order

dated 05.08.2022 which is not permissible. Permission was however granted to the Applicant / Corporate Debtor to file reply in the main petition.

14. **The Respondent / Corporate Debtors filed the reply along with additional reply statement**. On 01.08.2023 and 22.09.2025, it was submitted by the Corporate Debtors through the memo Sr. No. 3235 dated 01.08.2023 that the deed of assignment dated 29.03.2022 has still not been registered with the SRO as mandated under Section 28 of the Registration Act. SRO has refused to register vide an order dated 24.01.2023 against which the Financial Creditor has preferred an appeal which is pending before the District Registrar. It was also submitted that the Financial Creditor had filed an application before the Arbitrator in IA/5/2022 for substitution which was also dismissed. Against the same, an appeal has been preferred by the Financial Creditor in C.M.A. No. 1602 of 2023 before the Hon'ble High Court where the Hon'ble High Court has stayed the arbitral proceedings. The Corporate Debtor also challenged the order of this Tribunal dated 05.08.2022 before the Hon'ble High Court in W.P. No. 22380 of 2023.

15. On 22.09.2023, the Petitioner filed the amended Form 1 (Amended Petition) under sub Rule 1 and 4 along with the affidavit and Board Resolution vide Sr. No. 2143 dated 25.05.2023.

<u>Arguments and Contentions</u>

16. Ld. Counsel for the Corporate Debtors submits that the accounts of the Corporate Debtors are independent and to be operated independently. Account No. 6240063869 corresponds to Virgo Properties Private Limited and Account No. 6240063870 corresponds to Virgo Realtors Private Limited. The loan was subsequently assigned to L&T Finance Limited through an unregistered deed of assignment dated 29.03.2019. Later, the original lender as well as the erstwhile Financial Creditor merged through an order dated 19.03.2021.

17. Ld. Counsel submits that substantial payment of Rs. 60.0 Crores was made towards the debt due on 01.07.2021 by the sale of a property of the Corporate Debtor to Sri Kaveri Medical Care India Limited. Against the notice dated 17.12.2021 sent by the Financial Creditor to pay Rs. 29,81,27,441/-, the Corporate Debtors sent a detailed response stating that the debt due has already been discharged from the sale of the

property. Only Virgo Properties might have some undischarged debt and hence the Financial Creditor cannot proceed against Virgo Realtors Private Limited. However, the Financial Creditor has filed the petitions against both the Corporate Debtors to enforce the very same debt. Ld. Counsel submits that the Financial Creditor assigned the debt to Phoenix ARC Private Limited on 29.03.2022 but the account No. 6240063870 corresponding to Virgo Realtors was not assigned under the alleged documents. Substitution was ordered on 05.08.2022. The Corporate Debtor was not a party to the proceedings. Ld. Counsel submits that the assignment deed through which the Petitioner claims its right is pending registration.

18. Ld. Counsel submits that there are contradictions between assignment deed dated 29.03.2019 and merger dated 19.03.2021. The assignment does not transfer the mortgage but only the debt. Further, there is no document to reconvey the property back to the original lender. Pending registration, the documents do not confer any rights. Even if the documents are subsequently registered, the rights do not relate back to the date of execution. Hence the Petitioner never had the right to get substituted in place of erstwhile Financial Creditor. Reference is made

of the case reported in titled *Ramasinghu Buchanna and another Vs. Joint Sub Registrar, 2005 SCC Online AP 865* where it was held that a document pending registration holds no evidentiary value and no rights flow from it until it is registered. The Hon'ble Supreme Court in the case titled *Har Narain Vs. Mam Chand,* 2010 (13) SCC 128 has clarified that the rights accrue only upon registration completion and not on the execution date. Ld. Counsel submits that when an interest in immovable property is transferred, documents require registration with specific reference to transfer of mortgage asset. Apart from registration, the document should also be adequately stamped as per Article 23 of Indian Stamp Act, 1899. Non-stamping would make the document inadmissible in evidence. Ld. Counsel submits that the first assignment is opposed to Section 23 of the Indian Contract Act. There cannot be any transfer of interest from L&T Housing Finance Limited to L&T Finance Limited nor the L&T Finance Limited had any right to assign the debt to Phoenix ARC Private Limited.

19. Ld. Counsel submits that the Petitioner has suppressed the material fact about receipt of Rs. 60.0 Crore regarding repayment of loan in the year 2021 vide sale of property to Sri Kauvery Medical Care (India) Limited.

The Petitioner has not produced the Trust Deed to prove the relationship of the Trustee-Beneficiary. Reference is made of the case *Phoenix ARC Private Limited Vs. M/s. Cherupushpam Films Pvt. Ltd. CP(IBC)/51/KOB/2022*, where NCLT Kochi has held that the trust must prove its existence by producing a trust deed as per Rule 4(2) of Adjudicating Authority Rules to ascertain beneficiaries. Ld. Counsel submits that as per the Trust Act, trustees are only the custodian or manager of the trust property. In the absence of the Trust Deed, it is difficult to ascertain whether Phoenix ARC Private Limited has any authority to pass any resolution. Ld. Counsel submits that Rs. 59.40 Crores were paid to the notified account operated by L&T Finance Limited. Ld. Counsel submits that a tri-partite agreement was entered into and the amount of Rs. 59.40 Crores was deposited in the notified account by way of electronic transfer to Virgo Realtors Private Limited, Tranquil Square, Escrow Account No. 91702007083022 on 01.07.2021.

20. Ld. Counsel also filed a clarificatory memo vide Sr. No. 2484 dated 10.06.2026 and submitted that the Petitioner has produced different statement of accounts at different point of time. The statements are also incomplete and do not reflect the entirety of transactions between the

parties particularly in relation to receipts arising from the sale transactions and adjustments towards the loan accounts. The Petitioner has not furnished a complete reconciliation as on the alleged date of default.

21. Ld. Counsel submits that sale of Sriperumbudur Land – I on 05.02.2018 and receipt of approximately Rs. 6.15 Crores is not reflected in the statements. Sale of Sriperumbudur Land – II on 29.09.2018 and receipt of Rs. 6.04 Crores is also not reflected. Remittance aggregating approximately Rs. 8.27 Crores made by Virgo Realtors is also not reflected. He submits that the receipts aggregating approximately Rs. 80.46 Crores require proper accounting and reconciliation. Ld. Counsel submits that the petition does not demonstrate any clear outstanding amount capable of constituting a financial debt under Section 7 of IBC. The payment details and ledger account maintained by the Corporate Debtors are reproduced as under.

	PAYMENT DETAILS - L& T			
S.No	**Description**	**Date**	**Amount**	
1	Sale of Sriperumbadur land - 1	05-Feb-2018	615,00,000.00	Statement not submitted by the Financial Creditor
	Sale of Sriperumbadur land - 2	29-Sep-2018	604,28,800.00	
	Remittance of the amount till 27-03-2019		827,84,057.95	
2	Remittance of the amount by VRPL (01/04/2019 to 01/07/2021)		848,48,353.20	
	Sale of Kauvery Hospital Payment -1	09-Apr-2021	1000,00,000.00	Not reflected in the statement submitted by Financial Creditor
	Sale of Kauvery Hospital Payment -2	01-Jul-2021	4940,00,000.00	
			8835,61,211.15	
3	Remittance of the amounts by VPPL		4623,21,962.81	
	Total		**13458,83,173.96**	

VIRGO REALTORS PRIVATE LIMITED					
DATE	PARTICULARS	DISBURSEMENT	Amount paid by VRPL	Not reflected in L&T Statement	
30-Jun-2017	Amount Transferred from L&T	3021,70,512			
30-Jun-2017	Amount Transferred from L&T	25,72,500			
30-Jun-2017	Amount Transferred from L&T	77,17,500			
30-Jun-2017	AMOUNT PAID		25,72,500		
30-Jun-2017	TDS		2,45,000		
25-Jul-2017	AMOUNT PAID		17,04,622		
25-Jul-2017	TDS		1,89,402		
10-Aug-2017	Amount Disbursed from L&T	275,39,488			
16-Aug-2017	AMOUNT PAID		35,30,708		
16-Aug-2017	TDS		3,92,301		
16-Sep-2017	AMOUNT PAID		5,00,000		
16-Sep-2017	TDS		55,556		
16-Sep-2017	AMOUNT PAID		10,00,000		
16-Sep-2017	TDS		1,11,111		
25-Sep-2017	AMOUNT PAID		10,00,000		
25-Sep-2017	TDS		1,11,111		
04-Oct-2017	AMOUNT PAID		13,52,888		
04-Oct-2017	TDS		1,50,321		
13-Oct-2017	AMOUNT PAID		22,752		
13-Oct-2017	TDS		2,528		
16-Oct-2017	Amount Disbursed from L&T	200,00,000			
17-Oct-2017	AMOUNT PAID		37,77,139		
17-Oct-2017	TDS		4,12,192		
13-Nov-2017	AMOUNT PAID		1,11,694		
15-Dec-2017	AMOUNT PAID		20,00,000		
15-Dec-2017	TDS		2,22,222		
16-Dec-2017	AMOUNT PAID		10,00,000		
16-Dec-2017	TDS		1,11,111		
18-Dec-2017	AMOUNT PAID		20,000		
18-Dec-2017	TDS		2,222		
30-Dec-2017	AMOUNT PAID		10,51,063		
30-Dec-2017	TDS		1,16,785		
09-Jan-2018	AMOUNT PAID		1,75,085		
15-Jan-2018	AMOUNT PAID		39,26,645		
15-Jan-2018	TDS		4,36,294		
15-Jan-2018	AMOUNT PAID		18,61,488		
15-Jan-2018	TDS		2,06,832		
16-Jan-2018	AMOUNT PAID		5,400		
17-Jan-2018	AMOUNT PAID		7,500		
31-Jan-2018	Amount Disbursed from L&T	200,00,000			
31-Jan-2018	AMOUNT PAID		40,57,235		
31-Jan-2018	TDS		4,48,642		
05-Feb-2018	Sale of Sriperumbudur Land - 1			615,00,000	
06-Feb-2018	AMOUNT PAID		4,086		
08-Feb-2018	AMOUNT PAID		13,500		
09-Mar-2018	AMOUNT PAID		36,197		
15-Mar-2018	AMOUNT PAID		39,40,505		
15-Mar-2018	TDS		4,37,834		
16-Mar-2018	AMOUNT PAID		3		
17-Mar-2018	AMOUNT PAID		147		

