

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU

(Through Web-based Video Conferencing platform)

CP No.14/BB/2022

U/s 213 & 221 of Companies Act, 2013
R/w Rules 11, 74 of NCLT Rules, 2016

IN THE MATTER OF:

1. Tahera Iqbal

W/o Mr. Mahmood Iqbal
R/o B2, Regency Splendour, 25, Hall Road,
Richards Town, Bengaluru – 560 005.

2. Harshan Goodwin Hector

S/o Mr. Hector Rozaario
R/o Flat No.102, Prestige Melbrook,
23/24 D'Costa Layout, 1st Cross, Cooke Town,
Bengaluru – 560 084.

3. Shailendra Ravi

S/o Mr. Satyanarayana Ravi
R/o H-1003, Tower 6, Adarsh Palm Retreat,
Devarabisanahalli, ORR Bengaluru,
Karnataka – 560 106.

4. Deepa Narasimha Nayak

W/o Ganesh Rajshekhar
R/o No.206, Y.D. Sai Grand Apartment,
8th Main, Hoysalanagar, TC Palya,
Main Road, Ramamurthynagar,
Bengaluru – 560 016.

5. Meghana T.V.

W/o Mr. Shashidhar U.G.
R/o No.6, Anugraha Nilaya,
Behind Maramma Temple, Virupakshapura,
Near Kodigehalli Railway Gate,
Bengaluru – 560 097.

6. Ramesha A.V.

S/o Mr. Visvewaraiah A.G.
R/o No.14/6, 2nd Main Road, Marenhalli,
Vijaynagar, Bengaluru – 560 040.

7. M.N. Vijai

S/o Mr. Nagendra Rao
R/o 188, 18th Cross Road, R.T. Nagar,
1st Block, Bengaluru – 560 032.

- Petitioners

Versus

1. M/s. Vikram Structures Pvt. Ltd.

Regd. Off: No.22, 5th 'A' Main Road,
Near Baptist Hospital,
Bengaluru – 560 024.

Also at: 194, Sankey Main Road, Armane Nagar,
Near Sterling Sankey Court,
Sadashiva Nagar, Bengaluru – 560 080. - (R-1)

2. Mr. Vikram Prabhakar (DIN: 02086814)

S/o. Late Prabhakar B.L.
No.655/6, 7th Cross, Bandappa Street,
Yeshwanthpur, Bangalore-560 022. - (R-2)

3. Mr. Manjunath Ravindra (DIN: 2320922)

S/o. Late Ravindra S.
No.652/9, Manjunath Nilaya,
2nd Main Road, 1st Cross, B.K. Nagar,
Yeshwanthpura, Bangalore-560 022. - (R-3)

4. Ms. Aishwarya Gummareddy Byrareddy

Former Director (DIN: 02133934)
No.655/6, 7th Cross, Bandappa Street,
Yeshwanthpur, Bangalore-560 022. - (R-4)

5. Mr. Bagalagunte Munikondappa Sreenivasa

Former Additional Director (DIN: 07750348)
Regd. Office: No.22, 5th A Main Road,
Near Baptist Hospital, Bangalore-560 024.

Also at: 194, Sankey Main Road, Armane Nagar,
Near Sterling Sankey Court,
Sadashiva Nagar, Bengaluru – 560 080. - (R-5)

6. Mr. Chinappa Nagara

Former Additional Director (DIN: 07801211)
Regd. Office: No.22, 5th A Main Road,
Near Baptist Hospital, Bangalore-560 024.

Also at: 194, Sankey Main Road, Armane Nagar,
Near Sterling Sankey Court,
Sadashiva Nagar, Bengaluru – 560 080. - (R-6)

7. Meenakshi Chandrashekhar

Former Additional Director (DIN: 07801039)
Regd. Office: No.22, 5th A Main Road,
Near Baptist Hospital,
Bangalore-560 024.

Also at: 194, Sankey Main Road, Armane Nagar,
Near Sterling Sankey Court,
Sadashiva Nagar,
Bengaluru – 560 080. - (R-7)

8. B.H. Narayanaswamy

S/o. Late Sri Hanumegowda
R/o No.566, 7th 'A' Main, A Sector,
Yelahanka, Bengaluru-560 064. - (R-8)

9. Smt. Rukminiyanuna

W/o. Sri B.H. Narayanaswamy
R/o No.566, 7th A Main, A Sector,
Yelahanka, Bengaluru-560 064.

- (R-9)

10. Mr. B.N. Praveen

S/o B.H. Narayanaswamy
R/o No.566, 7th A Main, A Sector,
Yelahanka, Bengaluru-560 064.

- (R-10)

11. Mr. B.N. Rakesh

S/o B.H. Narayanaswamy
R/o No.566, 7th A Main, A Sector,
Yelahanka, Bengaluru-560 064.

- (R-11)

12. M/s. Bloom Fields Hospitality (India) LLP

Regd. Office at: No.24/25, 2nd Floor, 2nd Cross,
Rajashree, Journalist Colony,
Bangalore-560 080.

- (R-12)

13. M/s. VSPL Projects Private Limited

Regd. Office at: 2nd Floor, No.22,
5th A Main Road, Bangalore-560 024.

- (R-13)

14. M/s. Ramsons Vikram Private Limited

Regd. Office at: 004-1, Ground Floor,
Pride Hulkul No.116, Lalbagh Road,
Bangalore-560 027.

- (R-14)

15. M/s. Sunlog Services Private Limited

Regd. Office at: 2nd Floor, No.34,
Block 3, Nellakunte, Bangalore-562 157.

- (R-15)

16. M/s. Innovent Spaces Private Limited

Regd. Office at: Ground Floor,
Career Net Campus, Plot No.53,
Kariyammana Agrahara Road,
(Next to Intel Junction Flyover),
Devarabisanahalli, Outer Ring Road,
Bengaluru-560 103.

- (R-16)

17. M/s. Project Craft Solutions

No.22, 5th A Main, Hebbal,
Bengaluru-560 024.

- (R-17)

18. Registrar of Companies, Bangalore

'E' Wing, 2nd Floor, Kendriya Sadan,
Koramangala, Bengaluru-560 034.

- (R-18)

Order delivered on: 07th December, 2023

CORAM:

1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

PRESENT:

For the Petitioners : Shri Rakesh Kumar, Adv.
For the Respondent : Shri Arjun Rao, Adv. for R-1

ORDER

PER: BENCH

1. This Petition has been filed by Seven Petitioners on 06.12.2021 under Sections 213 and 221 of the Companies Act, 2013 r/w Rules 11 and 74 of the National Company Law Tribunal Rules, 2016 seeking a direction for investigation into the affairs of the Company, namely, **M/s. Vikram Structures Pvt. Ltd.** and those of the related parties.
2. Brief facts of the case as stated by the Petitioners are as under:
 - (1) On 29.09.2008 M/s. Vikram Structures Pvt. Ltd. was incorporated as a private company limited by shares by Mr. Vikram Prabhakar and his wife Mrs. Asihwarya Gummanreddy Byrareddy.
 - (2) During the year 2013, the Company entered into an arrangement with owners of a parcel of land measuring 41,702.873 Sq. ft. at Municipal Khatha No.71/650/B, Hebbal, Bengaluru – 560024 (hereinafter referred to as the 'said land') to develop a commercial building upon the same. Accordingly, on 11.09.2013 the Company on the one hand and the Owners of the Land i.e., Mr. B.N. Narayanaswamy, his wife Mrs. Rukminiyamma, his daughters Dr. B.N. Pavittara and his two sons namely Mr. B.N. Praveen and Mr. B.N. Rakesh (hereinafter collectively referred to as the "Owners") on the other executed a Joint Development Agreement, as per which the Company was to develop a commercial Building on the said land at its cost and expenses and in lieu thereof was to get 50% of the Built-up area of the Property with right to sell the same.
 - (3) In furtherance of the same, the Company developed the Property in the name of 'VSPL Pinnacle'. The Parties to the Agreement i.e., the Company and the Owners of the Land, to identify their respective shares in the building 'VSPL Pinnacle', executed a further Agreement in form of Supplementary Agreement dated 05.02.2015 whereby the Parties identified their respective shares in the Property in forms of total area available to them and their floor-wise locations. Accordingly, in terms of Schedule B & C of Supplementary Agreement dated 05.02.2015 the Company got an area of 82,216.30 sq. ft. in

its share and the Owners got the same area in their share. The said share is so distributed that each party i.e., the Owners of land and the Company got half of the share of the built-up area on the Ground Floor, 1st, 2nd and 11th Floors. In addition to that the Owners got the entire built-up area on the 3rd, 4th, 7th and 8th Floors and the Company got the entire area on 5th, 6th, 9th and 10th Floors. The Schedule demarcating the shares of the Owners and shares of the Company in 'VSPL Pinnacle' are produced hereunder as per Supplementary Agreement Schedule B & C.

Schedule – 'B'

50% Undivided share, right and income in Schedule 'A' Property and 82216.30 Sq. ft. of built up area allocated to the share of Owners as described below:

| Sl. No. | Floor | Super Built up Area in Sq. Ft. | Undivided Interest in Land allotted to the Flat (in Sq. ft.) |
|----------------|---|---------------------------------------|---|
| 1. | Ground Floor – Northern Portion | 6262.88 | 1589.24 |
| 2. | 1 st Floor – Southern Portion | 6224.45 | 1579.60 |
| 3. | 2 nd Floor – Northern Portion | 7427.87 | 1884.91 |
| 4. | Entire 3 rd Floor | 14855.00 | 3770.07 |
| 5. | Entire 4 th Floor | 14855.00 | 3770.07 |
| 6. | Entire 7 th Floor | 13014.00 | 3302.84 |
| 7. | Entire 8 th Floor | 13014.00 | 3302.84 |
| 8. | 11 th Floor – Southern Portion | 6507.23 | 1651.42 |
| | Total | 82216.30 | 20851.00 |

Schedule – 'C'

50% Undivided share, right and income in Schedule 'A' Property and 82216.30 Sq. ft. of built up area allocated to the share of Developer as described below:

| Sl. No. | Floor | Super Built up Area in Sq. Ft. | Undivided Interest in Land allotted to the Flat (in Sq. ft.) |
|----------------|---------------------------------------|---------------------------------------|---|
| 1. | Ground Floor – Southern Portion | 6262.88 | 1589.24 |
| 2. | 1 st Floor – Northern Side | 6224.45 | 1579.60 |
| 3. | 2 nd Floor – Southern Side | 7427.87 | 1884.91 |
| 4. | Entire 5 rd Floor | 14855.00 | 3770.07 |
| 5. | Entire 6 th Floor | 14855.00 | 3770.07 |
| 6. | Entire 9 th Floor | 13014.00 | 3302.84 |

| | | | |
|----|---|-----------------|-----------------|
| 7. | Entire 10 th Floor | 13014.00 | 3302.84 |
| 8. | 11 th Floor – Northern Portion | 6507.23 | 1651.42 |
| | Total | 82216.30 | 20851.00 |

Thus, according to the Agreement between the Company and the Owners of the Land, the Company has the right to sell a maximum area of 82,216.30 Sq. Ft. out of the entire built-up saleable area of 1,64,432.60 Sq. Ft.

