THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-I), CHANDIGARH

IA (I.B.C)/1198(CH)2024
in
CP(IB) No. 237/Chd/Chd/2021
(Admitted)

IN THE MATTER OF CP(IB) No. 237/Chd/Chd/2021:

M/s Area Importers and Exporters Private Limited …. Financial Creditor

Vs.

M/s Gupta Builders and Promoters Private Limited ..... Corporate Debtor

Under Section 60(5), of the Insolvency and Bankruptcy Code, 2016

IN THE MATTER OF IA NO. 1998/2024:

M/S GBP DEVELOPERS PVT. LTD.
Shop No. 4, Rosewood Estate Gulabgarh Road
Zirakpur, Tehsil Dera Bassi, Distt S.A.S Nagar(Mohali)
Punjab- 140507 Email: shivansh18mw@gmail.com

……Applicant

Vs.

Mukesh Gupta
Resolution Professional
of Gupta Builders and Promoters Private Limited
F-1, Milap Nagar, Uttam Nagar, New Delhi -110059

……Respondent

Order delivered on: 10.12.2025

Coram: HON'BLE SH. KHETRABASI BISWAL, MEMBER (JUDICIAL)

HON'BLE SH. SHISHIR AGARWAL, MEMBER (TECHNICAL)

Present:

For the Applicant : Mr. Aalok Jagga, Mr APS Madan, Mr. Sahil Lohan, Ms. Vibhu Agarwal Advocates.

For the Respondent No. : Mr. Abhishek Anand, Mr Karan Kohli Advocates.

Per: SH. KHETRABASI BISWAL, MEMBER (JUDICIAL)
SH. SHISHIR AGARWAL, MEMBER (TECHNICAL)

ORDER

This Interlocutory Application has been filed by the Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“the Code”) seeking exclusion of certain parcels of land from the Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor.

SUBMISSIONS OF THE APPLICANT

2. Applicant has submitted as under:

(i) Applicant submits that it is the absolute owner of the land measuring 19 Bighas 08 Biswas 19 Biswasi situated at Village Singhpura, Zirakpur, having purchased the same through multiple registered sale deeds executed in 2017. All revenue entries, including Jamabandi and mutation records, have consistently reflected that the Applicant is the owner, and at no point prior to the alleged transaction of 2020 was its title to the land ever questioned. It is the Applicant’s grievance that despite this undisputed ownership, the Resolution Professional has included the said land as an asset of the Corporate Debtor and has proceeded on the basis that the

Corporate Debtor holds valid title, which according to the Applicant, is wholly incorrect and contrary to the factual record.

(ii) The Applicant states that it had entered into a Joint Development Agreement (JDA) dated 27.07.2017 with the Corporate Debtor for development of the "Centrum" project. Under the JDA, the parties had agreed to share the sale proceeds in the ratio of 35:65, and the Corporate Debtor had paid ₹40,00,000/- as earnest money, which was duly reflected in the accounts. It is submitted that this JDA was the governing arrangement at all material times and continued to remain in force as neither party issued any notice of termination as mandated under the agreement. The Applicant emphasises that the JDA did not contemplate transfer of ownership to the Corporate Debtor and ownership of the land always remained vested in the Applicant.

(iii) It is the specific case of the Applicant that the alleged Board Resolution dated 14.09.2020 and the Sale Deed dated 15.09.2020, on the basis of which the Corporate Debtor claims to have acquired ownership of the property, are forged, fabricated, and non est in the eyes of law. The Applicant contends that the purported Board Resolution bears only one signature, whereas the Applicant had three directors at the time and no meeting of the Board was ever convened on 14.09.2020. It is pointed out that the resolution violates Sections 174, 175, 179 and 180 of the Companies Act, 2013, and no authorisation was ever given to any person to execute the sale deed in favour of the Corporate Debtor. The Applicant asserts that the alleged sale deed is the outcome of fraudulent manipulation carried out in collusion with one Mr. Gurmeet Singh, who had no authority to represent the Applicant-company.

(iv) The Applicant further submits that the recitals of the Sale Deed dated 15.09.2020 are themselves self-contradictory and reveal the fraudulent nature of the transaction. Several payments shown therein, including various cheque entries, are stated to have neither been received by the Applicant nor reflected in its accounts. It is argued that the bank transfers referred to in the sale deed pertain only to JDA-linked payments made during 2017–2019 and cannot be treated as sale consideration for a sale deed executed in September 2020. The Applicant submits that the inclusion of such entries and the manner in which consideration has been depicted further demonstrates that the document is sham and void.