30-Mar-2018	AMOUNT PAID		13,183		
31-Mar-2018	AMOUNT PAID		89,402		
31-Mar-2018	TDS		9,934		
04-Apr-2018	AMOUNT PAID		31,50,830		
04-Apr-2018	TDS		3,50,092		
18-Apr-2018	AMOUNT PAID		17		
20-Apr-2018	AMOUNT PAID		19,469		
24-Apr-2018	AMOUNT PAID		25,00,000		
24-Apr-2018	TDS		2,77,778		
25-Apr-2018	AMOUNT PAID		10,87,105		
25-Apr-2018	TDS		1,20,789		
27-Apr-2018	Amount Disbursed from L&T	200,00,000			
21-May-2018	AMOUNT PAID		31		
28-May-2018	AMOUNT PAID		36,02,110		
28-May-2018	TDS		4,00,234		
06-Jun-2018	AMOUNT PAID		34,500		
03-Jul-2018	AMOUNT PAID		15,00,000		
03-Jul-2018	TDS		1,66,667		
06-Jul-2018	AMOUNT PAID		14,941		
07-Jul-2018	AMOUNT PAID		13,00,000		
07-Jul-2018	TDS		1,44,444		
31-Jul-2018	TDS		9,934		
03-Aug-2018	AMOUNT PAID		17,36,627		
03-Aug-2018	AMOUNT PAID		46,11,762		
03-Aug-2018	TDS		5,12,418		
13-Aug-2018	Amount Disbursed from L&T	200,00,000			
29-Aug-2018	AMOUNT PAID		59		
29-Sep-2018	TDS		8,72,682		
29-Sep-2018	Sale of Sriperumbadur Land - 2			604,28,800	
29-Oct-2018	TDS		4,32,010		
13-Nov-2018	TDS		4,32,010		
11-Dec-2018	AMOUNT PAID		23,00,000		
11-Dec-2018	TDS		2,55,556		
15-Dec-2018	AMOUNT PAID		17,97,348		
15-Dec-2018	TDS		1,99,705		
28-Dec-2018	AMOUNT PAID		39,46,455		
28-Dec-2018	TDS		4,38,495		
27-Mar-2019	AMOUNT PAID		118,39,365		
27-Mar-2019	TDS		13,15,485		
		4200,00,000	827,84,058	1219,28,800	2047,12,858

VIRGO REALTORS PRIVATE LIMITED					
DATE	PARTICULARS	DISBURSEMENT	Amount paid by VRPL	Not reflected in L&T Statement	
13-06-2019	AMOUNT PAID		75,542		
13-06-2019	TDS		8,91,606		
13-06-2019	AMOUNT PAID		80,24,458		
26-06-2019	Amount Disbursed from L&T	100,00,000			
28-06-2019	TDS		4,53,112		
28-06-2019	AMOUNT PAID		40,78,004		
27-09-2019	TDS		9,11,714		
11-11-2019	TDS		3,88,889		
11-11-2019	AMOUNT PAID		35,00,000		
27-11-2019	TDS		3,36,551		
27-11-2019	AMOUNT PAID		30,28,956		
19-12-2019	TDS		25,683		
18-12-2019	TDS		2,83,377		
18-12-2019	AMOUNT PAID		25,50,390		
20-12-2019	TDS		22,222		
30-12-2019	TDS		5,69,437		
30-Dec-19	AMOUNT PAID		100,00,000		
31-Dec-19	AMOUNT PAID		20,00,000		
15-01-2020	TDS		2,22,222		
17-02-2020	TDS		6,99,794		
17-02-2020	AMOUNT PAID		62,98,144		
15-Mar-2020	TDS		97,942		
26-03-2020	TDS		3,47,705		
15-03-2020	AMOUNT PAID		44,56,476		
15-09-2020	TDS		3,25,202		
15-09-2020	AMOUNT PAID		40,10,829		
30-09-2020	TDS		63,619		
30-09-2020	AMOUNT PAID		7,84,633		
18-11-2020	TDS		3,43,702		
18-11-2020	AMOUNT PAID		42,38,988		
24-11-2020	TDS		45,120		
16-12-2020	TDS		1,81,316		
16-12-2020	AMOUNT PAID		22,36,236		
18-01-2021	TDS		1,94,962		
18-01-2021	AMOUNT PAID		24,04,535		
18-01-2021	AMOUNT PAID		20,23,870		
16-03-2021	TDS		3,86,823		
16-03-2021	AMOUNT PAID		47,70,818		
24-03-2021	AMOUNT PAID		5,00,000		
31-03-2021	Amount Disbursed from L&T	57,00,000			
31-03-2021	AMOUNT PAID		57,00,000		
31-03-2021	AMOUNT PAID		14,03,714		
30-03-2021	AMOUNT PAID		44,13,027		
09-04-2021	KAUVERY DISBURSEMENT			1000,00,000	
15-06-2021	TDS		1,01,544		
01-07-2021	TDS		12,42,595		
01-07-2021	TDS		2,14,597		
01-07-2021	KAUVERY DISBURSEMENT			4940,00,000	
		4357,00,000	848,48,353	5940,00,000	6788,48,353