- (4) It is stated that with start of the Project, the Company through its Directors Mr. Vikram Prabhakar and Mrs. Aishwarya G.B., Mr. Manjunath Ravindra and other Directors of the Company started allotting and selling the Property in the Project to different Buyers of Commercial Units available on the said Project. Accordingly, the Company through its Directors convinced many buyers including the Petitioners herein to purchase the commercial property in the said Project and entered into Agreements to Sell whereby the Company undertook to sell and, in most cases, sold various commercial units to the Buyers. The details of 164 Buyers and area and other details of the Units sold to them are given in tabular form at Pages 25 to 31 of the CP.
- (5) From the above, it is apparent that the Company and its Directors have sold total area of 2,43,037 Sq. Ft. in ‘VSPL Pinnacle’, whereas the total available area in the Project is only 1,64,432 Sq. Ft. out of which the Company has the right to sell only 82,216.30 Sq. Ft. Floor wise details of total area available to the Company and total area sold are provided below:

| Sl. No. | Floor No. | Total Area for Sale in Sq. Ft. | Total Sold Area in Sq. Ft. | Floor wise additional area sold |
|---------|----------------|--------------------------------|----------------------------|---------------------------------|
| 1. | Ground Floor | 6262.88 | 23426 | 17163.12 |
| 2. | First Floor | 6224.45 | 8770 | 2445.55 |
| 3. | Second Floor | 7427.87 | 32500 | 25072.13 |
| 4. | Fifth Floor | 14855.00 | 51725 | 36420.00 |
| 5. | Sixth Floor | 14855.00 | 49090 | 34235.00 |
| 6. | Ninth Floor | 13014.00 | 37584 | 4570.00 |
| 7. | Tenth Floor | 13014.00 | 14748 | 1734.00 |
| 8. | Eleventh Floor | 6507.23 | 25644 | 9136.77 |
| | Total | 82160.43 | 243487 | 130776.57 |

- (6) From the above it is apparent that the affairs of the Company have been conducted to commit fraud and cheating with the ignorant buyers. By making fraudulent sales of the Property, which is almost three times the

total area available for sale to the Company, the Company has collected a total sum of Rs.136,50,19,085/- (Rupees One Hundred Thirty-Six Crores Fifty Lakhs Nineteen Thousand and Eighty-Five Only) by executing 164 Sale Deeds or Agreement to Sell to different persons and collected the above-mentioned amount as sale consideration from them. In addition to the said amount the Company and its said Directors have collected huge amounts of money in cash also. In light of such conduct of affairs of the Company, there is urgent need to conduct enquiry into affairs of the Company and to freeze the assets of the Company, its Directors and the related Parties so that they do not conceal, dilute and divest the assets of the Company to make them unavailable for settlement of claims of the Creditors of the Company in terms of Section 221 of the Companies Act, 2013.

(7) Further, the Respondents have acted in concert so the ignorant buyers do not sense that they are being defrauded. To give their plan a realistic picture so cheating and defrauding of the buyers becomes easy and the buyers do not doubt genuineness of the claim of the Company, through its Directors namely Mr. Vikram Prabhakar, Mrs. Aishwarya G.B. and Mr. Manjunath Ravindra, the Owners of the land and R-16: M/s. Innovent Spaces Pvt. Ltd. entered Agreement for Lease dated 12.10.2018 wherein the former two Parties are undersigned as the Lessors and the latter is undersigned as the Lessee. The said Lease Agreement was signed for a period of 20 years with a lock in period of 5 years in which the Lessee had to agree to take on long term lease, the Ground Floor, the 1st, 2nd, 3rd, 4th, 5th and 6th Floor (office space) and 100 (one hundred) covered car parking spaces at Basement-1 and Basement-2, having total chargeable area of approximately 79,804 Sq. Ft. However, this exercise was done not to do real business but to merely to given an impression to Buyers that the Property which they are purchasing has fixed income for next 20 years.

(8) R-16 by executing an Agreement to Lease in respect of the Project building and also put its hoarding/signage on the premises of the Property has helped R-1 in creating an impression that they have already taken the property on lease and it has fixed income for next 20 years. The buyers having wrongful impression which was facilitated by the collusion of R1 i.e. M/s. Vikram Structures Pvt. Ltd., R2 i.e. Mr. Vikram Prabhakar, R3 i.e. Mr. Manjunath Ravindra, R4 i.e. Ms. Aishwarya Gummareddy Byrareddy, R16

i.e. M/s. Innovent Spaces Pvt. Ltd. and R17 i.e. M/s. Project Craft Solutions, invested money to purchase the units of different sizes in the said Project, whereas in reality the units sold to the Creditors were not in existence or were already sold. The said Respondents were well aware of the fact that the purpose of lease agreement and lease deeds being executed by them was not for carrying on any business but merely to defraud the buyers and to collect huge sums from them, and on account of the same no business operations were commenced in the Property and no terms of the Agreement is enforced.

- (9) Despite the Agreement to Lease not being acted upon, R16 has not taken any legal action against R1 and has not even removed its Company's holding / signage from the Property premises. From the conduct of R16, it is clear that there is collusion between the R1 to R4 and R16 as the said Lease Deed was signed even before proper construction had begun on the said Property and the R16 was aware of the purpose for which the said Lease Deed was being signed. The Agreement with R16 was merely to mislead the Petitioners into buying Units in the said Property.
- (10) Besides showing Lease Agreement with R-16, the Company made Petitioners and other Buyers enter into a Lease Deed for the Property purchased by the buyers with an entity, namely, M/s. Project Craft Solutions so to give a false hope of the Property having regular rental income. Such Lease Deeds were executed merely to give an impression that the investment in the Property is a good commercial decision of the Petitioner and other buyers therefore they should not hesitate in buying it.
- (11) Further it is stated that the Company has executed numerous bogus sale deeds without property in sale being in existence. The affairs of the Company have not been conducted to do real business but to commit fraud and misfeasance, so the money collected by fraudulently selling the properties are siphoned off from the accounts of the Company to its Directors and other entities including other Respondents herein. R2 to R4 collected huge amount by committing fraud upon the buyers by selling non-existent property by mentioning only area of the Units and the Floor where it is located and executed Agreement to Sale and Sale Deeds accordingly. Because of this, multiple sales of the same Property are committed and the said Respondents successfully sold more area than the area available in the Property. The

magnitude of fraud is that the money collected from buyers is more than Rs.200 Crores.

- (12) It is also stated that the affairs of the Company have not been conducted to do real estate business as mentioned in the Memorandum of Association but to collect huge amounts and thereafter to siphon them off. The Company and its Directors having malicious intention to cheat and defraud the purchasers have not only sold the area of 2,43,037 Sq. Ft. instead of 82,216.30 Sq. Ft. area available for sale, and collected money as stated supra. The money and assets of the Company have been so diverted that it is left with no funds to settle the claims of its Creditors, in case the liability is determined upon the Company.
- (13) Therefore, enquiry into affairs of the Company is required to be conducted to track funds diverted from the Company. The affairs of the Company have been conducted to defraud its Creditors / Buyers of the Units by conducting acts of forgery of the Sale Deed / Agreement to Sale. The Company, its Directors and connected persons have further committed offences u/s Section 447 of the Companies Act, 2013. The Directors of the Company have least regard for direction of the Court of Law which is apparent from the fact that the most of illegal sales and transactions have been done by them in violation of interim restraint order passed by the Ld. City Civil & Sessions Judge, Bengaluru in CS No.3101/2019 dt.27.04.2019.
- (14) It is stated that the shareholding of the Company has been consolidating and out of four Shareholders as per Annual Return of Year 2016-17, two shareholders have transferred their stake in the Company and it has been consolidated to Mr. Vikram Prabhakar. The Directors realizing the threat of legal action have resigned in the year 2017 and 2018. Mrs. Aishwarya Gummareddy Byrareddy, who is the wife of Mr. Vikram Prabhakar, who has been similarly complacent in perpetration of crime has already divested her entire shareholding in the Company and has resigned from Directorship of the Company. Now, the shareholding and directorship of the Company are with Mr. Vikram Prabhakar and his cousin Mr. Manjunatha Ravindra.
- (15) Furthermore, R-1 has executed multiple Sale Deeds in respect of the same Property and to conceal its fraud therein, it has mentioned only size of the Unit and the Floor so such fraud is not detected by the Allottees, by looking into the thing in isolation in the application filed by a group of buyers u/s 7

of the Code seeking initiation of CIRP against the Corporate Debtor. The said application bearing CP (IB) No.54/BB/2021 is pending adjudication before this Bench. Therefore, Petitioners seek an investigation into the affairs of the Company and to freeze the assets of the Company and its connected persons. Hence, the present Petition.

