

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH  
COURT HALL NO: II**

**Hearing Through: VC and Physical (Hybrid) Mode**

**CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)**

**CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 17.09.2024 AT 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC)/971/2024, IA (IBC)/972/2024, IA (IBC)/492/2024, IA (IBC)/314/2024 in Company Petition IB/296/7/2022</b>
<b>NAME OF THE COMPANY</b>	<b>Manjeera Retail Holdings Pvt Ltd</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>Catalyst Trusteeship Limited</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>Manjeera Retail Holdings Pvt Ltd</b>
<b>UNDER SECTION</b>	<b>7 of IBC</b>

**ORDER**

**IA(IBC)/971/2024**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

**IA(IBC)/972/2024**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

**IA(IBC)/492/2024**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

**IA(IBC)/314/2024**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA No. 971 of 2024**

**in**

**CP (IB) No. 296/7/HDB/2022**

*[U/s. 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016]*

**In the matter of M/s. Majeera Retail Holdings Private Limited.**

**Between:**

**1. Mrs. Neha Kausar,**

W/o Mr. Mohammed Sajeed, aged 34 years.  
R/o H.No. 8-2-608/1/5, Karama Enclave,  
Road No. 10, Banjara Hills,  
Hyderabad- 500034.

**2. Mrs. Hafeezunnisa Begum,**

W/o Mr. Imran Khan, aged about 39 Years,  
Represented by Mrs. Neha Kausar.  
R/o H.No. 8-2-608/1/5, Karama Enclave,  
Road No. 10, Banjara Hills,  
Hyderabad- 500034.

**... Applicants**

**And**

**Mr. Birendra Kumar Agarwal,**

Resolution Professional of  
M/s Manjeera Retail Holdings Private Limited,  
# 711, Manjeera Trinity Corporate  
Beside Manjeera Mall, JNTU-Hitech City Road,  
Kukatpally, Hyderabad, Telangana-500072

**... Respondent/ Resolution Professional**

**Date of Order: 17.09.2024**

**Coram:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)  
Sri Sanjay Puri, Hon'ble Member (Technical)

**Parties / Counsels Present:**

For the Applicant : M/s P. Ravi Charan, Advocate.

For the Respondent : M/s V.V.S.N. Raju, Advocate.

**[Per: Rajeev Bhardwaj, Member (Judicial)]**

**ORDER**

1. The present application has been filed by Mrs. Neha Kausar and Mrs.Hafeezunnisa Begum (**Applicants**) seeking to exclude Unit No 12 in the first floor of Manjeera Mall from the Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor (**CD**) and to direct the Resolution Professional (**RP**) to incorporate the obligation of execution and registration of the said Unit in the Information Memorandum (**IM**).

**Applicant's Case:**

2. On July 18, 2023, **CIRP** was initiated against the CD and Mr. Vamsi Khambamettu was appointed as the Interim Resolution Professional (**IRP**). Subsequently, Mr. Birendra Kumar Agarwal was appointed as RP, vide Order dated 14.09.2023.

3. The Commercial Complex, titled Manjeera Mall, has been constructed by the CD. The Applicants entered into an Agreement of Sale (AoS) on 25<sup>th</sup> August, 2014 with the CD for the sale of Unit No. 12 on the first floor of "Manjeera Mall," having a total super built-up leasable area of 904 sq. ft. and an undivided area of 18 sq. yds. out of the total area of 24,587 sq. yds. (5.08 acres) of S2 in Survey No. 1050 situated at Kukatpally village, Balanagar Mandal, Ranga Reddy District.
4. The Applicants have paid a total sale consideration of Rs.81,54,419/- (Rupees Eight one Lakhs, Fifty-Four Thousand and Four Hundred and Nineteen Only) to the CD, which has been duly acknowledged by the CD from time to time. The details of the entire sale consideration along with other amounts paid by the Applicants to the CD are as follows:

Date	Amount in (Rs.)	Cheque No.
03.09.2014	5,00,000/-	548007
04.10.2014	74,10,000/-	247865
31.10.2014	2,44,419/-	101643

5. The entire payments made by the Applicants to the CD are duly recorded in the CD's financial records. Moreover, each payment made for the purpose of acquisition of the referenced property was transacted through legitimate banking channels, with funds sourced from legal earnings after fulfilling tax, levy, duty, and other statutory obligations. The payment of the total sale consideration by the Applicants to the CD is duly recorded in the CD's records.

6. The transfer of title for the said Units in favor of the Applicants has been delayed due to disputes between the Telangana Housing Board (TSHB) and the CD. The registration of the said Unit remains pending till date.
7. The Writ Petitions Nos. 41884, 42272, and 42308 of 2018 were filed by some affected persons with grievances similar to those of the Applicants before the Hon'ble High Court of Telangana. The Hon'ble High Court, vide order dated 18.03.2021 directed the TSHB to register the respective flats. Subsequently, the TSHB appealed this decision before the Hon'ble Division Bench, which was, vide Order dated 01.10.2021 dismissed the appeals. Thereafter, the matter was brought before the Hon'ble Supreme Court, which granted an interim stay on the execution of the Sale Deed pending further orders. The appeal is currently pending for adjudication.
8. It is submitted that the Applicants found from the "majeera.com" website that the RP has released an investment teaser for the CD, showing the "Manjeera Mall" as one of the projects of the CD. However, the Respondent has not excluded the Applicants' Unit.
9. The Respondent has uploaded a claim as of 02.02.2024 on the "manjeera.com" website, wherein it is stated that "TSHB has filed its claim with the RP, claiming certain amounts from the CD. The RP has kept TSHB's claim under verification and pending adjudication due to disputes over the claimed amounts, which are presently being adjudicated in W.P. No. 1034 of 2023 and W.P. No. 1057 of 2023 in the Hon'ble High Court of Telangana. These writ petitions are still pending till date, as mentioned by the Respondent in their updated claim uploaded on the "manjeera.com" website.

10. It is claimed that the legitimate rights of the Applicants will be affected, if the details of their ownership of the Unit are not included in the IM prepared by the Respondent. Prospective Resolution Applicants must be informed of Applicants' right to have the Sale Deed of the Unit registered in their favour. Further, the Applicants firmly believe that the prospective Resolution Applicants are obligated to address the issue of registration in their proposed resolution plans.