VIRGO PROPERTIES PRIVATE LIMITED			
Date	**PARTICULARS**	**Disbursement**	**Amount Paid by VPPL**
30-Jun-2017	Amount Transferred from L&T	4657,76,286	
30-06-2017	Amount Transferred from L&T	30,45,000	
30-06-2017	Amount Transferred from L&T	6,56,250	
30-06-2017	Amount Disbursed from L&T	91,35,000	
30-06-2017	TDS		41,250.00
30-06-2017	TDS		4,11,250.00
28-07-2017	Amount Paid		26,11,061.00
28-07-2017	TDS		2,90,118.00
10-08-2017	Amount Disbursed from L&T	413,87,464	
16-08-2017	Amount Paid		54,11,770.00
16-08-2017	TDS		6,01,308.00
12-09-2017	Amount Paid		4,32,000.00
12-09-2017	Amount Paid		33,000.00
18-09-2017	Amount Paid		25,00,000.00
18-09-2017	TDS		2,77,778.00
20-09-2017	Amount Paid		1,48,149.00
20-09-2017	Amount Paid		5,00,000.00
20-09-2017	TDS		55,556.00
25-09-2017	Amount Paid		10,00,000.00
25-09-2017	TDS		1,11,111.00
04-10-2017	Amount Paid		18,96,198.00
04-10-2017	TDS		2,10,689.00
13-10-2017	Amount Paid		26,308.00
13-10-2017	TDS		2,923.00
13-10-2017	Amount Paid		2,924.00
16-10-2017	Amount Disbursed from L&T	250,00,000	
16-10-2017	Amount Paid		8,60,000.00
17-10-2017	Amount Paid		10,00,000.00
17-10-2017	Amount Paid		56,66,770.00
17-10-2017	TDS		6,29,641.00
18-10-2017	Amount Paid		1,09,869.40
20-10-2017	Amount Paid		4,98,021.00
23-10-2017	Amount Paid		80,000.00
26-10-2017	Amount Paid		1,80,000.00
01-11-2017	Amount Paid		40,000.00
02-Nov-2017	Amount Paid		1,07,017.60
03-11-2017	Amount Paid		12,30,000.00
09-11-2017	Amount Paid		20.00
14-11-2017	Amount Paid		20,000.00
16-11-2017	Amount Paid		2,63,033.00
17-11-2017	Amount Paid		14,43,190.60
18-11-2017	Amount Paid		23,002.80
20-11-2017	Amount Paid		1,00,000.00
21-11-2017	Amount Paid		2,33,117.20
22-11-2017	Amount Paid		9,193.20
23-11-2017	Amount Paid		10,000.00
24-11-2017	Amount Paid		10,000.00
27-11-2017	Amount Paid		1,40,000.00
28-11-2017	Amount Paid		3,05,210.80
29-11-2017	Amount Paid		40,000.00
30-11-2017	Amount Paid		10,000.00
01-12-2017	Amount Paid		40,000.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
02-12-2017	Amount Paid		12,68,198.40
04-12-2017	Amount Paid		6,018.60
04-12-2017	Amount Paid		30,00,000.00
04-12-2017	TDS		3,33,333.00
05-12-2017	Amount Paid		96,570.80
06-12-2017	Amount Paid		6,83,621.60
07-12-2017	Amount Paid		1,52,647.80
08-12-2017	Amount Paid		10,000.00
11-12-2017	Amount Paid		8,70,000.00
12-12-2017	Amount Paid		1,26,528.00
13-12-2017	Amount Paid		1,56,610.40
14-12-2017	Amount Paid		1,00,000.00
15-12-2017	Amount Paid		20,00,000.00
15-12-2017	Amount Paid		30,000.00
15-12-2017	TDS		2,22,222.00
18-12-2017	Amount Paid		1,19,995.50
19-12-2017	Amount Paid		10,000.00
20-12-2017	Amount Paid		1,95,144.60
22-12-2017	Amount Paid		1,79,936.00
26-12-2017	Amount Paid		77,548.60
27-12-2017	Amount Paid		10,94,851.00
27-12-2017	Amount Paid		5,68,473.40
27-12-2017	TDS		1,21,650.00
28-12-2017	Amount Paid		1,30,000.00
29-12-2017	Amount Paid		2,25,696.00
30-12-2017	Amount Paid		2,38,100.60
01-01-2018	Amount Paid		73,711.60
02-01-2018	Amount Paid		97,454.20
03-01-2018	Amount Paid		64,000.00
05-01-2018	Amount Paid		7,92,517.00
06-01-2018	Amount Paid		2,93,902.40
10-01-2018	Amount Paid		2,14,000.00
11-01-2018	Amount Paid		12,42,400.00
11-01-2018	Amount Paid		18,61,488.00
15-01-2018	Amount Paid		40,00,000.00
15-01-2018	TDS		4,44,444.00
16-01-2018	Amount Paid		59,641.80
20-01-2018	Amount Paid		1,60,000.00
25-01-2018	Amount Paid		15,65,439.40
25-01-2018	Amount Paid		50,00,000.00
25-01-2018	TDS		5,55,556.00
31-01-2018	Amount Paid		1,80,000.00
31-01-2018	Amount Paid		9,96,923.00
31-01-2018	Amount Disbursed from L&T	130,00,000	
31-01-2018	TDS		1,10,769.00
01-02-2018	Amount Paid		9,35,666.80
02-02-2018	Amount Paid		3,11,229.00
05-02-2018	Amount Paid		5,53,828.60
07-02-2018	Amount Paid		8,64,000.00
08-02-2018	Amount Paid		10,67,451.80
15-02-2018	Amount Paid		40,000.00
16-02-2018	Amount Paid		40,000.00
17-02-2018	Amount Paid		1,64,281.60
19-02-2018	Amount Paid		40,000.00
21-02-2018	Amount Paid		12,000.00
26-02-2018	Amount Paid		1,74,280.60
28-02-2018	Amount Paid		20,075.40
01-03-2018	Amount Paid		1,60,000.00
02-03-2018	Amount Paid		6,80,000.00
03-03-2018	Amount Paid		50,000.00
05-03-2018	Amount Paid		6,10,000.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
06-03-2018	Amount Paid		4,20,000.00
07-03-2018	Amount Paid		2,87,162.00
08-03-2018	Amount Paid		40,000.00
12-03-2018	Amount Paid		19,983.01
13-03-2018	Amount Paid		6,86,054.20
14-03-2018	Amount Paid		2,00,000.00
15-03-2018	Amount Paid		15,00,000.00
15-03-2018	Amount Paid		45,24,296.00
15-03-2018	Amount Paid		21,43,471.00
15-03-2018	TDS		1,66,667.00
15-03-2018	TDS		5,02,700.00
16-03-2018	Amount Paid		40,016.99
17-03-2018	Amount Paid		79,485.30
19-03-2018	Amount Paid		20,442.00
20-03-2018	Amount Paid		6,73,859.80
21-03-2018	Amount Paid		9,52,366.20
22-03-2018	Amount Paid		14,26,703.20
23-03-2018	Amount Paid		4,11,418.20
26-03-2018	Amount Paid		11,59,748.40
27-03-2018	Amount Paid		15,36,109.80
28-03-2018	Amount Paid		25,00,000.00
28-03-2018	Amount Paid		4,25,947.00
28-03-2018	TDS		2,77,778.00
29-03-2018	Amount Paid		1,36,471.61
30-03-2018	Amount Paid		1,00,000.00
31-03-2018	Amount Paid		29,54,581.00
31-03-2018	TDS		3,28,287.00
03-04-2018	Amount Paid		79,419.00
03-04-2018	Amount Paid		12,63,022.20
04-04-2018	Amount Paid		9,02,535.90
05-04-2018	Amount Paid		5,51,832.00
06-04-2018	Amount Paid		1,29,080.00
07-04-2018	Amount Paid		10,56,671.40
10-04-2018	Amount Paid		2,10,131.00
11-04-2018	Amount Paid		41,814.80
12-04-2018	Amount Paid		1,08,885.80
13-04-2018	Amount Paid		4,89,587.20
15-04-2018	TDS		6,56,811.00
17-04-2018	Amount Paid		12,37,737.60
18-04-2018	Amount Paid		111.39
19-04-2018	Amount Paid		4,99,800.11
20-Apr-2018	Amount Paid		3,88,000.00
21-04-2018	Amount Paid		13,10,881.00
23-04-2018	Amount Paid		9,60,000.00
24-04-2018	Amount Paid		38,00,000.00
24-04-2018	Amount Paid		83,039.20
24-04-2018	TDS		4,22,222.00
25-04-2018	Amount Paid		21,11,298.00
25-04-2018	Amount Paid		12,04,940.00
25-04-2018	TDS		2,34,589.00
26-04-2018	Amount Paid		1,38,118.40
27-04-2018	Amount Paid		9,87,337.81
30-04-2018	Amount Paid		18,23,624.60
02-05-2018	Amount Paid		60,000.00
04-05-2018	Amount Paid		40,000.00
05-05-2018	Amount Paid		20,000.00
07-05-2018	Amount Paid		5,51,315.20
10-05-2018	Amount Paid		40,000.00
11-05-2018	Amount Paid		40,000.00
12-05-2018	TDS		6,21,439.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
14-05-2018	Amount Paid		2,943.40
15-05-2018	Amount Paid		3,49,007.40
16-05-2018	Amount Paid		40,200.00
17-05-2018	Amount Paid		2,21,877.20
19-05-2018	Amount Paid		40,000.00
21-05-2018	Amount Paid		40,411.58
22-05-2018	Amount Paid		11,70,268.00
22-05-2018	Amount Paid		30,00,000.00
22-05-2018	TDS		3,33,333.00
24-05-2018	Amount Paid		9,88,820.00
24-05-2018	Amount Paid		25,92,948.00
24-05-2018	TDS		2,88,105.00
25-05-2018	Amount Paid		4,64,133.80
28-05-2018	Amount Paid		17,08,040.00
28-05-2018	Amount Paid		20,000.00
29-05-2018	Amount Paid		10,230.00
30-05-2018	Amount Paid		3,35,922.80
31-05-2018	Amount Paid		55,061.60
02-06-2018	Amount Paid		40,000.00
04-06-2018	Amount Paid		3,27,563.20
05-06-2018	Amount Paid		4,00,000.00
06-06-2018	Amount Paid		7,96,423.00
07-06-2018	Amount Paid		60,000.00
11-06-2018	Amount Paid		40,908.60
13-06-2018	Amount Paid		1,40,000.00
14-06-2018	Amount Paid		2,65,293.80
15-06-2018	TDS		6,33,414.00
16-06-2018	Amount Paid		40,000.00
19-06-2018	Amount Paid		57,498.60
20-06-2018	Amount Paid		4,23,246.00
21-06-2018	Amount Paid		10,26,700.00
22-06-2018	Amount Paid		1,53,000.00
22-06-2018	Amount Paid		90,007.00
25-06-2018	Amount Paid		70,000.00
26-06-2018	Amount Paid		9,61,600.00
26-06-2018	Amount Paid		15,00,000.00
26-06-2018	TDS		1,66,667.00
27-06-2018	Amount Paid		42,464.00
27-06-2018	Amount Paid		7,387.00
28-06-2018	Amount Paid		2,000.00
29-06-2018	Amount Paid		1,36,513.80
30-06-2018	Amount Paid		1,18,000.00
02-07-2018	Amount Paid		21,94,268.40
02-07-2018	Amount Paid		40,00,000.00
02-07-2018	TDS		4,44,444.00
03-07-2018	Amount Paid		5,49,820.00
03-07-2018	TDS		20,003.00
03-Jul-2018	Amount Paid		1,80,025.00
05-07-2018	Amount Paid		12,092.00
06-07-2018	Amount Paid		27,418.80
07-07-2018	Amount Paid		6,83,000.00
07-07-2018	Amount Paid		2,00,730.00
07-07-2018	TDS		22,303.00
09-07-2018	Amount Paid		30,761.40
10-07-2018	Amount Paid		5,21,830.20
11-07-2018	Amount Paid		98,198.80
12-07-2018	Amount Paid		1,10,584.60
13-07-2018	Amount Paid		52,40,279.20
13-07-2018	TDS		6,04,586.00
16-07-2018	Amount Paid		46,89,268.56