(16) In support of their submissions, Petitioners inter alia have filed the following documents:

- i. *Balance Sheets for the Financial Years 2016-17, 2017-18, 2018-19 of Respondent No.1*
- ii. *Joint Development Agreement dated 11.09.2013 executed between the owners of the Project Land and Respondent No.1 Company*
- iii. *Power of Attorney dated 11.09.2013 executed by the owners of the Project Land in favour of the Director of the R-1 Company*
- iv. *Supplementary Agreement dated 05.02.2015 executed between the owners of the Project Land and Respondent No.1 Company*
- v. *Assignment Agreement dated 26.07.2019 executed between the R-1 and M/s. Project Crafts Solutions*
- vi. *Lease Agreement dated 12.10.2018 executed between the R-1 and M/s. Innovent Spaces Pvt. Ltd.*
- vii. *Order dated 27.04.2019 passed by the Ld. City Civil and Sessions Judge Bengaluru in OS No.3301 of 2019*
- viii. *Copies of Agreements to Sale entered into between Harshan Goodwin Hector, Tahera Iqbal, Arthi Ravi & Shailendra Ravi, Meghana T.V., Ramesha A.V. and M/s. Vikram Structures Pvt. Ltd.*
- ix. *Sale Deeds executed in favour of Harshan Goodwin Hector, Tahera Iqbal, Arthi Ravi & Shailendra Ravi, Meghana T.V., Deepa Narasimha Nayak, Ramesha A.V. and M.N. Vijai.*
- x. *Lease Agreement dated 12.10.2018 executed between R-1 and M/s. Innovent Spaces Pvt. Ltd.*
- xi. *Copies of Lease Deed executed between Tahera Iqbal, Arthi Ravi & Shailendra Ravi, Meghana T.V., Deepa Narasimha Nayak, Ramesha A.V., M.N. Vijai and M/s. Project Craft Solutions.*
- xii. *Copy of Summon and Plaint of Suit in OS No.4273 of 2020 pending before Prl. City Civil and Sessions Judge, Bengaluru*
- xiii. *Copy of Plaint of Suit in Comm. OS No.423 of 2020 pending before Addl. City Civil and Sessions Judge, Bengaluru.*

3. In response to above, Respondent No.1 i.e., Resolution Professional representing R-1 Company has filed his reply *vide* Diary No.75 dated 04.01.2023 by *inter alia* contending as under:

- (a) *Vide* order dated 17.02.2022 in CP (IB) No.246/BB/2019, this Tribunal has initiated the CIRP of the R-1 Company herein and appointed the IRP for conducting the CIRP of R-1 Company. Pursuant thereto, the RP has been duly discharging his duties under the Code and has taken all steps to conduct a Transaction Audit of the Corporate Debtor in order to understand and enquire into the transactions carried out by R-2, 3 and 4 prior to pre-CIRP period. Copy of the Transaction Audit Report is placed on record as Annexure-R2. Pursuant to the said report, the RP has filed applications u/s 43, 45 and 66 of the I&B Code in CP (IB) No.246/BB/2019 in respect of certain Avoidance Transactions, which are still pending adjudication. In the said applications, the RP has highlighted various avoidance transactions and activities carried out by R-2, 3 and 4 including those alleged by Petitioners herein. As such, the allegations made by Petitioners are already matter of dispute and scrutiny before this Tribunal. In view of the above, Petitioners cannot seek another order of investigation into the affairs of R-1 Company.
- (b) On account of R-1 Company undergoing CIRP, all proceedings against R-1 Company are hit by a moratorium u/s 14 of the Code. Thus, any legal proceedings against R-1 Company would automatically be not maintainable. Further, upon commencement of CIRP, the present application has become infructuous as the R-2, 3 and 4 are no longer having any control over the affairs of the Company and RP is representing the R-1 Company.
- (c) It is stated that the Petitioner's claims have been rejected in CIRP and the Petitioners have chosen to not relinquish their rights and clarify their position in the CIRP. Pursuant to issuance of public announcement on 25.02.2022, the RP received claims from various stakeholders including those of the Petitioners herein, the details of which are as under:

| Sl. No. | Name | Claim Submitted (Yes/No) | Amount (Rs.) | Admitted or Not admitted |
|--------------|----------------------------|----------------------------------|--------------------|---|
| 1. | Ms. Tahera Iqbal | Yes | 1,35,78,071 | Not admitted (since a sale deed holder) |
| 2. | Mr. Harshan Goodwin Hector | Yes | 1,29,62,324 | Not admitted (since a sale deed holder) |
| 3. | Shailendra Ravi | Yes (Jointly with Ms. Arti Ravi) | 1,85,48,692 | Not admitted (since a sale deed holder) |
| 4. | Deepa Narasimha Nayak | Yes | 1,36,79,025 | Not admitted (since a sale deed holder) |
| 5. | Meghana T.V. | Yes | 1,47,87,557 | Not admitted (since a sale deed holder) |
| 6. | Ramesha A.V. | Jointly with Ms. Vinutha | 76,63,307 | Not admitted (since a sale deed holder) |
| 7. | M.N. Vijay | Yes | 1,22,49,536 | Not admitted (since a sale deed holder) |
| Total | | | 9,34,68,512 | |

- (d) As seen from the above, the claims of the Petitioners were rejected since they are Sale Deed holders. The Petitioners are homebuyers who have got executed Sale Deeds in respect of the Properties purchased by them and as such, today the said Properties stand in the names of the Petitioners and not the R-1 Company. In this regard, RP also issued a letter dated 16.05.2022 to each of the Petitioners explaining that as on date, the Petitioners are the holders of registered Sale Deeds with regard to conveyance of title of the Properties purchased by them. Upon registration of such Sale Deeds, the legal title to the said asset is with the Petitioners, and not with the R-1. Since the Petitioners are now the owners of the said properties, it is not clear on what basis the Petitioners are seeking refund of amounts paid for purchase of the Property.
- (e) The RP asked to confirm whether they are withdrawing from raising any claim as to title to the property and seeking to resile from the Sale Deed (in which case, their claim for refund stand on a different footing). The RP had also asked the Petitioners to clarify whether they are asserting ownership under the Sale Deed and in such circumstances what would be the basis for seeking refund. However, the RP did not receive clarification from them. The RP has also not been provided with any document where the Petitioners had asked for cancellation/refund, and such a document is also not available in the records of R-1 which have been made available to the RP by the R-2, 3. In fact, one of the holders of Sale Deeds has asserted that he is the owner of certain area in the 'VSPL Pinnacle' property and the same should not form part of the assets of the R-1 available in CIRP. In such circumstances, the RP was unable to accept the claim and thereby communicated that the Petitioners' claims have not been admitted. With this, the RP conveyed to the Petitioners that their claims were rejected and could not be covered under the umbrella of CIRP.
- (f) From the above, it is clear that Petitioners have accepted the rejection of their claims and opted to be outside the CIRP of R-1. It appears as though after having willingly executed the Sale Deeds and with an intention to continue with the Sale, the Petitioners are seeking refund of their money on unjust grounds. As stated supra, the Petitioners have chosen to accept the outcome of their claims. The Petitioners having surrendered their rights voluntarily cannot now come forth and disrupt the entire CIRP.

- (g) It is further stated that the CoC of R-1 in its meeting held on 28.10.2022 have opted to liquidate the Corporate Debtor and in this regard an application bearing IA No.526 of 2022 seeking an order for liquidation has been filed. When the CoC has already decided on the next course of action in the insolvency process of R-1, the Petitioners cannot now try and enter into the CIRP of the R-1 Company.
- (h) It is contended that CIRP of R-1 has rapidly progressed and stakeholders whose claims have been admitted are now seeking to proceed with the next step in insolvency to recover their claims. At this stage, an order for investigations into the affairs of R-1 will disrupt the entire flow in CIRP. The entire conduct of Petitioners shows that they are seeking to subvert the waterfall mechanism u/s 53 of the Code.
- (i) Further, it is contended that Sec.238 of the Code would override anything inconsistent contained in any other enactment including the Companies Act, 2013. If orders under the Companies Act, 2013 were allowed to go through, it would come in direct conflict with Section 238 as well as Sections 15, 17, 18 and 25 of the Code. The omnibus provision u/s 14 of the Code would also be hit. Therefore, it is beneficial to give the Code an overriding effect over other laws so that the RP and the CoC can take control over R-1 assets and resolve its insolvent state without any hindrance.
- 4.** The Petitioners filed written synopsis *vide* Diary No.5617 dated 21.12.2022 while reiterating the facts, as stated supra, has further relied upon the following decisions:
- (a) *The Barium Chemicals Ltd. and Ors. v. The Company Law Board & Ors.*, (AIR 1967 SC 295);
- (b) *Mr. Lagadapati Ramesh v. Mrs. Ramanathan Bhuvaneshwari, Company Appeal (AT) (Insolvency) No.574 of 2019;*
- (c) *Vijay Pal Garg & Ors. v. Pooja Bahry, Company Appeal (AT) (Insolvency) No. 949 of 2019;*
- (d) *Union of India, Ministry of Corporate Affairs v. Gitanjali Gems Ltd. & Ors., Company Appeal (AT) No.103 of 2018.*
- 5.** Further, the Liquidator of the R-1 Company has filed brief synopsis *vide* Diary No.2965 dated 06.06.2023 while reiterating the contentions as stated supra, has placed on record the Order dated 13.04.2023 passed in IA No.526 of 2022

in CP (IB) No.246/BB/2019, in which, the R-1 Company was ordered to be liquidated. Therefore, the Petitioners cannot seek to circumvent the liquidation process and try to initiate parallel investigative proceedings against the R-1 Company and thus seeks to dismiss the instant Petition.

