



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **04.11.2025** THROUGH VIDEO CONFERENCING

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

IN THE MATTER OF : Reliance Value Services Pvt Ltd
Vs
Veas Properties Ltd

MAIN PETITION NUMBER : CP(IB)/127(CHE)/2025

(IA/MA) APPLICATION NUMBERS

IA(IBC)/1557/CHE/2025

ORDER

Present: Ld. Counsel Shri. Gowthaman for the Applicant / RP.

Ld. Counsel Shri. Sanjay for the Corporate Debtor.

None for the Petitioner / Financial Creditor.

Vide separate order pronounced in Open Court, application is **allowed**.

The petition is **dismissed** as withdrawn.

File be consigned to records.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 04.11.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



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

In the matter of M/s. Veesh Properties Limited

IA/IBC/1557/2025

In

CP/IB/127/2025

*(filed under Section 12 A of the Insolvency and Bankruptcy Code, 2016 along with
Regulation 30A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations
2016)*

Di Max Restructuring Private Limited,

(Through Authorised Signatory Mr. Ashish Vyas)

Interim Resolution Professional of Veesh Properties Limited

IBBI/IPE-0172/ IPA-3/2024 – 2025/50087

B-1A Viceroy Court CHS, Thakur Village,

Kandivali East, Mumbai,

Maharashtra- 400101

Order pronounced on 04th November, 2025

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Present:

For IRP

: Ld. Counsel N.P. Vijaykumar

For Financial Creditors

: Ld. Counsel Rohan Rajasekhar

For erstwhile promoters

: Ld. Senior Counsel R. Parthasarathy
along with Ld. Counsel Vishnu
Mohan



ORDER

(Heard through Hybrid mode)

1. This Application IA 1557 of CHE 2025 has been filed seeking following reliefs:

(a) To pass an order allowing the IA 1557 of 2025 along with accompanying Form FA filed by the Financial Creditor under Regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for withdrawal of the Company Petition bearing CP(IB)/127(CHE)/2025 filed u/s. 7 of IBC, 2016 in lieu of the settlement arrived at between the Financial Creditor and Suspended Director along with the Equity Shareholders of the Corporate Debtor;

(b) To pass an order relieving Veas Properties Limited (formerly known as KGS Developers Limited) having CIN: U31909TN1974PLC006798 from the rigours of Corporate Insolvency Resolution Process (CIRP) proceedings and _ its pursuant processes, which was initiated vide Admission Order dated September 03, 2025 in CP(IB)/127(CHE)/2025.

(c) To pass an order thereby terminating the CIRP of the Corporate Debtor and discharging the IRP i.e. M/s. DiMax Restructuring Private Limited, having IBBI Regn. No.: IBBI/IPE-0172/1IPA-3/2024-2025/50087 from the duty of Interim Resolution Professional of the Corporate Debtor;

(d) To pass any such other or further order(s), as may be deemed fit and in the interest of justice and equity.

BRIEF FACTS

2. This Application has been filed by the Interim Resolution Professional of Veas Properties Ltd,(formerly known as KGS Developers Ltd) the Corporate Debtor , under section 12A of Insolvency Bankruptcy



Code 2016 (IBC) seeking permission to withdraw the Company Petition No. **CP(IB)/1127(CHE)/2025** whereby the Corporate Debtor was admitted into (Corporate Insolvency Resolution Process) CIRP on 03rd September 2025.

3. It is stated that the applicant made the public announcement in Form A on September 6, 2025 in one English paper and Tamil paper, wherein last date for submission of the claim was mentioned as September 17, 2025.