(v) The Applicant also points out that the Corporate Debtor never took steps to mutate the property in its name after execution of the alleged sale deed, though mutation under Sections 34 and 39 of the Punjab Land Revenue Act, 1887 is mandatory upon every lawful transfer. Even today, the Jamabandi continues to reflect the Applicant as the owner, which according to the Applicant, conclusively establishes that the alleged transfer was neither genuine nor acted upon.

(vi) The Applicant submits that it has already approached the Civil Court by filing Civil Suit No. 360/2023 seeking declaration of title and cancellation of the impugned documents. However, since CIRP had already commenced and the Corporate Debtor was arrayed as a party, continuation of proceedings became barred due to the moratorium imposed under Section 14 of the IBC. In view of Section 63 and Section 238 of the Code, the jurisdiction of the Civil Court is excluded on matters arising out of CIRP, and therefore the Applicant submits that the present application before this Tribunal is the only efficacious remedy available.

(vii) The Applicant submits that the core issue raised is not contractual in nature but pertains to wrongful and illegal inclusion of a third-party asset into the CIRP estate.

It is urged that this Tribunal, under Section 60(5)(c), has jurisdiction to determine such questions. Reliance is placed on the decisions of the Hon'ble NCLAT in **Ramesh Singh Rawat v. SPG Global Distribution Pvt. Ltd., CA (AT)(INS) No. 872/2023**, **Pawan Vikram Sajhwani v. Santanu T. Ray, CA (AT)(INS) No. 166/2024**, **Nitin Jain v. Universal Tutorial Pvt. Ltd. CA (AT)(INS) No. 337/2021**, **Adinath Jewellery Exports v. Brijendra Kumar Mishra *Adinath* Company Appeal (AT) (Insolvency) No. 748 of 2022** ", to contend that the NCLT has power to examine whether a particular asset forms part of the Corporate Debtor's estate.

(viii) Heavy reliance is also placed on **Eliane Info Solutions Pvt. Ltd. v. J&A Avenues Pvt. Ltd. Company Appeal (AT) No. 210, 246 & 258 of 2019**, wherein it was held that a sale deed executed without a valid board resolution cannot be treated as conveying lawful title. The Applicant submits that the factual scenario in the present case is even more egregious, as no resolution existed and the alleged document contains a forged signature.

(ix) For all these reasons, the Applicant prays that the land in question be excluded from the CIRP, that the Sale Deed and Board Resolution be declared void, and that this Tribunal may pass any consequential directions necessary to protect the Applicant's rights.

SUBMISSIONS OF THE RESPONDENT

3. Respondent – Resolution Professional has submitted as under:

(i) he threshold, the Respondent–Resolution Professional submits that the present application is wholly misconceived and is not maintainable. It is stated that the Applicant is neither a financial creditor nor an operational creditor nor a stakeholder recognised under the CIRP Regulations. The Applicant has not filed any claim before the IRP/RP and has no locus to seek exclusion of any asset or to obstruct consideration of the Resolution Plan approved by the Committee of Creditors (CoC).

(ii) The Respondent submits that the foundation of the Applicant's case relates to allegations of forgery, invalidity of a board resolution, and challenge to a registered sale deed executed in the year 2020. According to the Respondent, such disputes are squarely civil in nature and cannot be adjudicated in summary proceedings under the IBC. It is emphasised that the issues raised require detailed evidence, including handwriting examination, cross-examination of witnesses, and interpretation of company law provisions, none of which falls within the jurisdiction of the NCLT while dealing with an application under Section 60(5).

(iii) The Respondent relies on the decision in **SICOM Ltd. & Anr. v. Kitply Industries Ltd., CA (AT)(INS) No. 849/2021**, affirmed by the Hon'ble Supreme Court on 31.07.2023, to submit that challenges to sale deeds, questions of validity of execution, or allegations of fraud in property transfer cannot be adjudicated by the NCLT. It is submitted that the ratio of the said judgment applies squarely and bars the present application.

(iv) It is further submitted that the jurisdiction under Section 60(5)(c) is not plenary and cannot be expanded to matters dehors CIRP. Reliance is placed on **Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta (Civil Appeal 9241/2019)** and **TATA Consultancy Services Ltd. v. Vishal Ghisulal Jain (Civil Appeal 3045/2020)** to argue that contractual or civil disputes predating CIRP fall outside the scope of this Tribunal's authority. The Respondent submits that the present dispute, being a pre-CIRP title dispute, is beyond the Tribunal's jurisdiction.

(v) The Respondent places heavy reliance on the judgment of the Hon'ble Supreme Court in **Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd., (2022) 1 SCC 401**, wherein it is held that no asset of a Corporate Debtor can be carved out or excluded from the CIRP or resolution plan. It is submitted that even if a dispute is raised regarding title, the same cannot be a ground to halt the resolution plan or to remove the asset from the insolvency estate at this stage.