6. Heard Shri Rakesh Kumar, Ld. Counsel for the Petitioners and Shri Arjun Rao, Ld. Counsel for the R-1 and perused the records and the extant provisions of Companies Act, 2013 and the Rules made thereunder.
7. Pursuant to issuance of notice by this Tribunal *vide* Order dated 13.07.2022 on all the 18 Respondents, Petitioners has filed Affidavit of Service *vide* Diary No.3533 dated 22.08.2022 wherein it is *inter alia* stated that notices were duly served on R-1, 3, 8, 9, 10, 11 and 13. It is stated that service of notice along with copy of Petition has been sent by e-mail to all the Respondents at their respective e-mail addresses and WhatsApp, copies of which are placed on record. Subsequently, *vide* Diary No.4037 dated 26.09.2022 it is stated that in compliance to Order dated 23.08.2022, notice was issued upon the unserved Respondent Nos.4, 5, 6, 7, 12, 14 to 17 through Speed Post. Further, R-6, 12, 15 and 16 have accepted the notices. However, when service through physical mode was attempted at the address of R-5, 6, 7 and 17, it was found that the building has been converted into a PG Accommodation and that their address is not known. Therefore, the Petitioner adopted substituted service through paper publication on 23.09.2022 in '*Indian Express*', English Edition and '*Kannada Prabha*', Kannada Edition, and thus, service of notice through substituted mode is complete. Therefore, service of notice is complete on all the Respondents.
8. On perusal of records, it is seen that the Petitioners herein are the buyers of real estate units in the project namely 'VSPL Pinnacle' situated in Bengaluru developed by R-1 Company, namely, M/s. Vikram Structures Private Limited. This project is developed by the Company in furtherance of a Joint Development Agreement dated 11.09.2013 executed between the Company and the Owners of the Land, namely, Mr. B.N. Narayanaswamy, his wife Mrs. Rukminiyamma, his daughter Dr. B.N. Pavithra and his two sons namely Mr. B.N. Praveen and Mr. B.N. Rakesh (collectively referred to as the 'Owners'). In terms of the said Joint Development Agreement, the R-1 Company was to develop a commercial building on the said land at its cost and expense and in lieu thereof was to get 50% of the built up area in the said Building and right to sell the same. Accordingly, upon development of the building i.e. 'VSPL Pinnacle' the R-1

Company got a total area of 82216.30 Sq. Ft. to sell and the Land Owners to get the same area in their share. The respective shares of the Company and the Owners, quantified in terms of area of the Project Building and their floor-wise allocation are duly recorded in Supplementary Agreement dated 05.02.2015 executed between the Company and the said Land Owners. In terms of the Supplementary Agreement total available area of 82216.30 Sq. Ft., which the Company got in terms of the Agreement, are half of the built-up area on the Ground Floor, 1st Floor, 2nd Floor and 11th Floor and the entire area on 5th, 6th, 9th and 10th Floors and in terms of the same Agreement, the Owners got half of the built up area on the Ground Floor, 1st Floor, 2nd Floor and 11th Floor and entire of the built-up area on 3rd, 4th, 7th and 8th Floors. But the Company despite having right to sale only 82216.30 Sq. Ft. have sold an area of 2,43,037 Sq. Ft. which is almost 3 times of the area which the Company was entitled to sell and collected a total sum of Rs.136,50,19,085/- by executing 164 Sale Deeds or Agreements to Sell to different buyers, as stated supra, including the Petitioners, and collected the said amount as Sale Consideration. Besides the said amount, it is stated that the Company and its Directors collected huge sums in cash. It is stated that the Company has repeatedly sold the same Property by adopting modus operandi of selling the Units by specifying only area of the Unit and Floor with an allurements of generating rental income and that the Company has sold area/units which are not even in existence.

9. Additionally, it is stated that the Company and its Directors have sold the Units and area in the Building in deliberate and intentional violation of the injunction order dated 27.04.2019 passed by Ld. City Civil and Sessions Judge, Bangalore in CS No.3301 of 2019 filed by the Owners of the Land on which the said building is constructed. Active connivance of the Company and its Directors and the Owners of the Land in perpetration of fraud is also apparent from the fact that the owners of the Land who were plaintiffs in the suit CS No.3301 of 2019, despite being aware of the fraudulent activities of the Company and its Directors and restrain order passed by the Ld. Court, never brought such fact to the knowledge of the Buyers. The Owners knowing the facts that the Company is executing fraudulent Sale Deeds in violation of interim orders never took any action against the Company. The owners of the land to help the Company in defrauding the buyers withdrew the suit on 02.10.2020 leaving the units buyers completely unaware of frauds being committed upon them. The buyers of the

units came to know about the injunction order of the Court only subsequently when the owner filed two suits against the Company, its Director and unit buyers including the Petitioners herein when they received summon of the Suit along with documents relied upon in the said Suit. In view of the irregularities listed above and the allegations, the Petitioners have sought direction for the investigation into affairs of the Company and related parties under Section 213 of the Companies Act, 2013.

10. It is apt to refer Section 213 of the Companies Act, 2013 which is reproduced hereunder:

“213. Investigation into company’s affairs in other cases.

The Tribunal may,—

(a) on an application made by—

(i) not less than one hundred members or members holding not less than one-tenth of the total voting power, in the case of a company having a share capital; or

(ii) not less than one-fifth of the persons on the company’s register of members, in the case of a company having no share capital, and supported by such evidence as may be necessary for the purpose of showing that the applicants have good reasons for seeking an order for conducting an investigation into the affairs of the company; or

(b) on an application made to it by any other person or otherwise, if it is satisfied that there are circumstances suggesting that—

*(i) the business of the company is being conducted with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose, or in a manner oppressive to any of its members or **that the company was formed for any fraudulent or unlawful purpose;***

(ii) persons concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, misfeasance or other misconduct towards the company or towards any of its members; or

(iii) the members of the company have not been given all the information with respect to its affairs which they might reasonably expect, including information relating to the calculation of the commission payable to a managing or other director, or the manager, of the company,

order, after giving a reasonable opportunity of being heard to the parties concerned, that the affairs of the company ought to be investigated by an inspector or inspectors appointed by the Central Government and where such an order is passed, the Central Government shall appoint one or more competent persons as inspectors to investigate into the affairs of the company in respect of such matters and to report thereupon to it in such manner as the Central Government may direct:

Provided that if after investigation it is proved that—

(i) the business of the company is being conducted with intent to defraud its creditors, members or any other persons or otherwise for a fraudulent or unlawful purpose, or that the company was formed for any fraudulent or unlawful purpose; or

(ii) any person concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, then, every officer of the company who is in default and the person or persons concerned in the formation of the company or the management of its affairs shall be punishable for fraud in the manner as provided in section 447.”

- 11.** The Seven Petitioners who filed the instant Petition are the Buyers in the Property, namely, ‘VSPL Pinnacle’. As per the Sale Deeds/Agreement to Sell of the Petitioners enclosed with the Petition, the following details are observed:

| Sl. No. | Date of Execution | Purchaser | Sub Reg. Doc No. | Sale Consideration (Rs.) | Floor No. | Area Sq. Ft. | UDS Sq. Ft. |
|---------|-------------------|---------------------------------------|---------------------|--------------------------|-----------|--------------|-------------|
| 1. | 27.11.2019 | Mrs. Arthi Ravi & Mr. Shailendra Ravi | HSR-1-02804-2019-20 | 57,00,000 | GF | 1000 | 125 |
| 2. | 21.08.2019 | Mrs. Deepa Narsimha Nayak | GNR-1-02119-2019-20 | 57,00,000 | 2 | 1000 | 250 |
| 3. | 03.10.2019 | Mrs. Meghana T.V. | GNR-1-02871-2019-20 | 60,00,000 | 5 | 1000 | 250 |
| 4. | 18.06.2020 | Mr. M.N. Vijai | HSR-1-01180-2019-20 | 60,00,000 | 6 | 1000 | 250 |
| 5. | 13.12.2019 | Mr. Ramesha A.V. | HSR-1-02956-2019-20 | 27,29,245 | 6 | 500 | 125 |
| 6. | 09.07.2014 | Mr. Ramesha A.V. & Mrs. Vinutha H.S. | BYP-1-01421-2014-15 | 35,00,000 | 6 | 500 | 125 |
| 7. | 30.12.2019 | Mr. Harshan Godwin Hector | GNR-1-04324-2019-20 | 57,00,000 | 9 | 1000 | 250 |
| 8. | 11.11.2019 | Mr. Tahera Iqbal | HSR-1-02743-2019-20 | 64,60,000 | 10 | 1000 | 250 |

- 12.** It is noticed that the main allegation is related to the Company having sold the built-up area of three times of its entitlement in accordance with the Joint Development Agreement (JDA); specifically, the total area sold as per the Sale Agreements / Deeds was 2,43,037 sq. ft. whereas the Company was entitled to only 82,216 sq. ft. The Petitioners have given the specific list of 164 such Sale Deeds / Agreement to Sell showing a total area of 2,43,037 sq. ft. for a total consideration of Rs.136,50,19,085/-, along with the details such as Date of Execution, name of Buyers, Sub-Registrar Document No. etc., which has been listed from Pages 25 to 31 of the Petition and is being reproduced hereunder for ready reference:

| Sl. No. | Date of Execution | Purchaser | SUB Reg Doc No. | Type of document | Sale consideration as per documents | Floor No. | Area Sq. Ft. | UDS Sq. ft. |
|---------|-------------------|--|---------------------|-------------------|-------------------------------------|-----------|--------------|-------------|
| 1. | 10/1/2019 | Ms. Sobhalaxmi Sudarshan | GNR-1-02829-2019-20 | Sale Deed | 11,000,000.0 | GF | 2000 | 500 |
| 2. | 8/16/2019 | Dr. Anoop M & Mrs. Nimitha L | GNR-1-02018-2019-20 | Sale Deed | 7,000,000.0 | GF | 1461 | 365 |
| 3. | 6/1/2020 | Mr. Vijay Krishna Mummidi | HSR-1-00122-2020-21 | Sale Deed | 39,25,184.0 | GF | 2000 | 500 |
| 4. | 5/29/2020 | Dr. Umesh K M Rep by GPA KB Muddaiah | HSR-1-00112-2020-21 | Sale Deed | 57,00,000.0 | GF | 1000 | 250 |
| 5. | 2/14/2020 | Mr. P Ramachandra Hegde & Mr. Shreyas R Hegde | HSR-1-03637-2019-20 | Sale Deed | 42,50,000.0 | GF | 1250 | 312.5 |
| 6. | 2/5/2020 | Mrs. Bharati Boina | GNR-1-04916-2019-20 | Sale Deed | 5,000,000.0 | GF | 856 | 217 |
| 7. | 1/18/2020 | Mr Vijay Reddy Jalapally | GNR-1-04590-2019-20 | Sale Deed | 67,50,000.0 | GF | 882 | 220.5 |
| 8. | 3/3/2020 | Sai Krishnam Raju Nadimpalli | HSR-1-03763-2019-20 | Sale Deed | 65,13,000.0 | GF | 1300 | 325 |
| 9. | 12/2/2019 | PranaviSreeramoju | HSR-1-02826-2019-20 | Sale Deed | 27,50,000.0 | GF | 500 | 125 |
| 10. | 11/27/2019 | Mrs. Arthi Ravi & Mr. Shailendra Devi | HSR-1-02804-2019-20 | Sale Deed | 57,00,000.0 | GF | 1000 | 125 |
| 11. | 11/8/2019 | Mr. ShayedShukur Basha | HSR-1-02736-2019-20 | Sale Deed | 10,88,000.0 | GF | 250 | 50 |
| 12. | 10/22/2019 | Mrs. Syed Wajida Begum | HSR-1-02668-2019-20 | Sale Deed | 10,88,000.0 | GF | 200 | 50 |
| 13. | 10/22/2019 | Mr. Syed Khader Basha | HSR-1-02664-2019-20 | Sale Deed | 10,88,000.0 | GF | 200 | 50 |
| 14. | 10/22/2019 | Rashad Hussain | HSR-1-02660-2019-20 | Sale Deed | 20,00,000.0 | GF | 400 | 100 |
| 15. | 10/22/2019 | Sayad Abdu Rahiman | HSR-1-02663-2019-20 | Sale Deed | 10,88,000.0 | GF | 200 | 50 |
| 16. | 11/8/2019 | Mrs. Shaik Nasira Begum | HSR-1-02727-2019-20 | Sale Deed | 20,00,000.0 | GF | 400 | 100 |
| 17. | 9/7/2019 | Mr. Kopparapu Sandeep | GNR-1-02460-2019-20 | Sale Deed | 58,00,000.0 | GF | 428 | 107 |
| 18. | 9/7/2019 | Mr. BalanandaSathyakumarVallamkonda | GNR-1-02463-2019-20 | Sale Deed | 7,000,000.0 | GF | 428 | 107 |
| 19. | 1/20/2016 | Mrs. Shbhalakshmi Sudarshan | HBB-1-03971-2015-16 | Agreement to Sale | 11,000,000.0 | GF | 2000 | 500 |
| 20. | 9/29/2016 | Mr. P Ramachandra Hegde & Mr. Shreyas R Hegde | BYP-1-02717-2014-15 | Agreement to Sale | 42,50,000.0 | GF | 1000 | 250 |
| 21. | 10/9/2013 | Mummidi Vijay Krishna Rep. By POA Ms. Mummidi Rama | BYP-1-04828-2013-14 | Agreement to Sale | 14,010,538.0 | GF | 1738 | 434 |
| 22. | 8/7/2017 | Dr. Anoop M & Mrs. Nimitha L | HBB-1-01185-2017-18 | Agreement to Sale | 12,561,984.0 | GF | 1461 | 365 |
| 23. | 8/16/2019 | Mr. LingarajaChoudri | GNR-1-02034-2019-20 | Sale Deed | 57,00,000.0 | GF | 1000 | 250 |
| 24. | 8/29/2019 | Mr. K Raji Redy | GNR-1-02259-2019-20 | Sale Deed | 33,00,000.0 | GF | 600 | 150 |
| 25. | 8/29/2019 | Mr. K Raji Reddy & Manjula Reddy | GNR-1-02263-2019-20 | Sale Deed | 73,50,000.0 | GF | 1300 | 325 |
| 26. | 9/19/2019 | Mr. Ramesh Ranjan | GNR-1-02646-2019-20 | Sale Deed | 87,00,000.0 | 1 | 1500 | 375 |
| 27. | 10/19/2019 | Zurar Siraj Tambawala&Murtuza Siraj Tambawala | HSR-1-02640-2019-20 | Sale Deed | 10,000,000.0 | 1 | 2500 | 625 |

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| 28. | 12/6/2019 | Sunny Thomas | HSR-1-02854-2019-20 | Sale Deed | 57,00,000.0 | 1 | 1000 | 250 |
| 29. | 3/6/2020 | Mrs. Lalitha Nadimpalli | HSR-1-03805-2019-20 | Sale Deed | 46,45,710.0 | 1 | 1120 | 280 |
| 30. | 3/3/2020 | Sai Krishnam Raju Nadimpalli | HSR-1-03764-2019-20 | Sale Deed | 28,00,000.0 | 1 | 650 | 162 |
| 31. | 7/30/2020 | Vijay G Rao & Dr. Nitash Prakash | HSR-1-00309-2020-21 | Sale Deed | 57,00,000.0 | 1 | 1000 | 250 |
| 32. | 7/30/2020 | Basheer Mohammad & Mrs Sharstha Kubra | HSR-1-00307-2020-21 | Sale Deed | 57,00,000.0 | 1 | 1000 | 250 |
| 33. | 5/29/2020 | Dr. Umesh K M Rep by GPA KB Muddaiah | HSR-1-00113-2020-21 | Sale Deed | 15,500,000.0 | 2 | 4000 | 1000 |
| 34. | 5/19/2020 | Mr. J Vishwas Srigawtham | HSR-1-03878-2019-20 | Sale Deed | 24,53,240.0 | 2 | 2000 | 500 |
| 35. | 1/23/2020 | Mrs. Sunitha Ralhan & Mr. Deepak Ralhan & Mrs. Mamata Ralhan | HSR-1-03339-2019-20 | Sale Deed | 20,000,000.0 | 2 | 5000 | 1250 |
| 36. | 1/10/2020 | Mrs. Pedada Saritha | GNR-1-04488-2019-20 | Sale Deed | 57,00,000.0 | 2 | 1000 | 250 |
| 37. | 1/6/2020 | Mr. Soudagar Khaja | GNR-1-04415- | Sale Deed | 20,050,000.0 | 2 | 3500 | 875 |

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| | | Atahar | 2019-20 | | | | | |
| 38. | 1/2/2020 | Ms. Priyanka Bhatt | GNR-1-04369-2019-20 | Sale Deed | 13,000,000.0 | 2 | 3000 | 750 |
| 39. | 12/23/2019 | Mrs. Farnaz Sharif | HSR-1-03268-2019-20 | Sale Deed | 57,00,000.0 | 2 | 1000 | 250 |
| 40. | 12/23/2019 | Mrs. Farnaz Sharif | HSR-1-03265-2019-20 | Sale Deed | 57,00,000.0 | 2 | 1000 | 250 |
| 41. | 10/19/2019 | Zurar Siraj Tambawala & Murtuza Siraj Tambawala | HSR-1-02641-2019-20 | Sale Deed | 10,000,000.0 | 2 | 2500 | 625 |
| 42. | 11/25/2019 | Mr. Yarlagadda Sri Venkatavara Prasad Rep. By GPA Mr. Surapaneni Rambabu | GNR-1-03678-2019-20 | Sale Deed | 16,500,000.0 | 2 | 3500 | 875 |
| 43. | 2/5/2014 | Mr. J Vishwas Srigawtham | BYP-1-06627-2013-14 | Agreement to Sale | 84,00,000.0 | 2 | 2000 | 500 |
| 44. | 8/5/2019 | Mr. Sukumar Sreedhar Menon & Mrs. Ranjani Sukumar Menon | GNR-1-01876-2019-20 | Sale Deed | 57,00,000.0 | 2 | 1000 | 250 |
| 45. | 8/29/2019 | Mr. Narsulla Sheriff & Mrs. Syed Azeed Naseemunissa | GNR-1-02272-2019-20 | Sale Deed | 57,00,000.0 | 2 | 2000 | 500 |
| 46. | 8/21/2019 | Mrs. Deepa Narsimha Nayak | GNR-1-02119-2019-20 | Sale Deed | 57,00,000.0 | 2 | 1000 | 250 |
| 47. | 1/27/2014 | Mr. Yarlagadda Sri Venkatavara Prasad Rep. By GPA Mr. Surapaneni Rambabu | BYP-1-06490-2013-14 | Agreement to Sale | 18,600,000.0 | 3 | 3000 | 750 |
| 48. | 3/23/2020 | Sachidananda Murthy B S & Kavya BS | GNR-1-00014-2020-21 | Sale Deed | 56,900,000.0 | 3 | 10000 | 2500 |
| 49. | 1/31/2020 | Mr. Gagan Patel | GNR-1-04844-2019-20 | Sale Deed | 22,645,500.0 | 3 | 5634 | 1404 |
| 50. | 8/24/2020 | Jayaraj Sabard | HSR-1-00407-2020-21 | Sale Deed | 90,00,000.0 | 5 | 1660 | 369 |
| 51. | 6/18/2020 | Sudarshana Bhimshankar | HSR-1-00183-2020-21 | Sale Deed | 87,00,000.0 | 5 | 1500 | 375 |
| 52. | 6/15/2020 | Prabhavathi M B | HSR-1-00166-2020-21 | Sale Deed | 67,00,000.0 | 5 | 1000 | 250 |
| 53. | 3/18/2020 | R Sharana Basaveshwara | HSR-1-03853-2019-20 | Sale Deed | 41,100,000.0 | 5 | 7380 | 1845 |
| 54. | 3/7/2020 | Raju Srinivasa Nadimpali | HSR-1-03795-2019-20 | Sale Deed | 44,00,000.0 | 5 | 1000 | 250 |