4. Claims were received based on the publications made by the IRP. Details with breakup are given below:

i) Details of the total claims received are as under:

Rs. in crore

SL No	Category of creditors	Claims Received No	Claims Received Amount	Claims Admitted No	Claims Admitted Amount
1	Secured Financial Creditor	1	34.49	1	34.41
2	OC Govt dues	1	1.42	-	-
3	Other Creditors	3	15.67	1	14.07
	Total	5	51.58	2	48.48

ii) Details of secured financial creditors:



Rs. in crore

SL No	Name of creditor	Amount claimed	Amount admitted	% of voting share in CoC
1	Reliance Value services Pvt Ltd	34.49	34.41	100%

iii) Details of Operational creditors (Govt)

Rs. in crore

SL No	Name of creditor	Amount claimed	Amount admitted	Reason
1	Principal Commissioner Income Tax	1.42	0	Amount under verification

iv) Details of other creditors:

SL No	Name of Creditor	Amount of claim	Action taken
1	Reliance Value Services Ltd	Amount claimed Rs.15.67 crore Amount provisionally admitted Rs. 14.07 crore	
2	Casagrand Exotica Private Ltd	Claim admitted nil	Claim with reference to MOU.



			Amt not mentioned in claim form
3	Kgeyes Nelsun Arges Developers	Claim admitted nil	Claim submitted with JDA for Rs.50 crore

5. It is stated that the applicant received the signed Form FA from the financial creditor along with Settlement agreement for filing application under section 12A of IBC 2016. Form FA dated 22.09.2025 filed by the financial creditor is as under:

FORM FA
APPLICATION FOR WITHDRAWAL OF CORPORATE INSOLVENCY RESOLUTION PROCESS
[Under Regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]

22.09.2025

To
The Adjudicating Authority
National Company Law Tribunal
Chennai Bench – I

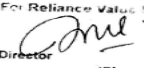
Through
DiMax Restructuring Private Limited
Interim Resolution Professional
B-1A Viceroy Court CHS,
Thakur Village, Kandivali (East),
Mumbai Suburban, Maharashtra - 400101
Email id: info@dimax.in

Subject: Withdrawal of Application admitted for corporate insolvency resolution process of M/s. Veas Properties Limited (formerly known as KGS Developers Limited)



I, M/s. Reliance Value Services Private Limited had filed an application bearing CP(IB)/127(CHE)/2025 on 07.05.2025 before the Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016. The said application was admitted by the Adjudicating Authority vide order dated 03.09.2025 passed in CP(IB)/127(CHE)/2025.

2. I hereby withdraw the application bearing CP(IB)/127(CHE)/2025 filed by me before the Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016.

3. I hereby state that the CIRP cost and the fees of the IRP have been paid in accordance with sub – regulation (2) of IBBI (CIRP) Regulations, 2016.

For Reliance Value Services Private Limited

Director
(Signature of the applicant)

Date: 22.09.2025
Place: Mumbai

6. Salient features of Settlement Agreement dated 23rd September 2025



a) Agreement was entered into between:

- i) Reliance Value Services Private Limited called First Party or Financial creditor.
- ii) Veas Properties Limited (erstwhile KGS Developers Ltd) called Second Party or Corporate Debtor.
- iii) The six equity shareholders collectively holding 100% equity shares of the Veas Properties Limited.

b) Settlement amount agreed is Rs. 48,48,19,180/- . It will be paid in following terms:

- i) Rs.3 crore payable on or before execution of the agreement.
- ii) Balance amount of Rs.45,48,19,180 will be paid by Corporate Debtor by way of Post-dated cheques as under:

SL NO	Date	Bank	Cheque No	Amount Rs.
1	15.12.25	BOB Chn 28	000071	10,00,00,000
2	15.12.25	BOB Chn 28	000072	10,00,00,000
3	15.12.25	BOB Chn 28	000073	10,00,00,000
4	15.12.25	BOB Chn 28	000074	10,00,00,000
5	15.12.25	BOB Chn 28	000075	5,48,19,180



Total	45,48,19,180
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iii) the promoters of Corporate Debtor agree and undertake to pledge in favour of financial creditor or its assignee ,100% of equity shares of the corporate debtor free from all encumbrances, as further security. (NOC obtained from legal heirs of Late. Shri. P.V. Sanmugam annexed along with the settlement agreement).

c) If the corporate debtor fails to honour its commitments or there is a material breach in the agreement, financial creditor shall be at liberty to revive and pursue the insolvency proceedings. The entire financial debt shall stand revived to its original position for the balance unpaid amount and the corporate debtor shall be liable to pay such amount together with interest at the rate of 18% per annum from the date of default until realization.

