

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.14
IA (IBC) 1002/2025
CP(IB) No. 305/BB/2019

IN THE MATTER OF:

Kotak Mahindra Bank ... Petitioner

Vs.

Arun Shelters ... Respondent

Petition Under Sec 7 of I&B code 2016

Order delivered on: 15.06.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Applicant in IA 1002 : Adv. Srinandan K
For the Respondent bank in IA 1002 : Adv. V.J. Achalanand

ORDER

IA 1002/2025

1. Heard Ld. Counsels for the parties.
2. Facts of the case are that the Corporate Debtor was admitted into CIRP u/s 7 of IBC vide order dated 31.01.2020 at the instance of financial creditor/M/s. Kotak Mahindra Bank. The applicant had submitted the resolution plan dated 27.01.2021 which was approved by CoC after extensive deliberations and thereafter by this Authority on 04.11.2022 approved the resolution plan by making specific observations in para 31 of the order to the

effect that Kotak Mahindra Bank will retain charge on security over the land and building of project Arun Aurovilla and the same shall be released on full payment being made by the resolution applicant.

3. The resolution applicant, in full compliance of the resolution plan, has paid the entire amount of Rs. 53.42 Crores to the creditors including the respondent bank. Although there was a dispute concerning applicability of interest under Clause 14.1(e) of the resolution plan yet in order to avoid default and to save the implementation of plan, an additional sum of Rs. 4,55,21,096/- towards interest was also remitted, albeit under protest.

4. On the applicant meeting all the liabilities under the resolution plan. Once the condition precedent for release of charge and security were fully met and complied with, the release of original title deeds and security documents pertaining to the land and building of project Arun Aurovilla by the respondent bank should have followed. As the same did not happen, the applicant issued legal notice dated 02.06.2025 to the respondent in this behalf of, for which reply dated 13.06.2025 was received. In the reply, the fact of having being remitted full payment is admitted yet release of documents is refused until disposal of IA No. 248/2024 before this authority and pending appeal by the Ex-promoter bearing CA No. 277/2024, whereby the approval of the resolution plan has been challenged.

5. Reliance on the order dated 09.10.2025 in **Arunkumar Vs. Sripriya Kumar & Ors**, Civil Appeal No.277/2024 has been placed to convey that the challenge raised by ex-promoter was based on false and misleading assertions and clearly recorded that SRA has substantially implemented the resolution plan. It is alleged that the respondent bank instead of honouring the resolution plan, is coercing the applicant to withdraw its statutory appeal pending before Hon'ble NCLAT, arising out of dismissal of IA 248/2024 concerning waiver of interest. The applicant thus sought directions to the respondent bank to release and hand over all the original title deeds, charge

release documents and other securities pertaining to land and building of project Arun Aurovilla to the applicant/SPV in compliance of terms of approved resolution plan. The respondent is sought to be further directed to co-operate in successful implementation of approved resolution plan.

6. The respondent bank has filed objections contending that even if the Hon'ble Supreme court has held in its order dated 09.10.2025 that the terms of resolution plan have been implemented by the applicant, the fact remains that issue of waiver of interest is still pending consideration of Hon'ble NCLAT which impacts its full implementation. The issue of waiver of interest is an attempt to seek modification in the resolution plan which has unanimously been approved up to Hon'ble Supreme court of India. It is therefore necessary for all the pending proceedings inter-se the parties to conclude, to put a quietus to the implementation of the resolution plan. The application is thus stated to be premature, riddled with misleading and self-serving claims as also to twist the narrative in order to mislead and prejudice this Authority. The dismissal of the application therefore, has been urged.

7. Rejoinder is ceremonial reiteration of the contents of the application and rebuttals of contents of objections.

8. We have carefully perused the file. After payment of the committed principal amount under the resolution plan to the respondent bank, some interest had accrued in terms of clause 14.1 (e) of the plan. The applicant/SRA had filed **IA 248/2024** seeking waiver of interest which was dismissed by this Authority on 08.08.2025. The applicant has preferred Company Appeal (80) (INS) No. 559/2025 against the said order, before Hon'ble NCLAT and the same is pending. During its pendency however the accrued interest of **Rs. 4,55,21,096/-** has been remitted to the respondent bank, **under protest**, so as not to prejudice the outcome of the pending appeal.

9. Irrespective of taking judicial remedy against order dated 08.08.2025 passed by this authority in IA NO. 248/2024, the applicant has paid the entire accrued interest to the respondent without prejudice to their rights in the pending appeal. The respondent bank having received full payment under the approved resolution plan has no basis to retain custody of title documents and other securities of project Arun Aurovilla of CD. Only because the issue of payment of interest is still live in an appeal, does not provide foothold to the respondent not to part with the custody and control of vital documents unto the applicant.

10. Whatever be the outcome of appeal, the respondent bank will have to return the title documents and other securities papers along with charge release report over the land and building of project of Corporate Debtor, with or without the component of interest. Given this proposition the respondent is not going to be prejudiced in any manner on the Title papers being released to the applicant, the rightful holder thereof by virtue of acceptance of his Resolution Plan, after receiving its share under the plan. **The application therefore is allowed.** The respondent, *Kotak Mahindra Bank* is directed to hand over the original title deeds and other securities and charge release documents pertaining to land and building of project *Arun Aurovilla* to the applicants **against proper receipt within a period of 15 days.**

10. Application file be tagged with main petition and both be returned to Record Room.

Sd/-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

Sd/-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

Jones