**Respondent's Case:**

11. The Respondent, who is the RP of the CD, has contended and contested the averments mentioned in the application.
12. It is submitted that throughout the CIRP period, neither the suspended management of the CD nor the Applicants have disclosed or provided any details regarding the sale of unit to the RP. Despite being aware of the initiation of CIRP against the CD, the Applicants failed to inform about their alleged ownership.
13. Though the suspended management provided documents related to the Agreement of Sale for other projects/sites of the CD, but prominently omitted to furnish the AoS 25.08.2014 or any similar documentation regarding the shop/unit which is the subject matter of present application.
14. The purported AoS provided by the Applicants appear to be forged for the following reasons:
  - a) The Power of Attorney (POA) granted by APHB to the Corporate Debtor did not authorize it to conduct outright property sales; such authority was solely held by APHB.

- b) The document has not been registered with the Sub-registrar, as required under the RERA Act.
15. The Applicants did not communicate or raise the registration issue with the RP before filing of this application. Without seeking clarification from the RP regarding the IM, the Applicants directly approached this Authority. Further, according to the trial balance of the CD provided to the RP, proceeds from unit sales were incorrectly classified as "Advances from Customers" under liabilities, misrepresenting the financial status. As per the Accounting Standards, if the sale of the Unit had occurred, these should have been recorded as revenue in the CD's books of accounts.
16. It is claimed that the CD has been consistently bearing the property tax obligations for all shops/offices/units, including the disputed unit in question. The Applicants have neither covered any costs nor contributed to the payment of property tax, indicating that they are not the owners of the said shops/office units.
17. It is claimed that the CD leased the entire commercial space, including the disputed shop/unit, through a Lease Deed executed on 08.10.2022, between Manjeera Retail Holdings Pvt Ltd and Lulu International Shopping Malls Pvt Ltd in Hyderabad. As per the recitals of the Clauses III and IV of the Lease Agreement, the CD was appointed as the developer with right to develop and manage the project including entering into agreements and Schedule II of the Lease Agreement provides details of the entire commercial building, i.e. the Mall cum Multiplex, constructed on 2.53 acres of land. Further, Clause 10.1.(a) of Lease Agreement states about the absolute right of the lessor i.e. TSHB, to develop and manage the demised premises. On examination of recitals of the Lease Agreement

undeniably establishes the fact that the CD owns the entire Mall without any encumbrances, charges, claims, or ownership of individual units. Thus, the contention of the Applicants regarding ownership of the unit is false and vague.

18. Despite being the alleged owners of the Unit 12, the Applicants neither made any efforts to claim rental dues, arrears etc. nor filed any claims regarding rental arrears before the RP since the initiation of the CIRP. No rental payments for the said Unit were made to the Applicants during the CIRP. Furthermore, the information obtained by the RP shows that the AoS for the Unit in question was purportedly cancelled by the CD prior to its lease to Lulu International Shopping Malls Private Limited (Lulu Mall). However, no documentary evidence has been provided to the RP.
19. It is submitted that a resolution plan has already been approved by the Committee of Creditors (CoC) and now it is pending before this Authority for approval. Filing of the present application to stay CIRP of the CD at this advanced stage clearly shows the malafide intention of the Applicant.
20. Heard both the Counsels and perused the entire records.
21. The Andhra Pradesh Housing Board, now Telangana Housing Board is the owner of the land measuring 6.31 acres in Site S2, Survey No.1050 situated at Kukatpally, Balanagar Mandal, R.R. District and out of this land, land measuring 5.08 acres was given to M/s.Manjeera Retail Holdings Private Limited/CD for its development. As a result of the Agreement executed between both the parties, the CD constructed Multiplex-cum-Mall Complex on the said land. Unit No. 12 on the first



floor of the Mall measuring about 904 sq.ft are claimed to have been purchased from the CD by the Applicants, vide Agreement of Sale dated 25.08.2014 for a total sale consideration of Rs.81,54,419/- (Rupees Eight one Lakhs, Fifty-Four Thousand and Four Hundred and Nineteen Only) to the CD.

22. The Respondent has denied that any such Agreement was executed between the CD and the Applicants, but the facts on record show otherwise. The CD has admitted about the receipt of Rs.81,54,419/- in the trial balance report as 'Advances from the Customers'. In addition to the receipt of the entire sale consideration, the CD was also liable to pay the rent to the Applicants as per the terms & conditions of the Agreement dated 25.08.2014 and the recital part and clause 12 are reproduced below:

*The DEVELOPER or its nominee/ nominated Agency have exclusive Leasing rights for a period 25 years with respect to the Schedule Property and the PURCHASERS are bound by and shall adhere to the same. However, the PURCHASERS may solicit tenants for his/her/their respective Unit/s upon obtaining prior approval from the DEVELOPER, which approval is necessary to ensure the zoning and brand positioning in the Manjeera Mall.*

*The PURCHASERS shall be bound by the terms of any Lease Deed executed in respect of the Schedule Property without disturbing the possession of the Lessee for the agreed term of the Lease, and to undertake that his successors in interest including his Vendees shall be bound by terms of such Lease Deeds/Agreements of Lease and consent for the specific rights of the Developer to decide on Lease of the Schedule Property and that necessary clauses de undertakings shall be incorporated in any deeds executed by him in favour of his successors in Interest, The PURCHASERS shall agree to attorn the Lessees to their successors on such transfer of their title.*

*12. The DEVELOPER had already entered into a letter of intent with M/s. UNISTYLE CORPORATION vide Letter dated 29/03/2013 (a copy of which is annexed to this Agreement) for leasing out the Schedule Property on the various terms and conditions mentioned b DEVELOPER undertakes to the said Letter of Intent to the PURCHASERS on payment of the entire sale consideration mentioned under Clause No.1 above, The PURCHASERS*

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*undertake that the agreement by the Developer to lease shall be honoured by him and not to disturb such lessee/intended lessee during the lease terms except as provided therein.*