7. Updates / Clarifications:

7.1. During the proceedings dated 28.10.2025, certain clarifications were sought from the IRP. Ld. Counsel for the IRP stated that the petitioner is the sole financial creditor who had submitted the claim in that category as on date. The IRP has filed a memo vide SR No: 4568 dated 30.10.2025 giving the following clarifications:

1. Clarifications on payment of Rs.3. crore



- A) In compliance with the clause in settlement agreement , Mr. S. Venkatasubramanian, the suspended Director of the Corporate Debtor, issued a cheque bearing No. 011827 dated 23.09.2025 drawn on Union Bank of India for a sum of Rs.3.0 Crores in favour of the Financial Creditor.
- B) The Financial Creditor, vide its email communication dated 06.10.2025 addressed to the Resolution Professional, has confirmed receipt of the said sum of Rs.3.0 Crores, in accordance with Clause 6 of the Settlement Agreement.

2. Clarification on Inclusion of the Corporate Debtor as Party in the Settlement Agreement

It is stated that the Corporate Debtor has been shown as the Second Party in the Settlement Agreement only for the limited legal purpose of binding the company in the event of future default, thereby safeguarding the rights of the Financial Creditor to seek revival of CIRP or re-initiation under Section 7 of the IBC, if necessary. **No person has signed the Agreement in the capacity of Director or Promoter on behalf of the Corporate Debtor. All signatories have executed the Agreement in their individual capacity, standing as personal guarantors / contributors for payment of the settlement amount on behalf of the Corporate Debtor.** The inclusion of the Corporate Debtor's name is therefore merely declaratory and protective and does not



amount to the exercise of management or control over the affairs of the Corporate Debtor, which continue to remain vested with the Resolution Professional, as on date, in accordance with Section 17(1)(b) of the IBC, 2016. (The copy of the email communication dated 30.10.2025 received from the Financial Creditor to the Applicant / IRP is enclosed as Annexure-2).

3. Clarification on issue of post-dated cheques.

i) It is stated that, pursuant to the execution of the Settlement Agreement, the suspended Directors of the Corporate Debtor initially issued post-dated cheques in the name of the Corporate Debtor under the impression that, by the time those cheques are presented for payment, the Corporate Debtor would be released from the CIRP pursuant to the withdrawal application under Section 12A.

ii) Upon being apprised that the bank accounts of the Corporate Debtor cannot be operated without the authorization of the Interim Resolution Professional, as mandated under Section 17(1)(d) of the Code, the suspended Directors withdrew and cancelled those cheques. (The copy of the email communication dated 30.10.2025 received from the Corporate Debtor to the Applicant /IRP is enclosed herewith as Annéxure-3). Thereafter, to ensure compliance with the provisions of the Code and to demonstrate their bona fide intention to honour the settlement,



the suspended Directors have personally issued post-dated cheques in their individual capacity in favour of the Financial Creditor, details of which are as under:

SL. NO.	DRAWER NAME	BANK & CHEQUE No.	DATE	AMOUNT
1	S Venkatasubramanian	Union Bank of India 011631	15.12.2025	10,00,00,000/-
2	S Venkatasubramanian	Union Bank of India 011632	15.12.2025	10,00,00,000/-
3	S Venkatasubramanian	Union Bank of India 011633	15.12.2025	10,00,00,000/-
4	S Venkatasubramanian	Union Bank of India 011634	15.01.2026	10,00,00,000/-
5	S Venkatasubramanian	Union Bank of India 011635	15.01.2026	5,48,19,180/-
TOTAL				45,48,19,180/-

8. It is stated that this application is filed by the applicant under Section 12A read with Regulation 30A of IBBI Regulations 2016 praying that the tribunal may allow the application by inter-alia allowing withdrawal of Corporate Debtor from CIRP proceedings pursuant to withdrawal of CP 127 of 2025.

ANALYSIS



9. In the present case, Form FA has been submitted by the financial creditor who filed the petition, before the Committee of Creditors was formed.