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
17-07-2018	Amount Paid		55,16,080.00
18-07-2018	Amount Paid		5,43,708.80
19-07-2018	Amount Paid		11,30,973.60
24-07-2018	Amount Paid		5,00,472.03
25-07-2018	Amount Paid		1,60,000.00
25-07-2018	Amount Paid		1,80,000.00
27-07-2018	Amount Paid		2,80,000.00
30-07-2018	Amount Paid		6,22,756.80
31-07-2018	Amount Paid		2,87,057.60
01-08-2018	Amount Paid		7,93,964.00
01-08-2018	TDS		50,135.00
02-08-2018	Amount Paid		49,90,060.80
02-08-2018	TDS		5,54,451.00
04-08-2018	Amount Paid		4,78,758.40
07-08-2018	Amount Paid		3,22,356.00
08-08-2018	Amount Paid		8,56,376.00
10-08-2018	Amount Paid		3,69,627.20
12-08-2018	TDS		5,96,332.00
13-08-2018	Amount Paid		12,55,467.20
14-08-2018	Amount Paid		70,43,048.00
16-08-2018	Amount Paid		1,88,986.40
17-08-2018	Amount Paid		38,14,960.00
20-08-2018	Amount Paid		13,40,417.60
21-08-2018	Amount Paid		40,70,260.00
22-08-2018	Amount Paid		26,32,238.40
24-08-2018	Amount Paid		16,70,080.00
27-08-2018	Amount Paid		3,03,594.40
28-08-2018	Amount Paid		28,84,160.00
29-08-2018	Amount Paid		2,97,955.97
30-08-2018	Amount Paid		1,82,120.80
31-08-2018	Amount Paid		2,99,296.80
01-09-2018	Amount Paid		1,08,413.60
03-09-2018	Amount Paid		55,93,553.60
05-09-2018	Amount Paid		6,43,868.80
06-09-2018	Amount Paid		5,07,447.20
07-09-2018	Amount Paid		4,96,432.00
10-09-2018	Amount Paid		23,46,732.80
11-09-2018	Amount Paid		20,84,916.00
12-09-2018	Amount Paid		1,51,818.40
14-09-2018	Amount Paid		422.40
15-09-2018	TDS		5,61,681.00
17-09-2018	Amount Paid		5,34,897.60
18-09-2018	Amount Paid		10,46,311.20
19-09-2018	Amount Paid		24,57,744.00
20-09-2018	Amount Paid		21,51,948.80
24-09-2018	Amount Paid		3,12,495.20
26-09-2018	Amount Paid		80,000.00
27-09-2018	Amount Paid		1,76,000.00
27-09-2018	Amount Paid		5,78,039.20
28-09-2018	Amount Paid		47,829.60
29-09-2018	TDS		11,58,013.00
01-10-2018	Amount Paid		3,86,163.20
03-10-2018	Amount Paid		9,062.40
05-10-2018	Amount Paid		11,90,420.80
06-10-2018	Amount Paid		7,76,354.43
08-10-2018	Amount Paid		2,40,000.00
09-10-2018	Amount Paid		70,980.80
10-10-2018	Amount Paid		1,80,962.40
11-10-2018	Amount Paid		7,19,280.00
12-10-2018	Amount Paid		21,459.20
12-10-2018	TDS		5,17,656.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
15-10-2018	Amount Paid		20,000.00
16-10-2018	Amount Paid		1,40,445.57
18-10-2018	Amount Paid		9,97,920.80
22-10-2018	Amount Paid		22,56,259.20
23-10-2018	Amount Paid		3,01,040.00
24-10-2018	Amount Paid		49,60,000.00
25-10-2018	Amount Paid		2,85,143.20
29-10-2018	Amount Paid		1,66,050.40
29-10-2018	TDS		5,17,656.00
30-10-2018	Amount Paid		6,58,329.60
31-10-2018	Amount Paid		5,52,800.00
01-11-2018	Amount Paid		13,16,417.60
02-11-2018	Amount Paid		4,79,693.60
06-11-2018	Amount Paid		49,184.00
08-11-2018	Amount Paid		3,84,000.00
09-11-2018	Amount Paid		4,00,000.00
12-11-2018	Amount Paid		1,80,751.20
13-11-2018	TDS		5,17,656.00
15-11-2018	Amount Paid		1,76,248.80
17-11-2018	Amount Paid		3,09,192.80
19-11-2018	Amount Paid		2,56,000.00
20-11-2018	Amount Paid		3,87,392.00
21-11-2018	Amount Paid		10,44,753.60
22-11-2018	Amount Paid		2,40,000.00
23-11-2018	Amount Paid		1,54,817.60
26-11-2018	Amount Paid		4,00,000.00
27-11-2018	Amount Paid		72,956.00
28-11-2018	Amount Paid		80,000.00
30-11-2018	Amount Paid		1,60,000.00
03-12-2018	Amount Paid		25,84,000.00
04-12-2018	Amount Paid		14,26,231.20
05-12-2018	Amount Paid		1,47,446.40
05-12-2018	Amount Paid		9,34,080.00
11-12-2018	Amount Paid		46,87,094.00
11-12-2018	TDS		5,20,788.00
12-12-2018	Amount Paid		11,65,760.80
20-12-2018	Amount Paid		5,07,260.80
21-12-2018	Amount Paid		2,08,000.00
24-Dec-2018	Amount Paid		5,84,000.00
28-12-2018	TDS		4,90,073.00
29-12-2018	Amount Paid		1,97,005.60
31-12-2018	Amount Paid		24,45,059.20
31-12-2018	Amount Paid		1.00
31-12-2018	Amount Paid		12,10,156.00
04-01-2019	Amount Paid		4,03,958.40
05-01-2019	Amount Paid		1,60,000.00
08-01-2019	Amount Paid		4,80,000.00
09-01-2019	Amount Paid		1,19,188.80
11-01-2019	Amount Paid		80,000.00
15-01-2019	TDS		5,02,385.00
18-01-2019	Amount Paid		1,60,000.00
21-01-2019	Amount Paid		4,69,036.00
24-01-2019	Amount Paid		10,64,192.79
25-01-2019	Amount Paid		32,66,358.40
28-01-2019	Amount Paid		3,47,428.80
29-01-2019	Amount Paid		35,84,931.20
30-01-2019	Amount Paid		1,20,000.00
31-01-2019	Amount Paid		2,40,000.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
01-02-2019	Amount Paid		9,06,207.00
02-02-2019	Amount Paid		66,95,951.20
02-02-2019	Amount Paid		6,64,450.00
06-02-2019	Amount Paid		1,70,526.40
07-02-2019	Amount Paid		17,58,648.80
08-02-2019	Amount Paid		3,52,939.20
13-02-2019	Amount Paid		55,66,140.00
15-02-2019	Amount Paid		20,000.00
15-02-2019	TDS		4,90,308.00
18-02-2019	Amount Paid		12,813.60
20-02-2019	Amount Paid		1,60,000.00
21-02-2019	Amount Paid		28,00,000.00
22-02-2019	Amount Paid		98,000.00
25-02-2019	Amount Paid		1,60,000.00
26-02-2019	Amount Paid		5,26,640.00
27-02-2019	Amount Paid		1,43,261.60
01-03-2019	Amount Paid		3,48,275.20
02-03-2019	Amount Paid		55,900.00
05-03-2019	Amount Paid		28,17,452.00
07-03-2019	Amount Paid		3,85,049.60
08-03-2019	Amount Paid		10,414.40
11-03-2019	Amount Paid		48,74,821.60
15-03-2019	TDS		4,18,765.00
21-03-2019	Amount Paid		80,000.00
22-03-2019	Amount Paid		79,761.60
22-03-2019	Amount Paid		4,00,000.00
26-03-2019	Amount Paid		40,000.00
27-03-2019	Amount Paid		80,000.00
27-03-2019	TDS		14,11,458.00
30-Mar-2019	Amount Paid		26,40,000.00
03-Apr-2019	Amount Paid		4,80,000.00
04-Apr-2019	Amount Paid		1,60,000.00
09-Apr-2019	Amount Paid		84,355.20
18-Apr-2019	Amount Paid		1,00,000.00
25-Apr-2019	Amount Paid		13,23,820.00
26-Apr-2019	Amount Paid		2,60,000.00
10-May-2019	Amount Paid		78,688.00
13-May-2019	Amount Paid		95,979.00
17-May-2019	Amount Paid		3,83,415.00
22-May-2019	Amount Paid		3,00,000.00
22-May-2019	Amount Paid		76,000.00
22-May-2019	TDS		8,444.00
23-May-2019	Amount Paid		80,000.00
23-May-2019	TDS		8,889.00
07-Jun-2019	Amount Paid		1,61,504.00
07-Jun-2019	TDS		17,945.00
12-Jun-2019	Amount Paid		34,34,921.00
13-Jun-2019	Amount Paid		34,58,160.00
15-Jun-2019	Amount Paid		50,59,800.00
15-Jun-2019	TDS		13,78,014.00
27-Jun-2019	Amount Paid		4,32,940.00
28-Jun-19	Amount Paid		45,31,115.00
02-Jul-2019	Amount Paid		60,50,000.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
03-Jul-2019	Amount Paid		1,60,000.00
11-Jul-2019	Amount Paid		1,34,082.00
16-Jul-2019	Amount Paid		4,50,787.00
17-Jul-2019	Amount Paid		3,26,643.00
18-Jul-2019	Amount Paid		60,95,980.00
23-Jul-2019	Amount Paid		1,88,640.00
30-Jul-2019	Amount Paid		6,32,027.00
03-Aug-2019	Amount Paid		47,50,000.00
19-Aug-2019	Amount Paid		2,00,000.00
29-Aug-2019	Amount Paid		24,00,000.00
02-Sep-2019	Amount Paid		3,00,000.00
11-Sep-2019	Amount Paid		4,00,000.00
17-Sep-2019	Amount Paid		50,000.00
19-Sep-2019	Amount Paid		1,00,000.00
27-Sep-2019	TDS		9,04,499.00
01-Oct-2019	Amount Paid		84,000.00
23-Oct-2019	Amount Paid		2,832.00
07-Nov-19	Amount Paid		53,34,258.00
08-Nov-19	Amount Paid		1,02,096.00
14-Nov-19	Amount Paid		2,00,000.00
25-Nov-19	Amount Paid		34,99,980.00
25-Nov-2019	TDS		3,79,003.00
27-Nov-19	Amount Paid		29,40,000.00
04-Dec-19	Amount Paid		5,87,476.00
07-Dec-19	Amount Paid		5,12,250.00
11-Dec-19	Amount Paid		3,00,000.00
18-Dec-19	Amount Paid		63,36,000.00
18-Dec-2019	TDS		4,20,623.00
19-Dec-19	Amount Paid		2,31,143.00
20-Dec-19	Amount Paid		2,00,000.00
30-Dec-2019	TDS		4,43,731.00
15-Jan-2020	Amount Paid		1,00,000.00
15-Jan-2020	Amount Paid		1,00,000.00
15-Jan-2020	TDS		11,111.00
15-Jan-2020	TDS		11,111.00
28-Jan-2020	Amount Paid		5,50,000.00
28-Jan-2020	Amount Paid		2,01,288.00
28-Jan-2020	TDS		61,111.00
28-Jan-2020	TDS		22,365.00
29-Jan-2020	Amount Paid		3,50,000.00
29-Jan-2020	TDS		38,889.00
06-Feb-20	Amount Paid		2,76,730.00
11-Feb-20	Amount Paid		4,50,000.00
12-Feb-20	Amount Paid		43,00,000.00
17-Feb-20	Amount Paid		86,02,270.00
17-Feb-2020	TDS		7,72,458.00
17-Feb-2020	Amount Paid		69,52,119.00
27-Feb-20	Amount Paid		6,53,990.00
28-Feb-20	Amount Paid		5,45,066.00
15-Mar-2020	TDS		1,55,783.00
15-Mar-2020	Amount Paid		14,02,046.50
18-Mar-20	Amount Paid		2,00,000.00
26-Mar-2020	TDS		2,73,157.00