23. Therefore, the developer, i.e. the CD was given the right to lease the unit purchased by the Applicants for a period of 25 years and vide the same document the CD has entered into a letter of intent dated 29.03.2013 with M/s. Unistyle Corporation for leasing out the said Unit. In lieu thereof, the Applicants were entitled to receive rents but there is no evidence to show that the rents were received. However, it is clear that the Applicants have paid an amount of Rs. 81,54,419/- as sale consideration vide cheques and the same is recorded in the books of accounts of the CD as “advance from the customer”.
24. The sale deed of Unit No.12 could not be registered because of dispute between the owner of the land, i.e. Telangana Housing Board and the CD. In this regard, some of the persons facing similar issues approached the Hon'ble High Court of Telangana by filing Writ Petition No.1034 of 2023 and the single Bench vide order dated 10.01.2023 directed that the Telangana Housing Board shall not take coercive steps about the payment of upfront amount as a pre-condition to enter into supplementary development agreement. Now this matter is pending before the Hon'ble Apex Court
25. Thus, it is clear that due to the prevailing dispute between the Telangana Housing Board and the CD, the sale deed in favour of the Applicants could not be executed and registered and in the meantime, the CIRP was initiated against the CD vide order dated 18.07.2023. Prior to this, the CD leased the entire commercial Mall constructed over the land measuring 5.08 acres,

which includes Unit No.12 purchased by the Applicants to M/s Lulu International Shopping Malls Private Limited, for a period of 20 years vide agreement dated 08.10.2022. In the said agreement, there is no reference of earlier agreement dated 25.08.2014.

26. Notwithstanding the Lease Agreement executed by the CD with M/s.Lulu International Shopping Malls Private Limited, the CD had liability towards the Applicants. Had the sale deed been executed at the time when the entire sale consideration was paid by the Applicants, Unit No.12 would not have become part of the property of the CD. In its absence, the Applicants have a claim against the CD.
27. After the initiation of the CIRP, the resolution professional was to collect information about the assets, liabilities, debts, pending litigation, disputes etc., of the Corporate Debtor and for this Information Memorandum is to be prepared. Section 5(10) of the IBC says that Information Memorandum is to be prepared by the RP under Section 29(1). The collection of such information helps in decision making by the RP/CoC. When the record of the CD clearly reflects such liability, the RP is not supposed to act only when the claim is filed by the Applicants. Hon'ble NCLAT in *Kushal Ltd. versus Kartik Baldwa and ors Comp. App. (AT) (Ins.) No. 678 of 2022*, decided on 21.07.2022 emphasized the importance of Information Memorandum while interpreting section 29 of IBC in the following words:

53. In the explanation annexed to Section 29, the word 'relevant information' is explained. It means the information required by the resolution applicant to make the resolution plan for the Corporate Debtor which shall include financial position of the Corporate Debtor. All information relating to dispute against the Corporate Debtor on any other matter pertaining to the Corporate

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Debtor as may be specified. Therefore, the word relevant information referred in Section 29 (1) of IBC is only an information required by the resolution applicant is appellants herein to make resolution plan for the Corporate Debtor. Here, the Resolution Professional disclosed the information based on the report of MITCON available and he is not an expert to make an assessment of the production capacity of the industry, therefore, he only disclosed those details regarding production capacity based on earlier report submitted by MITCON, such information is relevant for the purpose of making a resolution plan for the Corporate Debtor by the Resolution Applicant.

54. Thus, the Resolution Professional disclosed relevant information enabling the resolution applicants/appellants to make appropriate application by submitting resolution plan for the Corporate Debtor. Such set would not amount to fraudulent misrepresentation.

28. Thus, the Resolution Professional must collect relevant information which may affect the decision making of the prospective resolution applicants or other stakeholders. Discharge the liability of the CD towards the Applicants is definitely relevant information and therefore, the RP was supposed to make it part of the Information Memorandum.
29. In the light of the observations and discussions, we find that the information about the liabilities, debts, delegation etc., of the CD is to be included in the Information Memorandum so that every stakeholder may have proper appreciation of the financial strength of the CD. Therefore, the Respondent is directed to include the liabilities of the CD towards the Applicants in Information Memorandum and if it is already included, the Applicants be informed within 15 days from passing of the order.

30. As a result of the above facts and circumstances, this IA No.971 of 2024 in CP (IB) No.296/7/HDB/2022 is allowed.

**Sd/-**

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA No. 972 of 2024**

**in**

**CP (IB) No. 296/7/HDB/2022**

*[U/s. 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016]*

**In the matter of M/s.Majeera Retail Holdings Private Limited.**

**Between:**

**1. Ms. Madhira Satyavathi**

D/o. K Krishna Murthy, aged about 60 years  
R/o: Flat No. 503, Manjeera Majestic Homes,  
Near Manjeera Majestic Commercial, Kukatpally,  
Hyderabad 500072

**2. Ms. Lakshmi Kompella,**

D/o K Krishna Murthy, aged about 53 years,  
R/o 301, Shivdhanush Nilayam, Erramanzil road,  
6-3-252/1/5/5/A1, Somajiguda, Hyderabad 500082.

**3. Mr. K Srinivas,**

S/o K Krishna Murthy, aged about 44 years,  
R/o: 301, Shivdhanush Nilayam, Erramanzil road,  
6-3-252/1/5/5/A1, Somajiguda, Hyderabad 500082.

**... Applicants**

**And**

**Mr. Birendra Kumar Agarwal,**

Resolution Professional of  
M/s Manjeera Retail Holdings Private Limited,  
#711, Manjeera Trinity Corporate  
Beside Manjeera Mall, JNTU-Hitech City Road,  
Kukatpally, Hyderabad, Telangana-500072

**... Respondent/ Resolution Professional**

Date of Order: 17.09.2024

**Date of Order: 17.09.2024**

**Coram:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)  
Sri Sanjay Puri, Hon'ble Member (Technical)

**Parties / Counsels Present:**

For the Applicant : Mr. P. Ravi Charan, Advocate.

For the Respondent : Mr.V.V.S.N. Raju, Advocate.

**[Per: Rajeev Bhardwaj, Member (Judicial)]**

**ORDER**

1. The present application has been filed by Ms. Madhira Satyavathi, Ms.Lakshmi Kompella and Mr K. Srinivas (**Applicants**) seeking to exclude Unit No. LG-12 in lower ground floor of Manjeera Mall from the Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor (**CD**) and to direct the Resolution Professional (**RP**) to incorporate the obligation of execution and registration of the said Unit in the Information Memorandum (**IM**).