10. Legal provisions in respect of withdrawal:

10.1). Sec 12A Withdrawal of application admitted under section 7, 9 or 10.

¹[12A. Withdrawal of application admitted under section 7, 9 or 10.—The Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with the approval of ninety per cent. voting share of the committee of creditors, in such manner as may be specified.]

10.2) Regulation 30A Withdrawal of application

(1) An application for withdrawal under section 12A may be made to the Adjudicating Authority –

(a) before the constitution of the committee, by the applicant through the interim resolution professional;

(b) after the constitution of the committee, by the applicant through the interim resolution professional or the resolution professional, as the case may be:

Provided that where the application is made under clause (b) after the issue of invitation for expression of interest under regulation



36A, the applicant shall state the reasons justifying withdrawal after issue of such invitation.

(2) The application under sub-regulation (1) shall be made in Form FA of the Schedule I accompanied by a bank guarantee-

(a) towards estimated expenses incurred on or by the interim resolution professional for purposes of regulation 33, till the date of filing of the application under clause (a) of sub-regulation (1); or

(b) towards estimated expenses incurred for purposes of clauses (aa), (ab), (c) and (d) of regulation 31, till the date of filing of the application under clause (b) of sub-regulation (1).

(3) Where an application for withdrawal is under clause (a) of sub-regulation (1), the interim resolution professional shall submit the application to the Adjudicating Authority on behalf of the applicant, within three days of its receipt.

(4) Where an application for withdrawal is under clause (b) of sub-regulation (1), the committee shall consider the application, within seven days of its receipt.

(5) Where the application referred to in sub-regulation (4) is approved by the committee with ninety percent voting share, the resolution professional shall submit such application along with the approval of the committee, to the Adjudicating Authority on behalf of the applicant, within three days of such approval.



(6) *The Adjudicating Authority may, by order, approve the application submitted under sub-regulation (3) or (5).*

(7) *Where the application is approved under sub-regulation (6), the applicant shall deposit an amount, towards the actual expenses incurred for the purposes referred to in clause (a) or clause (b) of sub-regulation (2) till the date of approval by the Adjudicating Authority, as determined by the interim resolution professional or resolution professional, as the case may be, within three days of such approval, in the bank account of the corporate debtor, failing which the bank guarantee received under sub-regulation (2) shall be invoked, without prejudice to any other action permissible against the applicant under the Code.*

10.3) Hon'ble Supreme Court in **Glas Trust Company LLC Vs BYJU Raveendran & Ors** in *Civil Appeal No 9986 of 2024* has comprehensively discussed about withdrawal of CIRP application in various situations. The relevant paras are reproduced below:

63. In essence, after a series of deliberations by the legislature, the executive and nudges by this Court, the framework created by Rule 8 of the NCLT Rules and Section 12A of the IBC read with Rule 30A of the CIRP Regulations lays down an exhaustive procedure for the withdrawal of an application filed by creditors under Sections 7, 9, or 10 of the IBC. Withdrawal may be sought at four stages, all of which have a procedure prescribed under the existing framework.

These may be summarized as follows:



- i). *Before the application under Sections 7, 9 or 10 is admitted by the NCLT.*
- ii) *After an application under Sections 7, 9, or 10 is admitted, but before the CoC has been constituted.*
- iii) *After an application under Section 7, 9 or 10 is admitted, the CoC has been constituted and the invitation for expression of interest has not been issued.*
- iv) *After an application under Section 7, 9 or 10 is admitted, the CoC has been formed and the invitation for expression of interest has been issued.*

“82. It is clear that once the Code gets triggered by admission of a creditor’s petition under Sections 7 to 9, the proceeding that is before the adjudicating authority, being a collective proceeding, is a proceeding in rem. Being a proceeding in rem, it is necessary that the body which is to oversee the resolution process must be consulted before any individual corporate debtor is allowed to settle its claim. A question arises as to what is to happen before a Committee of Creditors is constituted (as per the timelines that are specified, a Committee of Creditors can be appointed at any time within 30 days from the date of appointment of the interim resolution professional). We make it clear that at any stage where the Committee of Creditors is not yet constituted, a party can approach NCLT directly, which Tribunal may, in



exercise of its inherent powers under Rule 11 of NCLT Rules, 2016, allow or disallow an application for withdrawal or settlement. This will be decided after hearing all the parties concerned and considering all relevant factors on the facts of each case.