(vi) The Respondent submits that the Sale Deed dated 15.09.2020 is a registered document carrying statutory presumption of validity. The bank statements filed through Additional Affidavit dated 03.04.2025, according to the Respondent, clearly show receipt of consideration in the Corporate Debtor's bank accounts during 2017–2019 and 2021. The Respondent submits that these records contradict the Applicant's claim that the sale deed was fabricated.

(vii) It is submitted that the Corporate Debtor acted on the basis of the Board Resolution presented to it and is protected by the Doctrine of Indoor Management, as recognised in the matter of **Tulip Hotels Pvt. Ltd. v. JC Flowers ARC Pvt. Ltd., (2024) ibclaw.in 628 NCLAT.** The Respondent submits that the Applicant cannot now dispute its own internal authorisation to prejudice third parties.

(viii) The Respondent submits that the Applicant has suppressed the Civil Court order dated 20.11.2024 at the time of filing earlier affidavits and has attempted to introduce documents belatedly in violation of Rule 55 of the NCLT Rules. Reliance is placed on **Innoventive Industries Ltd. v. ICICI Bank (2018) 1 SCC 407** and **Dena Bank v. C. Shivakumar Reddy (Civil Appeal 1650/2020)** which held that delays and belated filings cannot be entertained in a time-bound CIRP.

(ix) The Respondent further submits that this Hon'ble Adjudicating Authority does not possess plenary or general civil court jurisdiction to adjudicate upon complex civil disputes, including questions of title, validity of documents, or allegations of forgery, in view of the law laid down by the Hon'ble Supreme Court in ***Embassy Property Developments Pvt. Ltd. v. State of Karnataka*****, (2020) CIVIL APPEAL NO. 9170 OF 2019**. It is submitted that the Supreme Court has categorically held that the NCLT is a creature of statute and cannot assume wide civil court powers outside the IBC. The Respondent relies upon the following extract:

"29. NCLT is not even a Civil Court, which has jurisdiction by virtue of Section 9 of the Code of Civil Procedure to try all suits of a civil nature excepting suits, of which their cognizance is expressly or impliedly barred. Therefore, NCLT can exercise only such power within the contours of jurisdiction as prescribed by the statute, the law in respect of which it is called upon to administer."

(x) It is lastly submitted by the Respondent that the challenge to the sale deed is hopelessly barred by limitation, as the Applicant has chosen to raise objections only in 2024 against a registered document of 2020. The Respondent contends that the present application is an attempt to derail the CIRP and stall the approval of the Resolution Plan. It is therefore prayed that the application be dismissed with costs.

ANALYSIS & FINDINGS

4. We have heard learned counsel for the parties at length and have carefully perused the pleadings, annexures, affidavits and written submissions placed on record.

5. The controversy raised in the present Application centres around the Applicant's prayer for exclusion of a parcel of land from the CIRP estate of the Corporate Debtor and for declaring the Board Resolution dated 14.09.2020 and the Sale Deed dated 15.09.2020

as forged and void. On the other hand, the Respondent–Resolution Professional has questioned the very maintainability of the Application, contending that the nature of reliefs sought falls squarely outside the jurisdiction of this Tribunal in proceedings under Section 60(5) of the IBC.

6. At the outset, it is evident from the pleadings that the core dispute between the parties pertains to the validity of a registered sale deed executed in September 2020 and the genuineness of an internal board resolution of the Applicant-company. The allegations raised by the Applicant, as to forgery of signatures, absence of a board meeting, non-receipt of consideration, fabricated entries in the deed, and violation of provisions of the Companies Act, are matters which undoubtedly require detailed evidence, oral testimony, cross-examination, and forensic scrutiny. These issues are not incidental to the CIRP but relate to the underlying title over immovable property, which is a subject traditionally and statutorily reserved for adjudication by civil courts.

7. The Hon'ble Supreme Court in ***Embassy Property Developments Pvt. Ltd. v. State of Karnataka [2020] ibclaw.in 12 SC*** **(Civil Appeal No. 9170/2019)** has categorically held that the NCLT is not a civil court and does not possess plenary jurisdiction to examine matters of title, public law, or disputes arising under special statutes unless such questions are integrally connected with issues arising directly out of the CIRP. This position has been reiterated in ***Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta***, ***TATA Consultancy Services Ltd. v. Vishal Ghisulal Jain*** and other decisions relied upon by the Respondent. These authorities leave no manner of doubt that disputes regarding validity or illegality of sale deeds or corporate authorisations executed prior to initiation of CIRP cannot be adjudicated under Section 60(5).