**Applicant's Case:**

2. On July 18, 2023, CIRP was initiated against the CD and Mr. Vamsi Khambamettu was appointed as the Interim Resolution Professional (**IRP**). Subsequently, Mr. Birendra Kumar Agarwal was appointed as RP, vide Order dated 14.09.2023.

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3. Mr. Krishna Murthy, Mrs. K.V.S. Kantam and Mr. K. Srinivas (“Original Buyers”) vide Agreement of Sale (AoS) dated 07.07.2014 purchased Unit/Shop No. LG-12 in lower ground floor of "Manjeera Mall” from the CD, with a super built-up area of 762 sq. ft. and a proportionate undivided share of 15 sq. yards of land out of 24,587 sq. yards in S2 of Survey No. 1050, situated at Kukatpally village, Balanagar Mandal, Ranga Reddy District in a 25:25:50 ratio respectively. Subsequently, on 16.08.2021, Mr.Krishna Murthy and Mrs. K.V.S. Kantam assigned their respective 25% rights each in the Unit to the Applicants through an Assignment Agreement.
4. The Original Buyers have paid a total sale consideration of Rs.60,93,440/- (Rupees Sixty Lakhs Ninety-Three Thousand and Four Hundred and Forty Only) to the CD, which has been duly acknowledged by the CD from time to time.
5. The entire payments made by the Applicants to the CD are duly recorded in the CD's financial records. Moreover, each payment made for the purpose of acquisition of the referenced property was transacted through proper banking channels, with funds sourced from legal earnings after fulfilling tax, levy, duty, and other statutory obligations. The payment of the total sale consideration by the Applicants to the CD is duly recorded in the CD's records.
6. It is submitted that in terms of clause no. 23 of the AOS, the CD or its nominee/nominated agency have exclusive leasing rights for a period of 25 years with respect to the Unit No. LG-12 in lower Ground Floor of Manjeera Mall and accordingly the said Unit was leased by the CD from time to time and also the Applicants were receiving the annual rentals.



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7. The transfer of title for the said Unit in favor of the Applicants has been delayed due to disputes between the Telangana Housing Board (TSHB) and the CD. The registration of the said Unit remains pending till date.
8. It is submitted that the Applicants found from the "majeera.com" website that the RP has released an investment teaser for the CD, showing the "Manjeera Mall" as one of the projects of the CD. However, the Respondent has not excluded the Applicants' Unit.
9. It is further submitted that the CD and its erstwhile management has paid lease rentals till the year 2021 i.e. till the commencement of Covid period and the erstwhile management i.e. Mr. Yoganand of the CD has represented that because of Covid, it could not be in a position to make lease rentals in the interim period and that CD would make the lease rent arrears once the situation improves.
10. The Writ Petitions Nos. 41884, 42272, and 42308 of 2018 were filed by some affected persons with grievances similar to those of the Applicants before the Hon'ble High Court of Telangana. The Hon'ble High Court, vide order dated 18.03.2021 directed the TSHB to register the respective flats. Subsequently, the TSHB appealed this decision before the Hon'ble Division Bench, which was, vide order dated 01.10.2021, dismissed the appeals. Thereafter, the matter was brought before the Hon'ble Supreme Court, which granted an interim stay on the execution of the sale deed pending further orders. The appeal is currently pending for adjudication.
11. The Respondent has uploaded a claim as of 02.02.2024 on the "manjeera.com" website, wherein it is stated that "TSHB has filed its claim with the RP, claiming certain amounts from the CD. The RP has kept

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TSHB's claim under verification and pending adjudication due to disputes over the claimed amounts, which are presently being adjudicated in W.P. No. 1034 of 2023 and W.P. No. 1057 of 2023 in the Hon'ble High Court of Telangana. These writ petitions are still pending till date, as mentioned by the Respondent in their updated claim uploaded on the "manjeera.com" website.

12. It is submitted that the Applicants have made out prima-facie case, balance of convenience in favour and irreparable or serious injury would be caused to the Applicants which cannot be compensated in terms of money, in case the information with respect to the Agreement of Sale executed with the Corporate Debtor, consideration made, possession, rights of the Applicants and non-registration in favour of the Applicants is not informed and recognised by the Resolution Applicant.

**Respondent's Case:**

13. The Respondent, who is the RP of the CD, has contended and contested the averments mentioned in the application.
14. It is submitted that throughout the CIRP period, neither the suspended management of the CD nor the Applicants have disclosed or provided any details regarding the sale of units to the RP. Despite being aware of the initiation of CIRP against the CD, the Applicants failed to inform about their alleged ownership.
15. Though the suspended management provided documents related to the AoS for other projects/sites of the CD, but prominently omitted to furnish the Agreement of Sale or any similar documentation regarding the shop/unit which is the subject matter of present application.

16. The purported AoS provided by the Applicants appear to be forged for the following reasons:
- a) The Power of Attorney (POA) granted by APHB to the Corporate Debtor did not authorize it to conduct outright property sales; such authority was solely held by APHB.
  - b) The document has not been registered with the Sub-Registrar, as required under the RERA Act.
17. The Applicants did not communicate or raise the registration issue with the RP before filing of this application. Without seeking clarification from the RP regarding the IM, the Applicants directly approached this Authority. Further, according to the trial balance of the CD provided to the RP, proceeds from unit sales were incorrectly classified as "Advances from Customers under liabilities, misrepresenting the financial status. As per the Accounting Standards, if the sale of the unit had occurred, these should have been recorded as revenue in the CD's books of accounts.
18. It is claimed that the CD has been consistently bearing the property tax obligations for all shops/offices/units, including the disputed unit in question. The Applicants have neither covered any costs nor contributed to the payment of property tax, indicating that they are not the owners of the said shops/office unit.
19. It is claimed that the CD leased the entire commercial space, including the disputed shop/unit, through a Lease Deed executed on 8.10.2022, between Manjeera Retail Holdings Pvt Ltd and Lulu International Shopping Malls Pvt Ltd in Hyderabad. As per the recitals of the Clauses III and IV of the Lease Agreement, the CD was appointed as the developer with the right to

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develop and manage the project including entering into agreements and Schedule II of the Lease Agreement provides details of the entire commercial building, i.e. the Mall cum Multiplex, constructed on 2.53 acres of land. Further Clause 10.1.(a) of Lease Agreement states about the absolute right of the lessor i.e. TSHB, to develop and manage the demised premises. On examination of recitals of the Lease Agreement undeniably establishes the fact that the CD owns the entire Mall without any encumbrances, charges, claims, or ownership of individual units. Thus, the contention of the Applicants regarding ownership of the unit is false and vague.