11. The Present case falls in the above mentioned situation *i.e.* after an application under Sections 7, 9, or 10 is admitted, but before the CoC has been constituted. The relevant portion of the above judgement is reproduced as under:

Although Section 12A continues to be silent on this aspect, after the decision in Swiss Ribbons (supra), Regulation 30A was amended to provide for this eventuality. An application for withdrawal in such cases may be made by the applicant through the IRP. The IRP will then place the application before the NCLT, which may pass an order either approving or rejecting the application. As noted above, once the application has been admitted, the proceedings are no longer the sole preserve of the applicant creditor and the corporate debtor. They are now in rem and at this stage, the NCLT must hear the concerned parties and consider all relevant factors before approving or rejecting the application for withdrawal. The NCLT being a quasi-judicial body, must not act as a mere post office, which stamps and approves every settlement agreement, without application of judicial mind.



12. Rule 11 of NCLT Rules 2016 deals about inherent powers of NCLT as under:

11. Inherent Powers.- Nothing in these rules shall be deemed to limit or otherwise affect the inherent powers of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal.

13. Hon'ble NCLAT in **ICICI Prudential Asset Management Company Ltd. Vs. Anand Divine Developers Pvt. Ltd.** in *Company Appeal (AT) (INS) No. 703 of 2022* discussed the use of inherent power by tribunals:

Invocation of an 'Inherent Power':

32. To be noted, that an 'Inherent Power', is to be pressed into service by a 'Tribunal' / 'an Appellate Tribunal' based on the well settled proposition of 'Law' that an 'Act of Tribunal' / 'Court of Law', shall cause any 'prejudice', hardship, inconvenience to an 'Homo-sapien' in the considered opinion of this 'Tribunal'. In aid of delivering justice to the Stakeholders, an 'Inherent Power' can be exercised by a 'Tribunal'. An inherent powers' breadth is co-extensive with the necessity.

14. In the present case based on legal provisions in the Code, Regulations and jurisprudence available, after hearing the parties and going through the representations the following facts and law emerge:

i) CoC has not been formed, before filing of withdrawal application.



- ii) Even if CoC is to be formed, the petitioner will be the sole CoC member.
- iii) As per law, NCLT can consider withdrawal of CIRP Application, before formation of CoC, after hearing all the concerned parties.
- iv) No objections have been received from the other parties for withdrawal.
- v) In the FA submitted by the financial creditor, it is stated that CIRP cost and IRP fees have been paid in accordance with the regulations.

CONCLUSION

15. Based on the above analysis, after hearing the stakeholders and based on the assurance given by erstwhile promoters of Corporate Debtor, the tribunal by using its *inherent powers under Rule 11 of NCLT Rules 2016*, *allow* the present Application IA(IBC)1557/CHE/2025. In the circumstances, CP(IB)/127(CHE)/2025 stands **withdrawn**. Consequently, the CIRP initiated against the Corporate Debtor *Veas Properties Limited (formerly known as KGS Developers Limited) having CIN: U31909TN1974PLC006798* stands withdrawn.

16. The Applicant is directed to hand over the management to the Board of Directors, whose powers stood suspended by virtue of the initiation of the CIRP by this Tribunal while admitting the Petition in CP(IB)/127(CHE)/2025 vide Order dated 03rd September 2025. The Corporate Debtor is released from all rigours of the IBC, 2016. The



Applicant is discharged from all his responsibilities. The Corporate Debtor shall operate through its own Board.

17. Accordingly, **IA(IBC)1557/CHE/2025** stands **allowed**. The main Company Petition viz., **CP(IB)/127(CHE)/2025** stands **dismissed as withdrawn**. File be consigned to records.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)