Date	PARTICULARS	Disbursement	Amount Paid by VPPL
15-Sep-2020	TDS		3,21,930.00
30-Sep-20	Amount Paid		14,22,694.00
30-Sep-2020	TDS		51,735.00
11-Nov-20	Amount Paid		91,00,633.00
18-Nov-2020	Amount Paid		42,38,987.50
18-Nov-20	Amount Paid		42,38,987.50
18-Nov-2020	TDS		3,43,702.00
24-Nov-20	Amount Paid		8,66,890.00
24-Nov-2020	TDS		25,169.00
02-Dec-2020	Amount Paid		59,121.00
02-Dec-20	Amount Paid		59,122.00
16-Dec-20	Amount Paid		66,96,099.00
16-Dec-2020	TDS		3,61,611.00
18-Jan-21	Amount Paid		44,28,405.00
08-Mar-21	Amount Paid		99,16,550.00
08-Mar-2021	Amount Paid		9,90,864.86
16-Mar-21	Amount Paid		69,85,000.00
16-Mar-2021	TDS		1,79,528.00
16-Mar-2021	Amount Paid		22,14,182.10
22-Mar-21	Amount Paid		43,20,955.00
24-Mar-2021	TDS		40,541.00
24-Mar-2021	Amount Paid		5,00,000.00
29-Mar-21	Amount Paid		32,46,475.00
29-Mar-2021	TDS		79,281.00
29-Mar-2021	Amount Paid		9,77,793.50
30-Mar-21	Amount Paid		44,13,027.00
31-Mar-2021	TDS		58,852.00
31-Mar-2021	Amount Paid		7,25,835.50
15-Jun-2021	TDS		97,647.00
01-Jul-2021	TDS		13,33,270.00
15-Jul-2021	TDS		3,64,931.00
20-Jul-21	Amount Paid		24,31,380.00
20-Jul-2021	TDS		36,627.00
		5580,00,000	**4623,21,962.81**

22. Ld. Counsel submits that arbitration is subsisting under the loan agreement, yet the Financial Creditor invoked the jurisdiction of this Tribunal. It amounts to forum shopping. Ld. Counsel also submits that as per the report of Economic Times dated 03.04.2022, L&T Finance

Limited sold Rs. 3463.0 Crores of distress portfolio for Rs. 1120.0 Crores under the conventional 15:85 structure. Under the structure, the Asset Reconstruction Company would pay L&T Finance Limited 50% of the consideration upfront and redeem the security receipt when they recover their dues from the defaulting borrowers. It sold the assets which comprise of security assets both movable and immovable. It is not an assignment but a sale in the open market which requires registration under Section 17 of the Registration Act and remittance of Stamp Duty.

23. **Ld. Counsel for the Petitioner per contra argued** that both the Corporate Debtors had approached L&T Housing Finance Private Limited for availing financial assistance. After scrutiny of documents, it sanctioned the financial assistance to the tune of Rs. 107.0 Crores. In consideration of the same, both entered into a loan agreement dated 23.06.2017. The Borrowers failed to repay the loan despite reminders. In the meantime, L&T Housing Finance Limited assigned the financial assets pertaining to the loan vide assignment agreement dated 29.03.2019 to L&T Finance Private Limited. Soon thereafter, L&T Housing Finance Limited merged with L&T Finance Limited vide an

order dated 19.03.2021 and the entire financial assets vested absolutely in L&T Finance Limited. Since the Borrowers had not repaid the entire outstanding in full, L&T Finance Limited issued a demand notice dated 03.05.2021. The account was classified NPA on 13.11.2021. Thereafter, L&T Finance Limited assigned the loan to Phoenix ARC Private Limited vide assignment agreement dated 29.03.2022 which was registered as Doc. No. 6703 / 2023 in the office of SRO, Virudachalam.

24. Ld. Counsel submits that the Borrowers had also made offers seeking a One Time Settlement (OTS) of the outstanding debt due vide offer letters dated 07.12.2023, 08.03.2024 and 27.06.2024 which offers were not accepted by Phoenix ARC Private Limited and the debts continue to remain outstanding. There is no dispute as to existence of loan agreement. Ld. Counsel submits that the debt was validly assigned in favour of Phoenix ARC Private Limited under the registered assignment agreement whereby all rights, title and interest stood transferred to Phoenix ARC Private Limited.

25. Ld. Counsel submits that Section 185 of the Companies Act, 2013 regulates loans, guarantees and securities given by the Company to its Directors or to any person in whom the Director is interested. In the

present case, the borrowing was between the lender and the borrower companies. As a security, deed of personal guarantee was executed by the Guarantors in their individual capacity and therefore provisions of Section 185 are not applicable. As regards objection that debt is an excluded debt under Section 79(15) of IBC and the Corporate Debtor is not required to make any repayment, Ld. Counsel submits that the definition 'excluded debt' includes limited categories such as debts arising out of fines, penalties, maintenance obligations or other statutory exclusions and not the financial debt on the ground of unenforceability. In the present case, the debt arises out of the executed financial documents.

26. Ld. Counsel submits that present case does not involve any transaction relating to immovable property so as to attract Section 28(2) of the Registration Act. The scheme of amalgamation was approved by the NCLT vide an order dated 19.03.2021 whereby all assets and liabilities stood vested in L&T Finance Limited by operation of law. Ld. Counsel placed the order of Hon'ble High Court in W. P. No. 24969 of 2023 dated 21.09.2023 whereby direction was given to the Registering Authority to return the pending documents to the Petitioner (Financial

Creditor) who on receipt shall re-present the documents by deleting the survey number and on such re-presentation, the Registering Authority shall proceed with the registration by following the procedure including recovery of applicable stamp duty under the provisions of statutes. The direction was given to complete the process within a period of two weeks. Phoenix ARC Private Limited has also filed certificate of incorporation consequent upon conversion of Phoenix ARC Private Limited into Phoenix ARC Limited vide dated 19.02.2026.

27. **Ld. Counsel filed a memo vide Sr. No. 5160 dated 02.12.2025** stating that there is a stay of arbitral proceedings from the Hon'ble High Court vide an order dated 25.07.2023. W.P. No. 22380 of 2023 and C.MA. No. 1602 of 2023 were tagged together and were last listed on 11.11.2025. He stated that certain properties belonging to the Corporate Debtor were sold to Shell India Market Private Limited and Sri Kauvery Medical Care (India) Limited for Rs. 6,73,14,000/-, Rs. 6,91,20,000/- and Rs. 60.0 Crore respectively and the proceeds were adjusted towards the dues jointly and severally payable by the Corporate Debtors. The details of securities such as mortgaged assets and hypothecated assets

are described in the assignment agreement dated 29.03.2022 which was registered as Doc. No. 6701 of 2023.

28. Ld. Counsel submits that prior to sale of the property to Sri Kauvery Medical Care (India) Limited on 05.03.2021, Virgo Realtors and Sri Kauvery Medical Care (India) Limited entered into a term sheet and in terms of Clause 12 of the Term sheet, the amount of Rs. 60.0 Crores from the sale of the property was adjusted proportionately for the amounts due and payable by the Corporate Debtors respectively. He enclosed the term sheet as Annexure G. He submits that since the liability of both the Corporate Debtors are joint and several, Virgo Realtors is not liquidated in full. He placed on record the ledger statements of the accounts as Annexure H.

29. Ld. Counsel submits that the loan granted to the Corporate Debtors was towards refinancing the existing facilities of JM Financials of Rs. 76.50 Crores and balance towards DSRA. By merger order dated 19.03.2021, all the rights and liabilities of the Transferor Company i.e. L&T Housing Finance Limited were successfully merged and transferred to the Transferee Company L&T Finance Private Limited. Since the Corporate Debtors failed to comply with the repayment schedule, L&T Finance

initiated the CIRP. Subsequently, it assigned the rights, title and benefits in the financing documents including agreements, deeds and documents collateral, underlined security interest of pledges created to secure and guarantees to Phoenix ARC Private Limited by virtue of an assignment agreement dated 29.03.2022. Corporate Debtors had mortgaged the immovable properties which were registered as Doc. No. 5937 of 2017 before the SRO. Ld. Counsel submits that as per Section 5(7) of IBC, Financial Creditor includes a person to whom such debt has been legally assigned or transferred. Further, as per Section 5(4) of the SARFAESI Act, 2022, the assignee can continue and prosecute any proceeding. Phoenix ARC Private Limited is the trustee of Phoenix Trust and as per Clause 2.1.1 of the registered assignment agreement, the Assignee shall forever hold the loan interest for the benefit of the holder of the security receipts. Trust deed is not a prerequisite document and need not be produced with the assignment agreement as held by *NCLT, Kolkata in IA/563/2023 in CP/325/2022 between J.C. Flowers Assets Reconstruction Private Limited Vs. Shristi Investment Development Corporation Limited*. In the present case, the Corporate Debtors failed to repay the debt which are also reflected in the information utility and record of default certificates issued by NeSL.