20. Despite being the alleged owners of the Unit No. LG-12 the Applicants neither made any efforts to claim rental dues, arrears etc. nor filed any claims regarding rental arrears before the RP since the initiation of the CIRP. No rental payments for the said Unit were made to the Applicants during the CIRP. Furthermore, the information obtained by the RP shows that the AoS for the Unit in question was purportedly cancelled by the CD prior to its lease to Lulu International Shopping Malls Private Limited (Lulu Mall). However, no documentary evidence has been provided to the RP.
21. It is submitted that a Resolution Plan has already been approved by the Committee of Creditors (CoC) and now it is pending before this Authority for approval. Filing of present application to stay CIRP of the CD at this advanced stage clearly shows the malafide intention of the Applicant.
22. Heard both the Counsels and perused the entire records.

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23. The Andhra Pradesh Housing Board, now Telangana Housing Board is the owner of the land measuring 6.31 acres in Site S2, Survey No.1050 situated at Kukatpally, Balanagar Mandal, R.R. District and out of this land, land measuring 5.08 acres was given to M/s.Manjeera Retail Holdings Private Limited/CD for its development. As a result of the agreement executed between both the parties, the CD constructed Multiplex-cum-Mall Complex on the said land.
24. The Unit/Shop No. LG-12 in lower ground floor of "Manjeera Mall," with a super built-up area of 762 sq. ft. and a proportionate undivided share of 15 sq.yards of land out of 24,587 sq. yards in S2 of Survey No. 1050 situated at Kukatpally Village, Balanagar Mandal, Ranga Reddy District, is claimed to have been purchased from the CD by the Original Buyers, vide Agreement of Sale dated 07.07.2014 for a total sale consideration of Rs.60,93,440/- (Rupees Sixty Lakhs Ninety-Three Thousand and Four Hundred and Forty Only). Subsequently, on 16.08.2021, Mr. Krishna Murthy and Mrs. K.V.S. Kantam assigned their respective 25% rights each in the Unit to the Applicants through an Assignment Agreement.
25. The Respondent has denied that any such Agreement was executed between the CD and the Applicants, but the facts on record show otherwise. The CD has admitted about the receipt of Rs.67,37,095/- (including the registration charges, VAT & service tax) in the trial balance report as 'Advances from the Customers'. In addition to the receipt of the entire sale consideration, the CD was also paying the rent to the Applicants as per the terms & conditions of the Agreement dated 07.07.2014 and the relevant clauses are 8 and 23, which are reproduced below:

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*8. The DEVELOPER has already leased out the Schedule Property to M/s, Guardian Life Care Pvt Ltd vide Lease Deed dated 10/12/2013 (a copy of which is annexed to this Agreement) on the various terms and conditions mentioned therein. The DEVELOPER undertakes to transfer the said Lease and Attorn the Lessee to the PURCHASERS. The PURCHASERS undertakes that they shall honour and be bound by the terms & conditions of said Lease granted by the DEVELOPER and shall not disturb such Lessee during the lease term except as provided therein. The PURCHASERS also undertake that they will join in any Agreement executed to attorn the Lessee of the Schedule Property to the PURCHASERS.*

*23. The DEVELOPER or its nominee/ nominated Agency have exclusive Leasing rights for a period 25 years with respect to the Units in the Manjeera Moll and that the PURCHASERS are bound by and shall adhere to the same. However, the PURCHASERS may solicit tenants for their respective Unit/s upon obtaining prior approval from the DEVELOPER, which approval is necessary to ensure the zoning and brand positioning in the Manjeera Mall.*

26. Therefore, the developer, i.e. CD was given the right to lease the unit purchased by the Applicants for a period of 25 years and vide the same document this property was given on lease to M/s, Guardian Life Care Pvt Ltd. In lieu of the lease granted to M/s. Guardian Life Care Pvt Ltd, the Applicants were regularly receiving rent from the CD after deduction of tax and this is clear from Form 16A dated 23.12.2017 to the Original Buyers recording the CD as the deductor and Original Buyers as the deductee of the tax (***Annexure III Page Nos 57-93 of the Rejoinder***). The Respondent is denying the execution of the Agreement dated 07.07.2014, but the facts speak for themselves that Unit No LG-12 was agreed to be sold to the Applicants.

27. The Sale Deed of Unit No. LG-12 could not be registered because of dispute between the owner of the land, i.e. Telangana Housing Board and the CD. In this regard, some of the persons facing similar issues approached the Hon'ble High Court of Telangana by filing Writ Petition No.1034 of 2023 and the Single Bench, vide Order dated 10.01.2023 directed that the Telangana Housing Board shall not take coercive steps

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about the payment of upfront amount as a pre-condition to enter into supplementary development agreement. Now this matter is pending before the Hon'ble Apex Court

28. Thus, it is clear that due to the prevailing dispute between the Telangana Housing Board and the Corporate Debtor, the Sale Deed in favour of the Applicants could not be executed and registered and in the meantime, the CIRP was initiated against the CD, vide Order dated 18.07.2023. Prior to this, the CD leased the entire commercial Mall constructed over the land measuring 5.08 acres, which includes Unit No. LG-12 purchased by the Applicants to M/s Lulu International shopping Malls Private Limited, for a period of 20 years, vide Agreement dated 08.10.2022. In the said Agreement, there is no reference of earlier Agreement dated 07.07.2014.
29. Notwithstanding the Lease Agreement executed by the CD with Ms. Lulu International Shopping Malls Private Limited, the CD had liability towards the Applicants. Had the Sale Deed been executed at the time when the entire sale consideration was paid by the Applicants, Unit No.LG-12 would not have become part of the property of the CD. In its absence, the Applicants have a claim against the CD.
30. After the initiation of the CIRP, the Resolution Professional was to collect information about the assets, liabilities, debts, pending litigation, disputes etc. of the Corporate Debtor and for this, Information Memorandum is to be prepared. Section 5(10) of the IBC says that Information Memorandum is to be prepared by the RP under Section 29(1). The collection of such information helps in decision making by the RP/CoC. When the record of the CD clearly reflects such liability, the RP is not supposed to act only