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|-----|------------|---|---------------------|-------------------|--------------|---|-------|---------|
| 55. | 3/7/2020 | Padma Nadmpali | HSR-1-03793-2019-20 | Sale Deed | 42,00,000.0 | 5 | 1000 | 250 |
| 56. | 3/7/2020 | Yamana Manda Jharsi | HSR-1-03792-2019-20 | Sale Deed | 23,00,000.0 | 5 | 500 | 125 |
| 57. | 3/6/2020 | UddarajuBala Rama Raju | HSR-1-03809-2019-20 | Sale Deed | 21,00,000.0 | 5 | 500 | 125 |
| 58. | 3/3/2020 | Sai Srikrishnam Raju Nadimpalli | HSR-1-03765-2019-20 | Sale Deed | 36,00,000.0 | 5 | 855 | 213 |
| 59. | 2/26/2020 | Venkata Rama Raju Indukuri | HSR-1-03738-2019-20 | Sale Deed | 42,00,000.0 | 5 | 1000 | 250 |
| 50. | 1/31/2020 | KenekalMithun Reddy | HSR-1-03422-2019-20 | Sale Deed | 80,00,000.0 | 5 | 2000 | 500 |
| 61. | 1/30/2020 | Sushil Reddy Kenekal | HSR-1-03418-2019-20 | Sale Deed | 80,00,000.0 | 5 | 2000 | 500 |
| 62. | 1/30/2020 | Kenekal Chandrashekhar | HSR-1-03415-2019-20 | Sale Deed | 85,00,000.0 | 5 | 2000 | 500 |
| 63. | 1/23/2020 | Mrs Sunitha Ralhan | HSR-1-03338-2019-20 | Sale Deed | 20,00,000.0 | 5 | 5000 | 1250 |
| 64. | 12/23/2019 | Mrs. Renuka | HSR-1-03270-2019-20 | Sale Deed | 95,12,000.0 | 5 | 1380 | 594.5 |
| 65. | 12/16/2019 | Manish Kapoor | HSR-1-02999-2019-20 | Sale Deed | 22,60,000.0 | 5 | 4000 | 1000 |
| 66. | 10/10/2019 | Dr. Pallavi P Vastrad | GNR-1-02927-2019-20 | Sale Deed | 27,50,000.0 | 5 | 500 | 125 |
| 67. | 10/3/2019 | Mrs. Meghana T.V. | GNR-1-02871-2019-20 | Sale Deed | 60,00,000.0 | 5 | 1000 | 250 |
| 68. | 9/6/2019 | Mr. P S Vastrad | GNR-1-02421-2019-20 | Sale Deed | 70,00,000.0 | 5 | 1000 | 250 |
| 69. | 8/20/2019 | Sri Venugopal Arul Anand | GNR-1-02101-2019-20 | Sale Deed | 86,50,000.0 | 5 | 1500 | 375 |
| 70. | 8/3/2019 | Mr. PrawinKawware& Mrs. Pallavi Kawware | GNR-1-01866-2019-20 | Sale Deed | 84,50,000.0 | 5 | 1500 | 375 |
| 71. | 7/26/2019 | Mrs. Isho Krishna MAnwani | GNR-1-01746-2019-20 | Sale Deed | 79,20,000.0 | 5 | 2000 | 500 |
| 72. | 6/5/2017 | K. Chandrashekhar – Kartha of HUF | HBB-1-0858-2017-18 | Agreement to Sale | 20,00,000.0 | 5 | 4000 | 1000 |
| 73. | 5/12/2017 | K. Chandrashekhar – Kartha of HUF | HBB-1-02508-2017-18 | Agreement to Sale | 10,00,000.0 | 5 | 2000 | 500 |
| 74. | 1/19/2017 | Mr. Naresh Kumar CC & Mrs. Thanuja MT | HBB-1-03025-2017-18 | Agreement to Sale | 10,60,000.0 | 5 | 2000 | 500 |
| 75. | 1/19/2017 | Mr. Deepu Kumar S & Mrs. Pravitha MT | HBB-1-03024-2017-18 | Agreement to Sale | 10,60,000.0 | 5 | 2000 | 500 |
| 76. | 7/30/2014 | Mr. Aswin SL | BYP-1-0858-2014-15 | Agreement to Sale | 42,00,000.0 | 5 | 1000 | 250 |
| 77. | 6/18/2020 | M.N. Vijai | HSR-1-00180-2019-20 | Sale Deed | 60,00,000.0 | 6 | 1000 | 250 |
| 78. | 3/7/2020 | Padma Nadmpalli | HSR-1-03794-2019-20 | Sale Deed | 42,00,000.0 | 6 | 1000 | 250 |
| 79. | 3/7/2020 | YamanamandaLachhiraju | HSR-1-03791-2019-20 | Sale Deed | 23,00,000.0 | 6 | 500 | 125 |
| 80. | 3/6/2020 | UddarajuAnasuya | HSR-1-03807-2019-20 | Sale Deed | 21,00,000.0 | 6 | 500 | 125 |
| 81. | 3/6/2020 | Lalitha Nadmpalli | HSR-1-03804-2019-20 | Sale Deed | 42,00,000.0 | 6 | 1000 | 250 |
| 82. | 3/3/2020 | Sai Krishnam Raju Nadimpalli | HSR-1-03766-2019-20 | Sale Deed | 36,00,000.0 | 6 | 855 | 213 |
| 83. | 2/26/2020 | Madhavi Indukuri | HSR-1-03742-2019-20 | Sale Deed | 42,00,000.0 | 6 | 1000 | 250 |
| 84. | 1/31/2020 | Mrs. Sulakshmi Nagpal | HSR-1-03424-2019-20 | Sale Deed | 10,00,000.0 | 6 | 2380 | 595 |
| 85. | 1/2/2020 | Mr. Sham Bhatt | GNR-1-04372-2019-20 | Sale Deed | 64,128,270.0 | 6 | 14855 | 3302.84 |

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|------|------------|--|---------------------|-------------------|--------------|---|------|--------|
| 86. | 12/13/2019 | Ramesha AV | HSR-1-02956-2019-20 | Sale Deed | 27,29,245.0 | 6 | 500 | 125 |
| 87. | 12/6/2019 | Rama Prasad SR | HSR-1-02853-2019-20 | Sale Deed | 25,87,500.0 | 6 | 500 | 111 |
| 88. | 12/5/2019 | Dr. Suman Singh | HSR-1-02842-2019-20 | Sale Deed | 16,000,000.0 | 6 | 5500 | 1375 |
| 89. | 11/6/2019 | M.P. Chetan | HSR-1-02725-2019-20 | Sale Deed | 14,681,819.0 | 6 | 3500 | 875 |
| 90. | 11/6/2019 | M.G. Prakash | HSR-1-02724-2019-20 | Sale Deed | 78,18,181.0 | 6 | 2000 | 500 |
| 91. | 10/10/2019 | Mr. Ravikrishna Swami | GNR-1-02931-2019-20 | Sale Deed | 27,64,000.0 | 6 | 500 | 125 |
| 92. | 10/10/2019 | Mrs. Vidya Rajesh Rao | GNR-1-02947-2019-20 | Sale Deed | 58,57,474.0 | 6 | 1000 | 250 |
| 93. | 9/30/2019 | Mr. Rekha M.N. | GNR-1-02792-2019-20 | Sale Deed | 28,62,520.0 | 6 | 500 | 125 |
| 94. | 8/23/2019 | Mr. Rajdeep K Manwani | GNR-1-02165-2019-20 | Sale Deed | 75,00,000.0 | 6 | 2000 | 500 |
| 95. | 8/23/2019 | Mr. Rajdeep K Manwani | GNR-1-02166-2019-20 | Sale Deed | 75,00,000.0 | 6 | 2000 | 500 |
| 96. | 8/23/2019 | Mr. Rajdeep K Manwani | GNR-1-02167-2019-20 | Sale Deed | 75,00,000.0 | 6 | 2000 | 500 |
| 97. | 7/26/2019 | Mrs. Ishoo Krishna Manwani | GNR-1-01746-2019-20 | Sale Deed | 79,20,000.0 | 6 | 3000 | 750 |
| 98. | 7/28/2014 | Mr. SR Rama Prasad & Mrs. Sudha R. Prasad | BYP-1-01680-2014-15 | Agreement to Sell | 35,00,000.0 | 6 | 500 | 125 |
| 99. | 7/9/2014 | Mr. Ramesha A.V. & Mrs. Vinutha H.S. | BYP-1-01421-2014-15 | Agreement to Sell | 35,00,000.0 | 6 | 500 | 125 |
| 100. | 7/9/2014 | Mrs. Vidya Rajesh Rao | BYP-1-01420-2014-15 | Agreement to Sell | 70,00,000.0 | 6 | 1000 | 250 |
| 101. | 10/22/2019 | Mr. Syed Khader Basha | HSR-1-02659-2019-20 | Sale Deed | 19,00,000.0 | 7 | 500 | 125 |
| 102. | 10/14/2019 | Manjunath C | HSR-1-02601-2019-20 | Sale Deed | 11,110,000.0 | 7 | 2000 | 500 |
| 103. | 7/26/2019 | Dr. Surendra MC & Asha Channakrishnappa | GNR-1-01732-2019-20 | Sale Deed | 82,50,000.0 | 7 | 1500 | 333.1 |
| 104. | 4/20/2019 | Mr. Raghunandan B A | HBB-1-00157-2019-20 | Agreement to Sale | 14,000,000.0 | 7 | 2500 | 625 |
| 105. | 2/18/2020 | Mrs. Kakumani Sreevani | HSR-1-03669-2019-20 | Sale Deed | 57,87,000.0 | 8 | 1000 | 250 |
| 106. | 2/18/2020 | Mr Vishwanadham Madhu tej | HSR-1-03667-2019-20 | Sale Deed | 57,87,000.0 | 8 | 1000 | 250 |
| 107. | 2/18/2020 | Mrs. Kukumani Manjula & Mr. Kukumani Srinivasa Gupta | HSR-1-03663-2019-20 | Sale Deed | 57,20,000.0 | 8 | 1000 | 250 |
| 108. | 2/18/2020 | Mrs. Mullangi Geetha Vani | HSR-1-03662-2019-20 | Sale Deed | 57,87,000.0 | 8 | 1000 | 250 |
| 109. | 10/10/2019 | Mr. Ravikrishna Swamy | GNR-1-02929-2019-20 | Sale Deed | 49,95,000.0 | 8 | 1000 | 250 |
| 110. | 6/18/2020 | Meenakshi C | HSR-1-00185-2020-21 | Sale Deed | 57,50,000.0 | 9 | 1000 | 250 |
| 111. | 6/15/2020 | Jayashree B & Balagopalan | HSR-1-00165-2020-21 | Sale Deed | 63,00,000.0 | 9 | 1000 | 250 |
| 112. | 3/13/2020 | Mrs. Dhanawathi | HSR-1-03842-2019-20 | Sale Deed | 60,00,000.0 | 9 | 1200 | 300 |
| 113. | 2/28/2020 | Mrs. Mubeen Begum | GNR-1-05364-2019-20 | Sale Deed | 57,00,000.0 | 9 | 1000 | 250 |
| 114. | 1/17/2020 | Mr. Ajit Pal B H | GNR-1-04581- | Sale Deed | 60,60,805.0 | 9 | 1151 | 207.75 |

