

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – I
INTERLOCUTORY APPLICATION (IBC) NO. 4964 OF 2025
in COMPANY PETITION (IB) NO. 2851 OF 2018

In the matter of:

Mr. Prakash Dhayapule

... Applicant

Versus

- 1. M/s Shri Sai Priya Sugars Limited**
- 2. Shree Kedarnath Sugar and Agro Products Limited**
- 3. CA Anand Sonbhadra**
- 4. Mr. Bhuvnesh Maheshwari**
- 5. Tehsildar, Badami**
- 6. Assistant Commissioner, Bagalkot, Karanataka**
- 7. Mr. Vaman Shripad Diwan**

... Respondents

In the original matter of:

Indian Renewable Energy Development Agency Limited

... Financial Creditor

Versus

Shree Kedarnath Sugar and Agro Products Limited

...Corporate Debtor

Order Pronounced on 07.07.2026

Coram:

Shri Prabhat Kumar

Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey

Hon'ble Member (Judicial)

Appearances:

For the Applicant

: Mr. Ninad Deshpande

a/w Adv. Aishwarya D

For the Respondent Nos. 1 & 2

: Adv. Astha Ojha, Mr. Aman Kacheria

For the Respondent Nos. 3 & 4

: Ms. Shrishti Agnihotri

For the Respondent No. 7

: Adv. Sandeep Rebari

ORDER

Per : Coram

Background of the case

1. The present Interlocutory Application No. 4964 of 2025 ('Application') is filed by Mr. Prakash Dhayapule ('Applicant') on 21.10.2025 against M/s Shri Sai Priya Sugars Limited and Others ('Successful Resolution Applicant') whose Resolution Plan for resolution of the Corporate Debtor, namely M/s Shree Kedarnath Sugar and Agro Products Limited, was approved on 21.09.2020 by this Tribunal.
2. The Applicant prays for the following reliefs:
 - a. *Declare that the order dated 21 September 2020 passed in IA No. 1176 of 2020 approving the resolution plan of Respondent No. 1 does not direct or authorize the transfer or vesting of Land 3 or any part thereof (including the Applicant's lands bearing Survey/Gat Nos. 77/2, 85/1, 80/2, 79/1, 71/2A and 88/2) in the Corporate Debtor or the nominees of the Resolution Applicant.*

Applicant's submission

5. It is case of the Applicant that the land admeasuring 19.35 acres comprised of Survey numbers 77/2, 85/1, and 80/2, situated at Kerakalamatti village, Taluka Badami has been incorrectly included in the Resolution Plan as assets of the corporate debtor, and The minutes of the 9th Meeting of Committee of Creditors (CoC) of the Corporate Debtor records that the CD had no title to Land 3 and that it was owned by the Late Mr. Vikramsinh Aparadh and his relatives. It is submitted by the Applicant that he acquired the said land parcels through a registered sale deed dated 30.10.2020, executed by Mr. Vaman Sripad Divan (through his Power of Attorney Mr. Rajesh Vasantroa Aparadh) in his favor.

6. It is the submission of the Applicant that although the plan itself divided 160 acres into three categories (Land 1 - owned by the CD, Land 2 - owned by promoters, and Land 3 - owned by third parties), it erroneously stated that the *“entire land including Land 3 shall stand transferred to the Corporate Debtor.”* Later, as on 31.07.2025, the Assistant Commissioner, Sub-Division Bagalkote passed an order directing that the Applicant's lands bearing Survey/Gat Nos. 7712, 85/1, 80/2, 79/1, 71/2A and 88/2 at Kerakalamatti Village, Badami Taluka be recorded in the name of the Corporate Debtor through its director Mr. Vishala Murugesha Nirani. The said order was passed without issuing any notice to the Applicant, and it was passed on mere assumption of the Tribunal's approval of the Resolution Plan on 21.09.2020.

7. The Applicant has contended that, since, he acquired the land from its recorded legal owner, who was other than Corporate Debtor, his rights in the said land parcels cannot be taken away by the approved Resolution Plan, and his title should be protected independent of the Resolution Plan's contents. The Applicant contends that the vesting of these lands in Respondent No. 1 (SRA) consequent to the approval of the Resolution Plan was improper and an unjust enrichment of the CD.

8. Respondent No. 7 has supported the claim of the Applicant stating that he was legally entitled to deal with said land on behalf of its legal owner and he was never a director, shareholder, promoter, officer, employee, agent, representative, consultant, creditor, debtor, guarantor or stakeholder of the Corporate Debtor. He had independently purchased agricultural lands situated at Village Kerakalmatti, Taluka Badami, District Bagalkote, Karnataka, from the erstwhile owners/farmers under various registered Sale Deeds executed in favor of Respondent No. 7. He further states that he never received any notice of the CIRP of the Corporate Debtor and he is also not bound by the Resolution Plan. Respondent No. 7 claims that no land belonging to him could have been transferred, vested, mutated or treated as an asset of the Corporate Debtor merely on the basis of the approval of a Resolution Plan in proceedings concerning the Corporate Debtor.