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when the claim is filed by the Applicants. Hon'ble NCLAT in *Kushal Ltd. versus Kartik Baldwa and ors Comp. App. (AT) (Ins.) No. 678 of 2022*, decided on 21.07.2022 emphasized the importance of Information Memorandum while interpreting Section 29 of IBC in the following words:

53. In the explanation annexed to Section 29, the word 'relevant information' is explained. It means the information required by the resolution applicant to make the resolution plan for the Corporate Debtor which shall include financial position of the Corporate Debtor. All information relating to dispute against the Corporate Debtor on any other matter pertaining to the Corporate Debtor as may be specified. Therefore, the word 'relevant information' referred in Section 29 (1) of IBC is only an information required by the resolution applicant. Here, the Resolution Professional disclosed the information based on the report of MITCON available and he is not an expert to make an assessment of the production capacity of the industry, therefore, he only disclosed those details regarding production capacity based on earlier report submitted by MITCON, such information is relevant for the purpose of making a resolution plan for the Corporate Debtor by the Resolution Applicant.

54. Thus, the Resolution Professional disclosed relevant information enabling the resolution applicants/appellants to make appropriate application by submitting resolution plan for the Corporate Debtor. Such set would not amount to fraudulent misrepresentation.

31. Thus, the Resolution Professional must collect relevant information which may affect the decision making of the prospective resolution applicants or other stakeholders. Discharge the liability of the Corporate Debtor towards the Applicants is definitely relevant information and therefore, the RP was supposed to make it part of the Information Memorandum.
32. In the light of the observations and discussions, we find that the information about the liabilities, debts, delegation etc. of the CD is to be included in the Information Memorandum so that every stakeholder may have proper appreciation of the financial strength of the CD. Therefore, the



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Respondent is directed to include the liabilities of the CD towards the Applicants in Information Memorandum and if it is already included, the Applicants be informed within 15 days from passing of the Order.

33. As a result of the above facts and circumstances, this IA No.972 of 2024 in CP (IB) No.296/7/HDB/2022 is allowed.

**Sd/-**

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA No. 492 of 2024**

**in**

**CP (IB) No. 296/7/HDB/2022**

*[U/s. 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016]*

**In the matter of M/s. Majeera Retail Holdings Private Limited**

**Between:**

**Ms. Gorinka Pratyusha,**  
D/o Mr. G. Jaganmohan Rao,  
R/o. 1806, Polaris, B-wing,  
Meenakshi Skyounge, Hitex Road,  
Khanamet, Hyderabad-500084.

**... Applicant**

**And**

**Mr. Birendra Kumar Agarwal,**  
Resolution Professional of  
M/s. Manjeera Retail Holdings Private Limited,  
# 711, Manjeera Trinity Corporate  
Beside Manjeera Mall, JNTU-Hitech City Road,  
Kukatpally, Hyderabad -500072

**... Respondent/ Resolution Professional**

**Date of Order: 17.09.2024**

**Coram:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)  
Sri Sanjay Puri, Hon'ble Member (Technical)

**Parties / Counsels Present:**

For the Applicant : Mr. P. Ravi Charan, Advocate  
For the Respondent : Mr. V.V.S.N. Raju, Advocate

**[Per: Rajeev Bhardwaj, Member (Judicial)]**

**ORDER**

1. The present application has been filed by Ms. Gorinka Pratyusha (**Applicant**), seeking to direct the Resolution Professional (**RP**) for including the obligation of the Corporate Debtor (**CD**) to execute and register the Sale Deed of the Unit 36 on the second floor of "Manjeera Mall," in the Information Memorandum (**IM**).

**Applicant's Case:**

2. On July 18, 2023, the Corporate Insolvency Resolution Process (**CIRP**) was initiated against the CD and Mr. Vamsi Khambamettu was appointed as the Interim Resolution Professional (**IRP**). Subsequently, Mr. Birendra Kumar Agarwal was appointed as RP, vide Order dated 14.09.2023.
3. The commercial complex, titled Manjeera Mall, has been constructed by the CD. That one Mr. Gorinka Jaganmohan Rao (father of Applicant / **original buyer**) entered into an Agreement of Sale (AoS) on 19.07.2014 with the CD for purchase of Unit No. 36 on the second floor of "Manjeera Mall," having a total super built-up leasable area of 558 sq. ft. and an undivided area of 11 sq. yds. out of the total area of 24,587 sq. yds. (5.08 acres) of S2 in Survey No. 1050 situated at Kukatpally Village, Balanagar Mandal, Ranga Reddy District.
4. The original buyer has paid a total sale consideration of Rs. 38,00,000/- (Rupees Thirty Eight Lakhs Only) to the CD, which has been duly acknowledged by the CD from time to time. Later on, the original buyer

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assigned the said Unit to his daughter (Applicant herein) by executing Assignment Agreement dated 24.03.2017 in her favour.

5. The entire payments made by the original buyer to the CD are duly recorded in the CD's financial records. Moreover, each payment made for the purpose of acquisition of the referenced property was transacted through legitimate banking channels, with funds sourced from legal earnings after fulfilling tax, levy, duty, and other statutory obligations. The payment of the total sale consideration by the original buyer to the CD is duly recorded in the CD's records.
6. As per clause no. 28 of the AoS, the CD or its nominee/nominated agency holds exclusive leasing rights for 25 years regarding the said Units in "Manjeera Mall". Consequently, the Applicant's Unit was leased by the CD, with deductions made for Common Area Maintenance (**CAM**) charges and annual management fees equivalent to 6% of the annual lease rentals. The CD used to pay the balance lease rentals to the original buyer till the Covid period. The payment of the total sale consideration by the original buyer to the CD, as well as the receipt of annual rentals, is duly recorded in the CD's records.
7. The transfer of title for the said Unit in favor of the original buyer and subsequent assignment in favour of Applicant has been delayed due to disputes between the Telangana Housing Board (**TSHB**) and the CD. The registration of the said Units remains pending till date.
8. On 30.01.2024, the Applicant found from the "majeera.com" website that the Respondent has released an investment teaser for the CD, showing the "Manjeera Mall" as one of the projects of the CD. However, it remains

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unclear whether the Respondent has excluded the Applicant's Unit, as it does not belong to the CD.