30. Ld. Counsel has given breakup of the proceeds from the sale to Sri Kauvery Hospital as under:

Particulars	Amounts	Remarks
Total Inflows netting of 1% TDS	59,40,00,000.00	Total Sale value - Rs 60 Cr
Less		
Refund to customers of Tranquil Square	5,56,81,799	UTR -104227612964 - Rs 3,00,000 UTR - HDFCR52021042289067108 - Rs 30,00,000 Payment made through DD in the favour of - Suryakala-Rs.35,65,639, Nayani Amaluru-Rs.44,86,160, Arjun S-Rs.25,00,000, A. Arumugam-Rs.25,00,000, Arun S-Rs.37,00,000 ASHOK KUMAR SACHDEV - 3,56,30,000
VRPL Interest	2,15,15,026	As per highlighted part in the attached SOA. Rs. 42,09,455 and Rs 51,24,210 is inclusive of TDS. Actual adjustment for interest is Rs 39,45,101.4 and 38,82,688 (90% if the above amount)

VRPL Principal Payment	38,44,27,903	As per highlighted part in the attached SOA.
VPPL Interest	1,98,27,219	As per highlighted part in the attached SOA. Rs. 43,83,446 and Rs 43,14,098 is inclusive of TDS. Actual adjustment for interest is Rs 3788510 and 4611789 (90% if the above amount)
VPPL Principal	7,82,10,644	As per highlighted part in the attached SOA.
Payment to JLL	1,06,20,000	Amt paid to Jones Lang LaSalle Property Consultants (India) Pvt. Ltd.for advisory Services on behalf of Virgo
Transfer to Phoenix	2,37,17,410	
Total Outflow	59,40,00,000	
Difference	-	

31. Ld. Counsel submits that for a petition under Section 7, the Financial Creditor has to show the existence of debt and default. In the present case, the OTS was given by the Corporate Debtors on 27.06.2024 which proves the acknowledgment of debt. He submits that the debt is more than the threshold limit of Rs. 1.0 Crore as envisaged in the Act and invocation of Arbitration against the Corporate Debtor shall not per se bar initiation of CIRP under Section 7 of IBC.

<u>Analysis and Conclusion</u>

32. We have given our thoughtful consideration to the rival contentions and perused the record and the written synopsis.

33. A perusal of the pleadings and the documents would reveal that the Corporate Debtors Virgo Realtors Private Limited (Borrower) and Virgo Properties Private Limited (Co-Borrower) had availed credit facilities for a sum of Rs. 107.0 Crores from the L&T Housing Finance Limited and executed a single loan agreement dated 23.06.2017. Out of the sanctioned loan, an amount of Rs. 44,70,34,770/- was disbursed to Virgo Realtors Private Limited and an amount of Rs. 56,85,98,313/- was disbursed to Virgo Properties Private Limited. This loan was availed to repay the facilities taken from JM Financials and for financing the balance construction cost and DSRA. As per Clause 2.18 of the loan agreement, the liability of the Borrower and Co-Borrower is joint and several to the fullest liability or obligation towards the lender. As per Clause 10.2, the Borrower shall open and maintain an escrow account for depositing all the project receivables from the project with the lender. The Borrowers also agreed that a debt service reserve equivalent to three months interest shall be created upfront in such form and manner as applicable to the lender in the form of fixed deposit with the Bank. If the Borrowers fail to adhere to the terms, the same shall constitute an event of default. The lender shall have option to

recall the credit facilities and the Borrowers shall also ensure deduction of TDS in respect to payment of TDS to the Government Authorities. Clause 17.4 of the agreement provides for assignment which is extracted as under:

> *(a) Any Lender(s) may without prior intimation to the Borrower, enter into any kind of risk participation or take out arrangement or transfer or assign or novate or securitize all or any part of its loan (or any part thereof) and/or any of its rights and benefits hereunder and under the other Transaction Documents to another bank or financial institution or any other Person in India at any time in accordance with the provisions herein ("New Lender(s)") and in such manner and on such terms as the Lender(s) may decide and while so transferring, assigning or securitizing, the Lender(s) may reserve to it a right to proceed against the Borrower on behalf of the purchaser, assignee or transferee. Whilst the Lender(s) may exercise the aforesaid right, the Lender(s) shall be under no obligation to do so. The Borrower shall take such action as may be necessary (including providing the necessary information and executing the relevant documents) to perfect such risk participation arrangement, assignment, transfer, novation, or securitization.*

34. The loan agreement was signed by the Managing Director of both the Corporate Debtors. The loan was guaranteed by three persons namely Mr. T. Shyam Prasad, Mrs. T. Radhika and Mr. B.V.V. Prasad which was for the projects Bounty Acres executed by Virgo Properties Private Limited and Tanquil Square executed by Virgo Realtors Private Limited. The loan was carrying an interest @14.75% per annum payable

monthly. Tenor is also mentioned in the loan agreement. The loan agreement also contains the repayment schedule which is as under:

SCHEDULE IV
REPAYMENT SCHEDULE

Principal Moratorium for Project Bounty Acres developed by Virgo Properties Private Limited shall be for a period of 36 months after the date of first disbursement of the Loan and for Project Tranquil Square developed by Virgo Realtors Private Limited shall be for a period of 66 months from the date of first disbursement ("**Moratorium Period**").

Sr No.	Principal Instalments - Facility 1 Project – Bounty Acres	Principal Instalments - Facility 2 Project – Tranquil Squre.
1	2,41,66,667	1,36,11,111
2	2,41,66,667	1,36,11,111
3	2,41,66,667	1,36,11,111
4	2,41,66,667	1,36,11,111
5	2,41,66,667	1,36,11,111
6	2,41,66,667	1,36,11,111
7	2,41,66,667	1,36,11,111
8	2,41,66,667	1,36,11,111
9	2,41,66,667	1,36,11,111
10	2,41,66,667	1,36,11,111
11	2,41,66,667	1,36,11,111
12	2,41,66,667	1,36,11,111
13	2,41,66,667	1,36,11,111
14	2,41,66,667	1,36,11,111
15	2,41,66,667	1,36,11,111
16	2,41,66,667	1,36,11,111
17	2,41,66,667	1,36,11,111
18	2,41,66,667	1,36,11,111
19	2,41,66,667	1,36,11,111
20	2,41,66,667	1,36,11,111
21	2,41,66,667	1,36,11,111
22	2,41,66,667	1,36,11,111
23	2,41,66,667	1,36,11,111
24	2,41,66,667	1,36,11,111
25	--	1,36,11,111
26	--	1,36,11,111
27	--	1,36,11,111
28	--	1,36,11,111
29	--	1,36,11,111
30	--	1,36,11,111
31	--	1,36,11,111
32	--	1,36,11,111
33	--	1,36,11,111
34	--	1,36,11,111
35	--	1,36,11,111
36	--	1,36,11,111
Total	58,00,00,000	49,00,00,000

Virgo Properties Private Limited	Virgo Realtors Private Limited	L & T Housing Finance

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35. Record shows that L&T Housing Finance Limited assigned the loan to L&T Finance Limited vide assignment deed dated 29.03.2019. In addition to the assignment, a scheme of merger and amalgamation was submitted with the NCLT Kolkata whereby L&T Housing Finance Limited merged with L&T Finance Limited vide an order dated 19.03.2021 and the entire financial assets of L&T Housing Finance Limited vested absolutely in L&T Finance Limited. Considering the merger, we are of the view that the assignment in favour of L&T Finance Limited does not require any registration.

36. The email communications since 22.07.2019, the notices / letters during the period from 26.08.2019 till 17.12.2021 and the replies of the Corporate Debtors dated 23.12.2021 and 13.01.2022 would show that the Corporate Debtors did not adhere to the repayment schedule and committed defaults in repayment of debts. This is also evident from the record of default with information utility submitted by L&T Finance Limited. The Bank statements placed as Annexure 26 do not reflect payments towards repayment of debt by the Corporate Debtors after August 2021.

37. Record shows that L&T Finance Private Limited assigned the debt to Phoenix ARC Private Limited vide assignment agreement dated 29.03.2022 who was acting in a capacity as Trustee of Phoenix Trust FY 22-16. As per the assignment agreement, it is having all the rights, title and interest which was vested with the L&T Finance Private Limited against the Corporate Debtor and it is thus entitled to pursue, continue / initiate any legal action against the Corporate Debtor and to recover the financial debt legally owed to it. This Tribunal allowed the application for substitution filed vide IA/824/2022 in terms of the loan agreement Clause 17.4 against which the Corporate Debtor preferred an appeal which it withdrew vide an order dated 04.11.2022. It thereafter filed IA/1513/2022 against the order dated 05.08.2022 which was also dismissed.