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| | | | 2019-20 | | | | | |
| 115. | 1/17/2020 | Mr. Pankaj Srivastava | GNR-1-04580-2019-20 | Sale Deed | 61,00,000.0 | 9 | 1189 | 297.25 |
| 116. | 12/30/2019 | Mr. Hannah Althia Hector | GNR-1-04326-2019-20 | Sale Deed | 57,00,000.0 | 9 | 1000 | 250 |
| 117. | 12/30/2019 | Mr. Harshan Godwin Hector | GNR-1-04324-2019-20 | Sale Deed | 57,00,000.0 | 9 | 1000 | 250 |
| 118. | 12/6/2019 | Savita Mallikarjun Kadi | GNR-1-03923-2019-20 | Sale Deed | 60,184,000.0 | 9 | 10000 | 2500 |
| 119. | 11/2/2019 | Mrs. Anupama Tavarekere | GNR-1-03298-2019-20 | Sale Deed | 29,57,000.0 | 9 | 700 | 175 |
| 120. | 10/30/2019 | T Chandramowly | HSR-1-02697-2019-20 | Sale Deed | 52,00,000.0 | 9 | 1216 | 304 |
| 121. | 10/22/2019 | Sayad Abdul Rahiman | HSR-1-02667-2019-20 | Sale Deed | 36,00,000.0 | 9 | 1000 | 250 |
| 122. | 10/18/2019 | Srividya Karthik | HSR-1-02634-2019-20 | Sale Deed | 25,53,693.0 | 9 | 500 | 125 |
| 123. | 9/17/2019 | Dr. Zaid Hussain | GNR-1-02616-2019-20 | Sale Deed | 22,45,000.0 | 9 | 500 | 125 |
| 124. | 9/17/2019 | Dr.Jabeen Naz | GNR-1-02614-2019-20 | Sale Deed | 26,94,000.0 | 9 | 600 | 150 |
| 125. | 9/17/2019 | Dr. Shaik Munavar Hussain | GNR-1-02618-2019-20 | Sale Deed | 26,94,000.0 | 9 | 600 | 150 |
| 126. | 9/13/2018 | Mrs. Mubeen Begum | GNR-1-02586-2019-20 | Sale Deed | 10,000,000.0 | 9 | 2500 | 625 |
| 127. | 5/31/2016 | T Sridhar | HBB-1-05561-2015-16 | Agreement to Sale | 70,71,049.0 | 9 | 1500 | 375 |
| 128. | 5/31/2016 | M V Murali Krishna | HBB-1-05560-2015-16 | Agreement to Sale | 70,71,049.0 | 9 | 1500 | 375 |
| 129. | 5/31/2016 | Mr. Basavaraj Ndagouda | HBB-1-05563-2015-16 | Agreement to Sale | 47,21,523.0 | 9 | 1000 | 250 |
| 130. | 9/6/2019 | Mrs. M Vijaya | GNR-1-02426-2019-20 | Sale Deed | 23,840,000.0 | 9 | 4928 | 1232 |
| 131. | 8/26/2019 | Mr. Muddasani Satish Kumar Reddy | GNR-1-02200-2019-20 | Sale Deed | 84,50,000.0 | 9 | 1500 | 375 |
| 132. | 8/16/2019 | Mrs. Veena Katakam | GNR-1-02032-2019-20 | Sale Deed | 4,000,000.0 | 9 | 1000 | 250 |
| 133. | 1/6/2020 | Mr. S.N. Damodar Rao | GNR-1-04412-2019-20 | Sale Deed | 51,85,301.0 | 10 | 1000 | 250 |
| 134. | 12/23/2019 | Renuka Salwan | HSR-1-03270-2019-20 | Sale Deed | 95,12,000.0 | 10 | 998 | 222 |
| 135. | 12/13/2019 | Sowmya J | HSR-1-02955-2019-20 | Sale Deed | 13,50,000.0 | 10 | 250 | 62.5 |
| 136. | 12/12/2019 | B P Eshwaran Singh | HSR-1-02891-2019-20 | Sale Deed | 59,00,000.0 | 10 | 1000 | 250 |
| 137. | 12/11/2019 | NagaveniAswathanarayana | HSR-1-02881-2019-20 | Sale Deed | 27,50,000.0 | 10 | 500 | 125 |
| 138. | 12/7/2019 | Sunil Kumar Madanapalli | HSR-1-02858-2019-20 | Sale Deed | 30,30,000.0 | 10 | 500 | 125 |
| 139. | 11/21/2019 | Juturu Naga Vijaya Krishna | HSR-1-02789-2019-20 | Sale Deed | 28,50,000.0 | 10 | 500 | 125 |
| 140. | 11/21/2019 | Malepati Subramanyam | HSR-1-02786-2019-20 | Sale Deed | 57,00,000.0 | 10 | 1000 | 250 |
| 141. | 11/21/2019 | Malepati Sailaja | HSR-1-02792-2019-20 | Sale Deed | 28,00,000.0 | 10 | 500 | 111 |
| 142. | 11/11/2019 | Tahera Iqbal | HSR-1-02743- | Sale Deed | 64,60,000.0 | 10 | 1000 | 250 |
| | | | 2019-20 | | | | | |
| 143. | 11/11/2019 | Noor Mohammad Abdul Sherief | HSR-1-02741-2019-20 | Sale Deed | 72,25,000.0 | 10 | 2000 | 500 |
| 144. | 11/30/2019 | Mrs. Vinutha Rajan | HSR-1-02698-2019-20 | Sale Deed | 15,00,000.0 | 10 | 500 | 125 |
| 145. | 10/14/2019 | Manish Kambdur | HSR-1-02603-2019-20 | Sale Deed | 43,00,000.0 | 10 | 1000 | 250 |
| 146. | 9/6/2019 | Mr. Ramhandrappa Dinesh | GNR-1-02432-2019-20 | Sale Deed | 53,18,500.0 | 10 | 1000 | 250 |

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| 147. | 8/26/2019 | MRS. Pedada Saritha | GNR-1-02198-2019-20 | Sale Deed | 10,800,000.0 | 10 | 2000 | 500 |
| 148. | 2/25/2014 | Mr. Ramachandrappa Dinesh | BYP-1-06969-2013-14 | Agreement to Sale | 54,00,000.0 | 10 | 1000 | 250 |
| 149. | 7/14/2020 | A3K BIZ Ventures Pvt. Ltd. & Prakash Odugoudar | HSR-1-00276-2020-21 | Sale Deed | 69,114,000.0 | 11 | 11644 | 2589 |
| 150. | 6/1/2020 | Mr. Vijay Krishna Mummidi | HSR-1-00124-2020-21 | Sale Deed | 49,50,000.0 | 11 | 1250 | 312 |
| 151. | 11/8/2019 | Mrs. KogatamBaktyar Begum & Mrs. Syed MisbaFurqana | HSR-1-02733-2019-20 | Sale Deed | 19,00,000.0 | 11 | 500 | 125 |
| 152. | 11/8/2019 | Mr. Syed Imran Basha & Mr. Irfan Basha & Mr. Syed Rizwan Basha | HSR-1-02731-2019-20 | Sale Deed | 30,50,000.0 | 11 | 750 | 187.5 |
| 153. | 11/8/2019 | Mrs. S. Rafiunnisa Begum | HSR-1-02729-2019-20 | Sale Deed | 70,00,000.0 | 11 | 2000 | 500 |
| 154. | 10/22/2019 | Mrs. Syed Wazida Begum | HSR-1-02671-2019-20 | Sale Deed | 39,00,000.0 | 11 | 1000 | 250 |
| 155. | 10/11/2019 | Mr. Pramesh Kumar Nayyar | GNR-1-02976-2019-20 | Sale Deed | 4,000,000.0 | 11 | 1000 | 250 |
| 156. | 10/11/2019 | Mr. Pramesh Kumar Nayyar | GNR-1-02977-2019-20 | Sale Deed | 2,000,000.0 | 11 | 500 | 125 |
| 157. | 10/11/2019 | Mr. Pramesh Kumar Nayyar | GNR-1-02975-2019-20 | Sale Deed | 4,000,000.0 | 11 | 1000 | 250 |
| 158. | 9/26/2019 | Ms. Prasanthi Pola | GNR-1-02763-2019-20 | Sale Deed | 57,50,000.0 | 11 | 1000 | 250 |
| 159. | 9/7/2019 | Mr. BalanandaSathyakumarVallamkondu | GNR-1-02565-2019-20 | Sale Deed | 41,25,000.0 | 11 | 750 | 187.5 |
| 160. | 9/7/2019 | Mr. KopparapuNithin Kumar | GNR-1-02458-2019-20 | Sale Deed | 41,25,000.0 | 11 | 750 | 187.5 |
| 161. | 9/4/2019 | Mrs. B Jhajnavi | GNR-1-02351-2019-20 | Sale Deed | 30,33,000.0 | 11 | 500 | 125 |
| 162. | 11/29/2013 | Mrs. Surekha Ranganath | BYP-1-05575-2013-14 | Agreement to Sale | 51,50,000.0 | 11 | 1000 | 250 |
| 163. | 10/9/2013 | Mummidi Vijay Krishna Rep. By POA Ms. Mummidi Rama | BYP-1-04831-2013-14 | Agreement to Sale | 51,50,000.0 | 11 | 1000 | 250 |
| 164. | 10/9/2013 | Ms. Mummidi Rama | BYP-1-04824-2013-14 | Agreement to Sale | 51,50,000.0 | 11 | 1000 | 250 |

The above tabular form includes seven such Agreements which are related to the Petitioners herein.