9. Further, if the Respondent includes the Applicant's Unit as part of "Manjeera Mall" without adequately making provision of the obligations of prospective resolution applicants to recognize the Applicant's rights, possession and ownership, it would lead to irreparable loss and severe hardship for the Applicant.
10. The Respondent has already issued Form-G dated 21.11.2023, which specified 30.01.2024 as the deadline for submitting the Resolution Plans, while as per section 25(2)(g) of the Code, the Respondent is obligated to prepare an IM in accordance with section 29 of the Code.
11. The Writ Petition Nos. 41884, 42272, and 42308 of 2018 were filed by some affected persons with grievances similar to those of the Applicants before the Hon'ble High Court of Telangana. The Hon'ble High Court, vide Order dated 18.03.2021 directed the TSHB to register the respective flats. Subsequently, the TSHB appealed this decision before the Hon'ble Division Bench, which was vide Order dated 01.10.2021 dismissed the appeals. Thereafter, the matter was brought before the Hon'ble Supreme Court, which granted an interim stay on the execution of the Sale Deed pending further orders. The appeal is currently pending adjudication.
12. The Respondent has uploaded a claim as of 02.02.2024 on the 'manjeera.com' website, wherein it is stated that TSHB has filed its claim with the RP, claiming certain amounts from the CD. The RP has kept TSHB claim under verification and pending adjudication due to disputes over the claimed amounts, which are presently being adjudicated in

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W.P.No. 1034 of 2023 and W.P. No. 1057 of 2023 in the Hon'ble High Court of Telangana. These writ petitions are still pending till date, as mentioned by the Respondent in their updated claim uploaded on the "manjeera.com" website.

13. It is claimed that the legitimate rights of the original buyer and the Applicant will be affected, if the details of their ownership of the said Unit is not included in the IM prepared by the Respondent. Prospective Resolution Applicants must be informed of Applicant's and original buyer's right to have the sale deed of the said Unit registered in their favour. Further, the Applicant firmly believes that the prospective Resolution Applicants are obligated to address the issue of registration in their proposed resolution plans.

**Respondent's Case:**

14. Respondent who is the RP of the Corporate Debtor, has contended and contested the averments mentioned in the application.
15. It is submitted that throughout the CIRP period, neither the suspended management of the CD nor the Applicant has disclosed or provided any details regarding the sale of units to the RP. Despite being aware of the initiation of CIRP against the CD, the Applicant and original buyer failed to inform about their alleged ownership.
16. Though the suspended management provided documents related to the agreement of sale for other projects/sites of the CD, but prominently omitted to furnish the AoS dated 19.07.2014 or any similar documentation regarding the shop/units which is the subject matter of present application.

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17. The purported AoS provided by the Applicant appears to be forged for the following reasons:
- a) The Power of Attorney (POA) granted by APHB to the Corporate Debtor did not authorize it to conduct outright property sales; such authority was solely held by APHB.
  - b) The document has not been registered with the Sub-registrar, as required under the RERA Act.
18. The Applicant did not communicate or raise the registration issue with the RP before filing of this application. Without seeking clarification from the RP regarding the IM, the Applicant directly approached this Authority. Further, according to the trial balance of the CD provided to the RP, proceeds from unit sales were incorrectly classified as "Advances from Customers under liabilities, misrepresenting the financial status. As per the Accounting Standards, if the sale of the unit had occurred, this should have been recorded as revenue in the CD's books of accounts.
19. It is claimed that the CD has been consistently bearing the property tax obligations for all shops/offices/units, including the disputed units in question. The Applicant and original buyer neither covered any costs nor contributed to the payment of property tax, indicating that they are not the owners of the said shops/office units.
20. It is claimed that the CD leased the entire commercial space, including the disputed shop/units, through a Lease Deed executed on 08.10.2022, between Manjeera Retail Holdings Pvt Ltd and Lulu International Shopping Malls Pvt Ltd in Hyderabad. As per the recitals of Clauses III and IV of the Lease Agreement, the CD was appointed as the developer

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with the right to develop and manage the project; including entering into agreements and Schedule II of the Lease Agreement provides details of the entire commercial building, i.e. the Mall-cum-Multiplex, constructed on 2.53 acres of land. Further, Clause 10.1.(a) of Lease Agreement states about the absolute right of the lessor i.e. TSHB, to develop and manage the demised premises. On examination of recitals of the Lease Agreement undeniably establishes the fact that the CD owns the entire Mall without any encumbrances, charges, claims, or ownership of individual units. Thus, the contention of the Applicant regarding ownership of the Unit is false and vague.

21. Despite being the alleged owners of the Unit 36, the Applicant and original buyer neither made any efforts to claim rental dues, arrears nor filed any claims regarding rental arrears before the RP since the initiation of the CIRP. No rental payments for the said Unit was made to the Applicant and original buyer from June 2020 until the commencement of CIRP. Furthermore, the information obtained by the RP shows that the AoS for the Unit in question was purportedly cancelled by the CD prior to its lease to Lulu International Shopping Malls Private Limited (**Lulu Mall**). However, no documentary evidence has been provided to the RP.
22. It is submitted that a resolution plan has already been approved by the Committee of Creditors (**CoC**) and now it is pending before this Authority for approval. Filing of present application to stay CIRP of the CD at this advanced stage clearly shows the malafide intention of the Applicant.
23. Heard both the Counsels for both the parties and perused the entire records.