Respondent No. 1 to 6's Submissions

9. The Respondents Nos. 1 and 2 asserts that the land parcels were expressly disclosed and placed on record in the Information Memorandum and other documents prepared during the CIRP. The Committee of Creditors, in its commercial wisdom and after considering all material facts and asset disclosures, approved the Resolution Plan with 95.21% voting share.
10. Once the Resolution Plan was approved on 21.09.2020, the erstwhile promoters had no residual right, title, or authority to deal with, alienate, or create third-party interests in assets covered under the Plan. It is further stated by the Respondent Nos. 1 and 2 that the sale deed dated 05.10.2020 alienating these land parcels, which are the assets of the Corporate Debtor, to the Applicant is void and non-est in law.
11. It is further stated by the Respondent Nos. 1 and 2 that the Tahsildar at Badami, after conducting a detailed inquiry and hearing both parties, directed correction of revenue records in favor of Respondent No. 1 vide order dated 31.07.2025,

and such administrative determination has settled the matter. It is alleged by the Respondent Nos. 1 and 2 that the Applicant has deliberately ignored the fact that the Tahsildar had no authority to override the Tribunal's Approval Order, and the order was passed by Assistant Commissioner exercising his jurisdiction after following due process in accordance with the approved Resolution Plan which was binding on these authorities.

12. The Respondent Nos. 1 and 2 contend that the clauses in the approved Resolution plan are final, binding and conclusive in nature. The Respondents relied on clause 10.2.1 of the Tribunal's approval order wherein it is stated that once a Resolution Plan is duly approved by the Tribunal under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the CD and its employees, members, creditors, including the Government authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.

13. Respondent nos. 3 and 4 herein, has relied upon the 17th Annual report 2017-2018 of the Corporate Debtor, and stated that, the Corporate Debtor had paid the advance amounting to Rs.15.70 Crores to the Director/Promoters for purchasing the Land 3 parcels on behalf of the Corporate Debtor and the said parcels were to be transferred to Corporate Debtor on receiving certain approvals from the State Government. In the meanwhile, these land parcels were either continued to be held in the name of original owners or the erstwhile Directors/ relatives. It is further stated that the consideration paid for the said land purchase is duly accounted in the books of the Corporate Debtor as assets of the Company. It is further stated that the Applicant, if aggrieved by the plan approval order dated 21.09.2020, ought to have preferred the appeal to object such transfer of land in stipulated time as per law.

Findings and Decision

14. We heard the learned counsels for the Applicant and the Respondents including Successful Resolution Applicant (SRA) and also perused all the material on the records.
15. It is noted that the Resolution Plan submitted by the SRA and approved by this Tribunal, classifies the land parcels into three parts; Land 1, which was owned by the Corporate Debtor; Land 2, which was not owned by the Corporate Debtor but by its promoters and their relatives and mortgaged to secured financial creditors; Land 3, which is not owned by the Corporate Debtors but by its Promoters and their relatives and not mortgaged to Secured Financial Creditors. It is further noted that Clause 10.2.6. ix. of the Resolution Plan states as follows in relation to Land parcel 3:

“Out of the Entire Land, the following is owned by the Promoters & its relatives (“Land 3 owners”) which is neither mortgaged to the Secured Financial Creditors nor complete documentation pertaining to it is available.....”

Xxx

“a. The Resolution Applicant has been given to understand that the sale consideration for Land 3 has been paid by the Corporate Debtor. This includes the 13 acres of land, under lien with the commercial tax department, the beneficial owner of which is the Corporate Debtor. However, the title deeds are held in the name of Land 3 Owners

b. In light of the above, upon approval of the Resolution Plan by the Adjudicating Authority, Land 3 shall stand transferred to the Corporate Debtor or the nominees of the Resolution Applicant by the Land 3 Owners, such that the Corporate Debtor or the nominees of the Resolution Applicant shall be vested to be in possession and have absolute and good and marketable title, rights and interest in Land 3.....”

16. It is noted that the SRA was given to understand that the consideration for purchase of Land 3 parcels was paid by the Corporate Debtor, but those lands were yet to be registered in name of corporate debtor for want of administrative approvals. This assertion is corroborated by the Note no. 38 of Notes to Accounts forming part of audited financial statements for the year ended 31.03.2018, which states as follows:

38. Advance for land purchase includes part payment of amounts paid to directors of the Company and their relatives towards land to be purchased by them on behalf of the Company. The land has not yet been transferred in the name of the Company as the permission for acquisition of these lands by the Company, has been applied for and is awaited from the State Government.