- 13.** In the reply filed to the Company Petition by Respondent No.1 (R-1) this specific allegation of irregularity has not been contested. In spite of the relevant details having categorically been made available by the Petitioners from Page 25 onwards of the Petition (reproduced above) which also showed the name of the Buyers, Document Regn. No., consideration as per documents, etc., along with the constructed area of the respective Units, R-1 has not filed any objections in this regard. Moreover, as discussed in Para 7 above in detail, the notices have been served on all the 18 Respondents, first physically through by Post; and then since some of the notices remained unserved having returned back, the notices to all the Respondents were again served through substituted mode of

service by paper publication on 23.09.2022. The Affidavit of Service has also been duly filed by the Petitioner. However, apart from R-1 Company replying through RP and later in the capacity of Liquidator, none of the other Respondents have filed any reply or objection to the Petition. Therefore, there is no objection on record to this specific allegation.

14. It is further alleged that R-1 Company and other Parties made as Respondents in this Petition have acted together to plan the events and documents in such a way so that they may be able to defraud the Buyers of this Property. It is alleged that the R-1 Company through its Directors, namely, Mr. Vikram Prabhakar, Mrs. Aishwarya G.B. and Mr. Manjunath Ravindra, the Owners of the Land and R-16: M/s. Innovent Spaces Pvt. Ltd. created a 'Lease Agreement' showing the first two Parties as Lessors and R-16 as the Lessee. This document was made to create a fake impression of non-existent rental assurances with respect to the Property; luring the Buyers who were guided by this fake impression created. This document has duly been attached with the Petition. It is alleged that the so-called 'Lease Agreement' was signed for a period of twenty years with a lock-in period of five years, but it was not for a real purpose, but merely to impress the Buyers regarding the fixed income likely to accrue to them. Further, R-1 Company made the Buyers enter into another similar Lease Agreement with R-17 entity i.e. M/s. Project Craft Solutions, only to give a false hope of the Property giving a regular rental income. It is also alleged that some of the Buyers were induced into buying some Units on the basis of the Agreement with R-16 and R-17, whereas, in reality, these Units sold to these Buyers were not at all in existence or were already sold. There is no response / reply to this set of allegation also on behalf of the Respondents, whereas, the specific documents i.e. Agreements with R-16 and R-17 have been duly enclosed with the CP.

15. The next set of allegations are regarding multiple sales of the same Property by the R-1 Company and the Respondents. It is stated that the bogus Sale Deeds without the Property being in existence was entered into, for which, the method utilised was mentioning only the Area of the Unit and the Floor without giving any other specific details of the constructed Property. It is also alleged that because of the multiple sales they were able to collect an amount of more than Rs.200 Crores including some portion in cash, which was also collected. There is also an allegation of siphoning of funds arising from these sales by the Promoters of the R-1 Company. Again, there is no objection/reply filed to these

allegations by the Respondents. Further, the request for an investigation into the affairs of the R-1 Company u/s 213 of the Companies Act, 2013 has been reiterated on the basis of the above allegations, and the necessity to track the funds which were siphoned off and diverted from this Company, accumulated by these bogus Sales. It is contended that the Company also has not made compliance to the interim order dated 27.04.2019 passed by the Hon'ble Prl. City Civil and Sessions Judge, Bengaluru in O.S. No.3301 of 2019, a copy of this order also has been filed with the CP.

- 16.** The list of various documents filed with the Petition in support of arguments submitted above is given above in Para 2(16). It is noticed from the reply of R-1 Company that they have not addressed to any of the allegations of these irregularities, and not responded to the documents along with the list of irregular sales listed in the Company Petition from Page 25 onwards. Instead, the RP representing R-1 Company in his reply has merely emphasised on the Petition filed in I&B Code, 2016 in CP (IB) No.246/BB/2019 and it is stated that the RP/Liquidator has also filed applications for avoidance transactions under Sections 43, 45 and 66 of the I&B Code, which include some of the allegations of the Petitioners herein. It is therefore contended that the Petitioners cannot seek investigation into the affairs of the R-1 Company. Further, it was stated that in view of the admission of the above Petition filed under Section 7 of the I&B Code, 2016, there was also a moratorium imposed under Section 14 of the Code, and the Petitioner's claims have been rejected in the CIRP since the Petitioners have chosen to not to have relinquished their rights during the CIRP proceedings. Some of the explanations given in the reply filed by the R-1 does not have any relevance in so far as the Petition u/s 213 of the Companies Act, 2013 for investigation into the affairs of the Company is concerned. The RP has given a detailed explanation related to claim of refund by some of the stakeholders including the Petitioners herein, stating that since the Sale Deed has been registered and the Legal Title has been transferred to the Petitioners, they cannot seek refund of the purchase amount of the Property. However, this is not the matter at hand and no such claim of refund has been made in the Petition filed u/s 213 of the Companies Act, 2013. Therefore, the RP has given an explanation in the reply which is not relevant at all for the purposes of this Petition. As has been discussed in detail, there have been specific allegations about the irregularities stated in this application u/s 213 and the RP's reply

does not take care of any of these allegations which is with reference to the specific details and documents discussed above. There is no denial in the RP's reply with respect to 164 Buyers listed in Page 25 onwards of CP, comprising of sale of 2,43,037 sq. ft. in total by the R-1 Company, whereas, they were entitled to ownership of only 82,216.30 sq. ft. as per the JDA. This excessive sale, three times of their entitlement by the R-1 Company, has neither been explained nor has any denial been filed. Furthermore, there has been allegation regarding the fake Lease Agreement with R-16 and R-17 to lure the Buyers with a false promise of assured rental return which was non-existent, for which, the Petitioners have also filed the specific documents for such Lease Agreements with R-16 and R-17. However, in the reply filed by RP on behalf of the R-1 Company, no explanation has been furnished about the same.

17. It is noticed that the R-1 Company subsequent to the Order dated 13.04.2023 passed by this Tribunal in IA No.526 of 2022 the R-1 Company herein was ordered to be liquidated and the RP was appointed as the Liquidator and the liquidation process of R-1 Company was still in progress. The Liquidator of the R-1 Company has filed a brief synopsis *vide* Diary dated 06.06.2023, in which, the reiteration of the earlier submissions made by the RP was made. In this connection, the Petitioners have cited the Judgment of Hon'ble NCLAT in *Vijay Pal Garg & Ors. Vs. Pooja Bahry* in Company Appeal (AT) (Insolvency) No.949 of 2019 dated 04.02.2020, in which it was held that so long as the Company is not liquidated it continues to exist and therefore the NCLT can recommend to the Central Government to get the affairs of the Company investigated. In that case, it was stated by the Counsel for the Appellant as under:

"19.that a company in liquidation continues to retain its corporate existence and as such it can among other things, sue and be sued in its name, till it is dissolved in accordance with law."

On this, *vide* Paras 37 and 38, the Hon'ble NCLAT observed as under:

"37. Be it noted, in the case on hand, an order of dissolution was not passed in regard to the 'Corporate Debtor' so far. To put it precisely, the fraudulent/ wrongful actions mentioned in the application projected by the 'Resolution Professional' before the Adjudicating Authority related to the period before 'Corporate Insolvency Resolution Process'.

38. It cannot be lost sight of that a Company in liquidation retains its existence and it is entitled to 'sue' and be 'sued' in its name, till it is dissolved in the manner known to law. Under Section 430 of the Companies Act, 2013 'National Company Law Tribunal' will have

jurisdiction to deal with the disputes arising out of the Companies Act, 2013.”

18. Moreover, the Appellant also stated that even in the case when the Company was undergoing CIRP also, investigation into the affairs of the Company by exercising powers under Section 213 of the Companies Act, 2013 was valid, for which, reliance was placed on the decision of Hon'ble NCLAT in *Mr. Lagadapati Ramesh Vs. Mrs. Ramanathan Bhuvaneshwari* in Company Appeal (AT) (Insolvency) No.574 of 2019 dated 20.09.2019.

19. Accordingly, it is held that investigation under Section 213 of the Companies Act, 2013 is possible in respect of the Company which is undergoing the process of liquidation. Therefore, by exercising powers under Section 213 of the Companies Act, 2013, we are of the considered opinion that the instant Petition deserves to be allowed and accordingly, the instant Company Petition bearing **CP No.14/BB/2022** is hereby **disposed of** with following directions:

- (a) *Ld. Counsel for the Petitioners is directed to forward all material documents, which is connected to the present case to the Central Government along with a copy of this Order, within a period of three weeks from the receipt of the Certified Copy of this Order with a copy to all the concerned Parties, duly following the principles of natural justice.*
- (b) *The Central Government is directed to adopt the procedure prescribed under Section 213(b) of the Companies Act, 2013 and the Central Government may get the affairs of the Respondent No.1 Company herein, namely, M/s. Vikram Structures Pvt. Ltd. (presently under Liquidation process under the I&B Code, 2016) and those of the related parties be investigated by appointing Inspector(s) to carry out the investigation by following the due procedure.*
- (c) *Liquidator of the Respondent No.1 Company is directed to cooperate with the Petitioners in handing over the requisite material documents of R-1 Company.*
- (d) *The Registry of this Tribunal is also directed to forward a copy of this Order forthwith to the Secretary and Joint Secretary, Ministry of Corporate Affairs, Government of India, 5th Floor, 'A' Wing, Shastri Bhawan, Dr. R.P. Road, New Delhi – 110001 for information and necessary follow-up action.*

Sd/-
MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)

jsr

Sd/-
T. KRISHNAVALLI
MEMBER (JUDICIAL)