8. We find merit in the Respondent's reliance on the judgment of the Hon'ble NCLAT in ***SICOM Ltd. & Anr. v. Kitply Industries Ltd., (2023) ibclaw.in 236 NCLAT CA***

(AT)(INS) 849/2021, which has since been affirmed by the Hon'ble Supreme Court. The NCLAT has specifically held that challenges to sale deeds, allegations of fraud in execution, or objections to transfer of property prior to initiation of CIRP do not fall within the scope of IBC proceedings. The ratio of that judgment applies with full force to the facts at hand. The reliefs sought by the Applicant are in the nature of cancellation of a registered instrument and declaration of title, both of which are remedies exclusively falling within the domain of the civil court.

9. The Applicant has placed reliance on several NCLAT judgments such as ***Ramesh Singh Rawat***, ***Pawan Vikram Sajhwani***, ***Nitin Jain***, etc., to contend that this Tribunal may decide whether a particular asset forms part of the insolvency estate. However, all those judgments are distinguishable on facts and do not dilute the binding ratio of the Supreme Court in ***Embassy Property***, ***Gujarat Urja*** **and** ***TCS***, which restrict NCLT's jurisdiction where determination of title requires deeper adjudication beyond the summary framework of the IBC.

10. The Applicant has relied upon the judgment in ***Elaine Info Solutions Pvt. Ltd. v. J&A Avenues India Pvt. Ltd.*** (2020) ibclaw.in 534 NCLAT to argue that this Tribunal may examine the validity of a sale deed and the underlying board resolution. However, this reliance is fundamentally misplaced. The Elaine Info judgment arose in a Petition under Sections 241–242 of the Companies Act, 2013, where the NCLT exercises wide equitable jurisdiction to inquire into acts of oppression and mismanagement. In such proceedings, the Tribunal is empowered to examine internal affairs of the company, including the validity of board resolutions, financial statements and fraudulent conduct of directors. In contrast, the present application is filed under Section 60(5) of the IBC, which confers only a *limited, residuary jurisdiction* strictly confined to issues arising "out of or in relation to" the CIRP. The jurisdiction under Section 60(5) cannot be expanded to adjudicate

questions of title, fraud, or genuineness of board resolutions—matters which fall squarely within the domain of civil courts. Therefore, the ratio of Elaine Info Solutions is entirely inapplicable to the present factual and statutory context.

11. We also find substance in the contention of the Respondent that no asset of a Corporate Debtor can be carved out from the CIRP or the resolution plan once it forms part of the corporate debtor's estate. Hon'ble Supreme Court in ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd.*****, (2021) ibclaw.in 63 SC**, has held that once the CoC has approved a resolution plan and such plan contemplates treatment of assets of the corporate debtor as a whole, individual stakeholders cannot seek exclusion of any particular asset by raising disputes at a belated stage. Accepting such a position would result in uncertainty and derailment of the resolution process.

12. In the present case, CIRP commenced on 31.05.2022. The resolution plan was approved by the CoC in April 2023. The present Application has been filed nearly one year after such approval, seeking to prevent consideration of I.A. 2155/2023 for plan approval. The timing of the Application further reinforces that the reliefs sought are aimed at arresting the CIRP mid-stream. The Code mandates completion of CIRP within strict timelines, and introduction of intricate civil disputes at this stage would defeat the very objective underlying the legislation.

13. The Applicant's plea that the moratorium prevents it from pursuing its civil suit cannot vest this Tribunal with jurisdiction it otherwise does not possess. The moratorium under Section 14 bars proceedings *against* the Corporate Debtor. It does not preclude a party from seeking declaratory reliefs against other individuals, nor does it operate as a mechanism to convert the NCLT into a civil forum for adjudicating disputes of title. The

statutory bar contained in Section 63 does not enlarge NCLT's jurisdiction but only restricts the jurisdiction of civil courts in matters legitimately arising out of the IBC.

14. Having considered the overall circumstances, we are of the view that the disputes raised by the Applicant cannot be adjudicated by this Adjudicating Authority. The Applicant's contentions whether acceptable or not require determination in an appropriate civil forum. This Tribunal cannot make findings on the validity of the Board Resolution or the Sale Deed, nor can it exclude the land from the CIRP without transgressing the clear limits of its jurisdiction.

15. In view of the above facts and the law laid down by Hon'ble Supreme Court, we hold that the present Application is not maintainable. No ground is made out for interference with the CIRP or for restraining consideration of the Resolution Plan.

16. Accordingly, **IA No. 1198 of 2024 is dismissed and disposed of. No order as to costs.**

Sd/-	**Sd/-**
(SHISHIR AGARWAL) **MEMBER (T)**	**(KHETRABASI BISWAL)** **MEMBER (J)**

December 10, 2025
AKS