38. The record shows that the assignment agreement was not registered when the debts were assigned to Phoenix ARC, however, it was subsequently registered vide Doc. No. 6703 of 2023 on the directions issued by Hon'ble High Court in W.P. No. 24969 of 2023 vide order dated 21.09.2023. By that time, the petitions had already been filed by L&T Finance Limited. Substitution with Phoenix ARC Private Limited

was allowed subsequent to the filing of the petitions. Subsequent registration thus cured the defect / objection raised by the Corporate Debtors.

39. Section 5(7) of IBC defines Financial Creditor which includes a person to whom such debt has been legally assigned or transferred. Section 5(4) of SARFAESI Act, 2022 provides that assignee can continue and prosecute any proceeding. Since Phoenix ARC Limited is the Trustee of Phoenix Trust so as per Clause 2.1.1 of the registered assignment agreement, it could hold the loan interest for the benefit of the holder of the security receipts. We do not find merits in the contention of the Corporate Debtors that the Trust Deed should be filed with the assignment agreement. It was held by NCLT, Kolkata in *J.C. Flowers supra* that Trust Deed is not a prerequisite document and it need not be produced with the assignment agreement. The Petitioner has also placed the copy of the Board Resolution authorizing the person who filed the petition and substitution and thus complied with the requirements as contemplated under the IBC and the Regulations.

40. The Corporate Debtor has contended that the debts of the Financial Creditor have already been settled. He has placed a statement showing

the amounts received and the payments made. Ld. Counsel also submitted that in addition to payment of installments, the Financial Creditor realized Rs. 6.91 Crore from the sale of Sriperumbudur Land – I on 05.02.2018 and Rs. 6.73 Crores from the sale of Sriperumbudur Land – II on 29.09.2018, remittances aggregating approximately Rs. 8.27 Crores made by Virgo Realtors till 29.03.2019 and Rs. 59.40 Crores from the sale to Sri Kauvery Hospitals. To this, the Petitioner has explained that the sale proceeds of Rs. 59.40 Crores were adjusted towards principal and interest besides other payments. Further, the amounts towards sale of land and receivables were adjusted towards the principal and interest payable by the Corporate Debtors. The amounts in default as claimed in the petitions are after the adjustments of all the receipts.

41. The Petitioner has also filed a memo of clarifications pursuant to the order dated 07.07.2026 on 16.07.2026 enclosing the statement of loan account No. 6240041370 (Virgo Properties with L&T Housing Finance Limited Annexure 1 from 30.06.2017 till 30.03.2019), loan account No. 6240063869 (Virgo Realtors Private Limited with L&T Finance Limited Annexure 3 from 29.03.2019 till 01.04.2022), loan account No.

6240041381 (Virgo Realtors Private Limited with L&T Housing Finance Limited Annexure 2 from 30.06.2017 till 29.03.2019), loan account No. 6240063870 (Virgo Realtors Private Limited with L&T Housing Finance Limited Annexure 4 from 29.03.2019 till 01.07.2021) and statement of account of Virgo Properties Private Limited with Phoenix ARC Private Limited (Annexure 5 from 21.03.2022 till 30.06.2026) stating that after the adjustments, the account of Virgo Realtors Private Limited was closed and the loan account of Virgo Properties Private Limited was assigned to Phoenix ARC Private Limited. He submitted that the liability of Virgo Realtors Private Limited and Virgo Properties Private Limited are joint and several as per the loan agreement dated 23.06.2017, so the petitions against both the Corporate Debtors are maintainable until the loan amount is fully discharged.

42. The Petitioner has filed the clarifications by a memo dated 23.07.2026 in continuation to the memo of clarifications dated 16.07.2026 stating that the loan accounts were originally maintained by L&T Housing Finance Limited. Pursuant to the assignment agreement dated 29.03.2019, the loan accounts were assigned to and maintained by L&T Finance Limited. Thereafter, L&T Finance Limited assigned the debts to

Phoenix ARC Limited by virtue of the registered assignment agreement dated 29.03.2022 (which was registered pursuant to the order dated 02.11.2022 passed by Hon'ble Madras High Court in W.P. No. 27492 of 2022). The first loan account No. 62400413370 was maintained by L&T Housing Finance Limited with starting entry on 30.06.2017. Various entries thereon were made towards debits and credits on account of disbursments, repayments, interest including TDS entries which were satisfied by the Corporate Debtor by remitting the TDS to the authorities. The last entry ended on 29.03.2019 and the closing balance was Rs. 36,83,79,890.35. After the assignment dated 29.03.2019, the loan account was maintained by L&T Finance Limited under the loan account No. 6240063869 with starting entry from 29.03.2019 showing the outstanding balance being the opening entry as Rs. 36,83,79,890.35, being the same as the closing balance of loan account No. 62400413370. Thereafter, the entries of debit and credit continued as reflected in the book entries. On account of cut off date, as specified in the assignment agreement dated 29.03.2022, the outstanding balance was reckoned as on 21.03.2022 as per clause 1.1g of the assignment agreement, the last payment made by the Corporate Debtor before the assignment was on

20.07.2021. Therefore, the balance outstanding towards principal was reckoned as on that date. The closing balance was shown as Rs. 29,81,47,441/- as on 20.07.2021. Since the registered assignment in favour of the Petitioner specifies the cut off date as 21.03.2022, the interest for the period 15.08.2021, 15.09.2021, 15.10.2021, 15.11.2021, 15.12.2021, 15.01.2022, 15.02.2022, 15.03.2022 and 31.03.2022 to the tune of Rs. 2,22,96,111/- was calculated. Further, an amount was due in the nature of delayed interest on the principal amount and overdue charges calculated as Rs. 1,56,49,593/- and reflected in the registered assignment agreement which is also mentioned in the books of accounts as on 31.03.2022. A tabulation is given showing the outstanding principal, interest and delayed interest and other charges with TDS as below.

Principal	Interest	Overdue & Other Charges	TDS	Total Outstanding
29,81,47,441	2,22,96,111	1,56,49,593	1,69,81,212	35,30,74,357

43. It is stated that upon assignment to the Petitioner, the loan account No. 6240063869 was carried forward to the Petitioner vide account No. 1269-10697-TL-869 and the opening balance was Rs. 35,30,74,357/-. It is

stated that further entries in the loan account No. 6240063869 were for the purposes of closing the books of accounts such as principal waiver, interest waiver etc which do not impact the outstanding balance due from the Corporate Debtors as the account were already been transferred to the Petitioner. The memo of clarifications dated 16.07.2026 shows the amount received as on 21.03.2022 being Rs. 28,43,85,975.37 which was the consideration towards assignment of loan account of the Corporate Debtor by the Petitioner to L&T Finance.

44. With regards to loan account No. 6240041381 and loan account No. 6240063870, the starting entry was of 30.06.2017. Various entries thereon towards debits and credits on account of disbursements of loan, repayments, interest and TDS were made. The last entry in account No. 6240041381 ended on 29.03.2019 showing the closing balance of Rs. 34,41,95,014.05. Pursuant to assignment dated 29.03.2019 by L&T Housing Finance to L&T Finance, the loan account No. 6240041381was transferred to L&T Finance and it was maintained under the loan account No. 6240063870 with starting date as 29.03.2019 showing the outstanding balance being the opening entry as Rs. 34,41,95,014,.05 being same as the closing balance of L&T Housing Loan account No.

6240041381. Thereafter, debit and credit entries continued in the loan account No. 6240063870 reflecting the book entries for interest and TDS etc.,. It is stated that since the amount was realized in respect of loan account No. 6240063870 and the balance became nil, the loan account was not transferred to Phoenix ARC Private Limited.

45. The Petitioner has also explained the appropriation of proceeds from sale of secured assets in the same clarificatory memo dated 23.07.2026. It is stated that the securities were released and 'No Objection Certificate' was given by the lender on the understanding that upon sale of securities, the sale consideration would be used as payment towards the outstanding dues of the Corporate Debtors in accordance with Clause 2.17(b) of the loan agreement and accordingly, monies were apportioned as under.

i. **Regarding sale of land for Rs. 6.15 Crores** – the proceeds to the tune of Rs. 6.158 Crores has been appropriated towards Principal as under:

Date	Amount (INR)	Loan Account No.	Towards	Page No
05.02.2018	6,15,00,000.00	6240041381	Principal	16

ii. **Regarding sale of land for Rs. 6 Crores** – the proceeds to the tune of Rs. 6,04,28,800/- received from the Respondents has been apportioned as follows: -

a. **Towards dues of VPPL**

Date	Amount (INR)	Loan Account No.	Towards	Page No
29.09.2018	1,04,22,119	6240041370	Interest	12
29.10.2018	2,53,41,097		Principal	
30.10.2018	46,58,903		Principal	
TOTAL	4,04,22,119			

b. **Towards dues of VRPL**

Date	Amount (INR)	Loan Account No.	Towards	Page No
29.09.2018	78,54,134	6240041381	Interest	16
29.10.2018	82,64,454		Principal	
29.10.2018	38,88,093		Principal	
TOTAL	2,00,06,681			

iii. **Regarding the sale of land to the tune of Rs. 60 Crores to Kauvery**

The breakup of the sale proceeds received form the Kauvery Transaction is as under:

Particulars	Amounts	Remarks
Total Inflows netting of 1% TDS	59,40,00,000.00	Total Sale value - Rs 60 Cr
Less:	5,56,81,799.00	Towards refund to Third Party Customers (as mentioned in para iii.b below)
	1,06,20,000.00	Towards payment to Jones Lang LaSalle Property Consultants (India) Pvt. Ltd. On behalf of Corporate Debtor. (as mentioned in para iii.c below)
	40,59,42,927.55	Towards Principal and Interest of VRPL (as mentioned in para iii.d below)
	9,80,37,863.00	Towards Principal and Interest of VPPL (as mentioned in para iii.e below)
	2,37,17,409.55	Transferred to Phoenix and credited to VPPL towards interest (as mentioned in para iii.f below)
Balance	NIL	

a. **<u>Total Amount Received from Kauvery</u>** 59,40,00,000.00 after deducting TDS

b. **<u>Refund towards existing customers:</u>** From and out of the first tranche payment, a sum of Rs. 5,56,81,799 was remitted to third party customers as per Clause 9 E of the Term Sheet dated 05.03.2021 (**Refer Memo SR No. 5160 0f 2025**). This amount was remitted as under:

<u>Amount</u>	<u>Customer Name</u>	<u>Mode of Payment</u>
3,00,000	Gopinath Eswaran	UTR -104227612964
30,00,000	T. Sukruth Kumar	UTR - HDFCR52021042289067108
35,65,639	Suryakala	Demand Draft
44,86,160	Nayani Amaluru	Demand Draft
25,00,000	Arjun S	Demand Draft
25,00,000	A. Arumugam	Demand Draft
37,00,000	Arun S	Demand Draft
3,56,30,000	Ashok Kumar Sachdev	Demand Draft
5,56,81,799	TOTAL	

c. **<u>Amount paid to Jones Lang LaSalle Property Consultants (India) Pvt –</u>** At the request of the Corporate Debtor, a sum of Rs. 1,06,20,000 was paid to Jones Lang LaSalle Property Consultants (India) Pvt. Ltd. for advisory Services on behalf of the Corporate Debtors, from and out of the sale consideration.

d. **<u>Towards dues of VRPL – Loan Account No. 6240063870</u>**

Date	**Amount (INR)**	**Towards**	**Remarks**	**Page No**
09.04.2021	1,30,59,580	Principal		23
09.04.2021	51,24,210	Interest	Amount is including TDS. Actual adjustment is INR 4611789	24
09.04.2021	42,09,455	Interest	Amount is including TDS. Actual adjustment is INR 3788509	24
09.04.2021	1,30,59,583	Principal		24
01.07.2021	3,58,30,87,39.55	Principal		24
01.07.2021	1,11,83,356	Interest		24
01.07.2021	19,31,371	Interest		24
TOTAL	40,59,42,927.55			

e. Towards dues of VPPL – Loan Account No. 6240063869

Date	Amount (INR)	Towards	Remarks	Page No
09.04.2021	43,83,446	Interest	Amount is including TDS. Actual appropriation is INR 39,45,101	20
09.04.2021	43,14,098	Interest	Amount is including TDS. Actual appropriation is 38,82,688	20
01.07.2021	7,25,77,103	Principal		20
01.07.2021	1,19,99,430	Interest		20
15.07.2021	56,33,541	Principal		20
TOTAL	9,80,37,863			

f. Towards dues of VPPL – Loan Account No. 1269-10697-TL-869 – Upon reconciliation, a sum of INR 2,37,17,409.55 was found to be laying to the credit of L&T's account, hence it was transferred to Phoenix on 28.03.2023 and this was duly given credit to in the account of the Corporate Debtors.

Date	Amount (INR)	Towards	Remarks	Page No
28.03.2023	2,37,17,409.55	Interest	Amount Transferred from L&T to Phoenix.	25

Note: Page Nos. referred above are of the clarificatory memo filed by the Petitioners on 16.07.2026.

46. From the clarifications filed vide memo dated 16.07.2026 and 23.07.2026, it became clear that the loan advanced to the Corporate Debtor Virgo Properties Private Limited had not been fully discharged. Since the amounts transferred to the Corporate Debtor Virgo Realtors Private Limited was satisfied, so its loan account was closed before assigning the debts to Phoenix ARC Private Limited by L&T Finance Limited. It is pertinent to mention that loan was granted through a single loan agreement dated 23.06.2017 to the Corporate Debtors Virgo Realtors Private Limited (Borrower) and Virgo Properties Private Limited (Co-Borrower) and as per the loan agreement, the liability of the Borrower and Co-Borrower is joint and several, so even closing of the account of Virgo Realtors Private Limited towards the loan agreement would not absolve the Corporate Debtor Virgo Realtors Private Limited from its liability being joint and several with the Co-Borrower Virgo Properties Private Limited until the loan is fully discharged which as per the statements placed on record is still subsisting. The clarificatory memos filed by the Petitioner have also answered the queries raised by the Corporate Debtors regarding adjustment of receipts against sales of properties and transfer of an amount of Rs. 2,37,17,410/- etc.,.

47. The Respondent / Corporate Debtors have also filed a common memo of clarifications vide dated 16.07.2026 placing on record the audited financial statements / balance sheets since the financial year 2019 till 2023. Under the head of 'Borrowing Analysis' at page 169 of the clarificatory memo in respect of the Corporate Debtor Virgo Properties Private Limited, it is stated that ***the outstanding balance of L&T Finance Limited as per the books of accounts was unable to reconcile since the statement of accounts was not received from L&T till date. The dispute has been referred to the Arbitrator in OP (Commercial No. 4 of 2022). Therefore, it is a disputed liability raised by the sole Arbitral Tribunal.*** The audited financials placed by the Respondents do not support the claim of the Corporate Debtors that the loan towards the loan agreement has been fully discharged by the Corporate Debtors. Rather, the statements support the case of the Petitioner towards the pending liabilities of the Corporate Debtors to repay being joint and several.

48. It is also pertinent to mention that during the pendency of the petition, an OTS proposal was given by the Corporate Debtors and Guarantors where the existence of the debt was not denied either by the Borrowers

or the Guarantors. In fact, the Borrowers had made offers seeking one time settlement towards the outstanding debt due vide offer letters dated 07.12.2023, 08.03.2024 and 27.06.2024 offering Rs. 3.50 Crores as full and final settlement which offers were not accepted by the Petitioner. The above offers clearly negate the stand of the Corporate Debtors that there was no proper assignment of debt in favour of Phoenix ARC Private Limited. Rather they recognized the assignment in favour of Phoenix ARC Private Limited and thereafter gave the OTS which Phoenix ARC Private Limited did not accept.

49. As regards initiation of arbitral proceedings, the same can run parallelly. Initiation of arbitral proceedings would not bar the Petitioner from initiating insolvency proceedings against the Corporate Debtors under Section 7 of IBC.

50. In the instant case, as evident from the statement of accounts, there was a debt more than Rs. 1.0 Crore and there was a default in repayment of debt. The petitions are well within the period of limitation. The Petitioners have also filed the record of default issued by NeSL showing the debt and the default.

51. It has been ruled by the Hon'ble NCLAT in *Vipul Himlatal Shah vs. Teco Industries in Company Appeal (AT) (Insolvency) No. 470 of 2022 [(2022) ibclaw.in 379 NCLAT,* that the report of information utility (NeSL) is sufficient evidence to arrive at the conclusion qua the amount of debt and default. Para 16 of the order reads as under:

> *"16. In the light of the detailed discussion as above, it is clear that in case the record of Information Utility shows that there is a debt which is in default, the Adjudicating Authority or the Appellate Authority are not required to further examine the record maintained by the Information Utility, moreso when the record of the Information Utility is deemed authenticated and no dispute or refutation of said record has been done by the corporate debtor earlier. We also note that in the judgment of Rushabh Civil Contractors Pvt. Ltd. vs. Centrio Lifespaces Ltd. (supra), which has been cited by the Learned Counsel for Appellant, the record that formed the basis for financial debt and default was found to be forged and fabricated, which is not the case in the present appeal. Therefore, this judgment does not come to the rescue of the Appellant."*

52. The Hon'ble Supreme Court in the case of *Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407* has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount exceeds

rupees one crore, this Tribunal is required to initiate a Corporate Insolvency Resolution Process as against the Corporate Debtor.

53. For the foregoing discussions, **we admit the petitions filed under Section 7 of IBC against the Corporate Debtors Virgo Realtors Private Limited CP(IB)/71(CHE)/2022 and Virgo Properties Private Limited CP(IB)/28(CHE)/2022 and initiate Corporate Insolvency Resolution Process against both the Corporate Debtors**.

54. In the present case, the Petitioner / Financial Creditor has proposed the name of Ms. Renuka Devi Rangaswamy with IP Registration No. IBBI/IPA-001/IP-P01862/2019-2020/12871 and email ID: jrassociatesbe@gmail.com as the Interim Resolution Professional (IRP). She has also given her consent to act as the IRP. Her AFA is valid till 30.06.2027. **We therefore appoint Ms. Renuka Devi Rangaswamy as the IRP to conduct the CIRP of the Corporate Debtors (individually)**. The proposed IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtors. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file her report within 20 days before this Bench. The

powers of the Board of Directors of the Corporate Debtors shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtors in terms of the provisions of IBC, 2016.

55. The Financial Creditor is directed to pay a sum of **Rs. 3,00,000/-** ***(Rupees Three Lakhs Only)*** each to the Interim Resolution Professional of the Corporate Debtors to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

56. As a consequence of the petitions being **admitted** in terms of Section 7 of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtors:

a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;

c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

57. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtors and manage the operations of such Corporate Debtors as going concerns, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtors have not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.

58. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

59. Based on the above terms, both the petitions **CP(IB)/71(CHE)/2022** & **CP(IB)/28(CHE)/2022** stand **admitted** in terms of Section 7 (5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Petitioner as well as to the Corporate Debtors above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also

communicate the initiation of the CIRP in relation to the Corporate Debtors Virgo Properties Private Limited and Virgo Realtors Private Limited to the Registrar of Companies.

Sd/-	**Sd/-**
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)