17. Further, Para i(c) of Annexure 'A' to the Independent Auditor's Report dated 24.08.2018 also corroborates this assertion. The relevant part of said report reads as follows:

“(c) According to the information and explanation given to us and the record examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of some of the immovable properties, comprising all the immovable properties of land and building are held in the name of Directors & their relatives. As at the balance sheet date, title deeds of 49 acers are held in the name of the company and title deeds of about 111 acres are held in the name of the Directors & their relatives.”

18. It is noted that the minutes of the 9th Meeting of the CoC records that “*The RP further clarified that neither the RP nor the COC are aware of the ownership of 'Land 3' or whether the Corporate Debtor had paid any amount to its directors or their relatives for purchase of the said land. He further stated that information about the said land has been unearthed by the Resolution Applicant while carrying out the legal due diligence. It was further clarified by the RP*

that he is not in possession of any title documents pertaining to Land, Land 2 or Land 3. Further, the COC confirms that they are not in possession or aware of the title of the respective lands other than those mortgaged to them, and those owned by the Corporate Debtor.” However, the said averments only indicate that there was no certainty in relation to details of properties admeasuring 111 acres (as stated in the Auditor’s Report) in the absence of title deeds, which the erstwhile management had failed to provide to the Erstwhile Resolution Professional. Nonetheless, the auditor’s report confirms that the Corporate Debtor had 150 acres of land standing in its name or the name of the Directors & their relatives.

19. It is noteworthy here that the Respondent No. 7 had executed a Power of Attorney in the favour of Mr. Rajesh Vasant Rao Aparadh on 20.01.2011 to deal with these land parcels as its owners, and the Applicant purchased these land parcels in terms of sale deed executed by Mr. Rajesh Vasant Rao Aparadh as attorney of Respondent No. 7. It is noted that Mr. Vikramsinh Hindurao Aparadh and Mr. Yilasrao Baburao Aparadh were erstwhile Directors of the Corporate Debtor, and the reply filed by Mr. Rajesh Vasant Rao Aparadh in the capacity of the attorney of Respondent no. 7 has only averred only in relation to relationship of Respondent No. 7 with the Corporate Debtor, and Mr. Rajesh Vasant Rao Aparadh has not clarified if he was not related to Mr. Vikramsinh Hindurao Aparadh and Mr. Yilasrao Baburao Aparadh.
20. Hence, even though there exists a clause in the Resolution Plan stating the implied transfer of the said land parcel to the Corporate Debtor post approval of the Resolution Plan, such statement is based on corroborative evidences, and in the absence of investigation in the present matter, this Tribunal cannot hold as to who was the real/ beneficial owner of the said land parcels. Nonetheless, it is clear from the facts before us that the sale consideration for 111 acres was paid by the Corporate Debtor and those land parcels were to be registered in the name of Corporate Debtor as on CIRP commencement date, and the erstwhile

directors of the Corporate Debtor had not provided survey wise details of these land parcels, which is also evident from the Information Memorandum where the details of the properties owned the Corporate Debtor are not explicitly stated.

21. It is to be noted that the order passed by this Tribunal cannot be construed as vesting ownership title in the Corporate Debtor, unless it had, and the properties of the Corporate Debtor stands transferred in the favour of SRA to the extent and in the manner owned and possessed by the Corporate Debtor as on CIRP commencement date. It is noted that the order passed by the Assistant Commissioner, Sub-Division Bagalkote on 31.07.2025, directing that the Applicant's lands bearing Survey/Gat Nos. 7712, 85/1, 80/2, 79/1, 71/2A and 88/2 at Kerakalamatti Village, Badami Taluka be recorded in the name of the Corporate Debtor through its director Mr. Vishala Murugesha Nirani, cannot be construed as a consequence flowing automatically from the approval of the Resolution Plan by this Tribunal. The approval order dated 21.09.2020 neither adjudicated upon the title of Land 3 nor directed the transfer or mutation of any land standing in the name of third parties. The Resolution Plan itself recognizes that Land 3 was not owned by the Corporate Debtor and that the title deeds continued to remain in the names of the promoters and their relatives. Therefore, any transfer or mutation of such lands can only be effected in accordance with the applicable law after due verification of title and after following the principles of natural justice.

22. Any transfer of Land 3 could only be effected in accordance with the applicable law, after compliance with the statutory requirements governing transfer of immovable property and subject to verification of the lawful title of the persons competent to convey the property. Since there are disputed facts in relation to the title of land parcels in question, the jurisdiction to decide the ownership of the said land parcel is vested in the civil courts and this Tribunal, in the absence of details of 111 acres, cannot adjudicate in relation thereto.

23. In terms of the above, we are of a considered view that the directions sought by the Applicant cannot be issued by this Tribunal in terms of jurisdiction vested in it, however, the parties shall be at liberty seek appropriate remedial recourse before the civil court of competent jurisdiction.

24. In terms of the above, **IA(IBC) 4964 of 2025** is **disposed of**.

Sd/-

Prabhat Kumar

Member (Technical)

Vaishnavi B

Sd/-

Sushil Mahadeorao Kochey

Member (Judicial)