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24. The Andhra Pradesh Housing Board, now Telangana Housing Board is the owner of the land measuring 6.31 acres in Site S2, Survey No.1050 situated at Kukatpally, Balanagar Mandal, R.R.District and out of this land, land measuring 5.08 acres was given to M/s.Manjeera Retail Holdings Private Limited/CD for its development. As a result of the Agreement executed between both the parties, the CD constructed Multiplex-cum-Mall Complex on the said land.
25. The Unit No. 36 on the second floor of the Mall measuring about 558 sq.ft is claimed to have been purchased from the CD by the original buyer vide Agreement of Sale dated 19.07.2014 for a total sale consideration of Rs. 38,00,000/- (Rupees Thirty Eight Lakhs Only) to the CD and later on original buyer assigned the said unit favour of the Applicant by executing an Assignment Agreement dated 24.03.2017.
26. The Respondent has denied the existence of any Agreement between the Corporate Debtor (CD) and the original buyer. However, the facts on record suggest otherwise. The CD has acknowledged the receipt of Rs.35,00,031/- in its trial balance report as 'Advances from Customers,'. Furthermore, the Agreement of Sale (AoS) indicates that the CD has already received the full sale consideration from the original buyer as follows:

<b>Date</b>	<b>Cheque No.</b>	<b>Amount</b>	<b>Drawn on</b>
06.05.2014	RTGS	10,00,000/-	
09.07.2014	NEFT	20,00,031/-	
19.07.2014	276330	5,00,000/-	State Bank of India
19.07.2014	Cash	2,99,969/-	
	<b>Total</b>	<b>Rs. 38,00,000/-</b>	

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27. In addition to the receipt of the total sale consideration, the CD was also paying the rent to the original buyer as per the terms & conditions of the Agreement dated 19.07.2014 and the clauses are 12 and 28, which are reproduced below:

*12. The DEVELOPER had already entered into a Registered Lease deed with M/s. Indus Retail, Vide document no. 2717/2014 dated 08/05/2014 (a copy of which is annexed to this Agreement) for leasing out the Schedule Property on the various terms and conditions mentioned therein. The DEVELOPER undertakes to enter in to tripartite agreement with the Developer and Lessee on payment of the entire sale consideration mentioned under Clause No.1 above. The PURCHASER undertakes that the agreement by the Developer to lease shall be honoured by them and not to disturb such Lessee/intended Lessee during the lease terms except as provided therein.*

*28. The DEVELOPER or its nominee/ nominated Agency have exclusive Leasing rights for a period 25 years with respect to the Units in the Manjeera Mall and that the PURCHASER is bound by and shall adhere to the same. However the PURCHASER may solicit tenants for his/her/their respective Unit/s upon obtaining prior approval from the DEVELOPER, which approval is necessary to ensure the zoning and brand positioning in the Manjeera Mall.*

28. Therefore, the developer, i.e. CD was given the right to lease the Unit 36 purchased by the original buyer for a period of 25 years and vide the same document this property was given on lease to **M/s. Indus Retail**. In lieu of the lease granted to M/s. Indus Retail, the original buyer was regularly receiving rent from the CD after deduction of property tax and this is clear from Annexure III (Page Nos 55-77 of the Rejoinder).
29. The CD also issued several Forms 16A between Dec-2017 to June-2019 to the original buyer, listing the CD as the deductor and the original buyer as the deductee of the tax. Furthermore, the property tax receipts of the said Unit reflect the name of the original buyer, as evidenced in Annexure II (pages 94-96) of the counter. Although the Respondent denies the

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execution of Agreement dated 19.07.2014, the facts clearly indicate that Unit No. 36 was agreed to be sold to the original buyer.

30. The Sale Deed of Unit No. 36 could not be registered because of dispute between the owner of the land, i.e. Telangana Housing Board and the CD. In this regard, some of the persons facing similar issues approached the Hon'ble High Court of Telangana by filing Writ Petition No.1034 of 2023 and the Single Bench, vide Order dated 10.01.2023 directed that Telangana Housing Board shall not take coercive steps about the payment of upfront amount as a pre-condition to enter into Supplementary Development Agreement. Now this matter is pending before the Hon'ble Apex Court
31. Thus, it is evident that due to the ongoing dispute between the Telangana Housing Board and the Corporate Debtor, the Sale Deed in favor of the original buyer could not be executed and registered. As a result, the Assignment Agreement in favor of the Applicant was not executed and in the meantime, the CIRP was initiated against the CD, vide Order dated 18.07.2023. Prior to this, the CD leased the entire commercial Mall constructed over the land measuring 5.08 acres, which includes Unit No. 36 purchased by the original buyer to M/s Lulu International Shopping Malls Private Limited, for a period of 20 years, vide agreement dated 08.10.2022. In the said agreement, there is no reference of earlier Agreement dated 19.07.2014.
32. Notwithstanding the Lease Agreement executed by the CD with M/s.Lulu International Shopping Malls Private Limited, the CD had liability towards the original buyer and the Applicant. Had the Sale Deed been executed at the time when the entire sale consideration was paid by the original, Unit

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No. 36 would not have become part of the property of the CD. In its absence, the Applicant has a claim against the CD.

33. After the initiation of the CIRP, the Resolution Professional was to collect information about the assets, liabilities, debts, pending litigation, disputes etc. of the Corporate Debtor and for this, Information Memorandum is to be prepared. Section 5(10) of the IBC says that Information Memorandum is to be prepared by the RP under Section 29(1). The collection of such information helps in decision making by the RP/CoC. When the record of the CD clearly reflects such liability, the RP is not supposed to act only when the claim is filed by the Applicant. The Hon'ble NCLAT in *Kushal Ltd. versus Kartik Baldwa and ors Comp. App. (AT) (Ins.) No. 678 of 2022*, decided on 21.07.2022 emphasized the importance of Information Memorandum while interpreting Section 29 of IBC in the following words:

53. In the explanation annexed to Section 29, the word 'relevant information' is explained. It means the information required by the resolution applicant to make the resolution plan for the Corporate Debtor which shall include financial position of the Corporate Debtor. All information relating to dispute against the Corporate Debtor on any other matter pertaining to the Corporate Debtor as may be specified. Therefore, the word 'relevant information' referred in Section 29 (1) of IBC is only an information required by the resolution applicant is appellants herein to make resolution plan for the Corporate Debtor. Here, the Resolution Professional disclosed the information based on the report of MITCON available and he is not an expert to make an assessment of the production capacity of the industry, therefore, he only disclosed those details regarding production capacity based on earlier report submitted by MITCON, such information is relevant for the purpose of making a resolution plan for the Corporate Debtor by the Resolution Applicant.

54. Thus, the Resolution Professional disclosed relevant information enabling the resolution applicants/appellants to make appropriate application by submitting resolution plan for the Corporate Debtor. Such set would not amount to fraudulent misrepresentation.

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34. Thus, the Resolution Professional must collect relevant information which may affect the decision making of the prospective resolution applicants or other stakeholders. Discharge the liability of the Corporate Debtor towards the original buyer and Applicant is definitely relevant information and therefore, the RP was supposed to make it part of the Information Memorandum.
35. In the light of the observations and discussions, we find that the information about the liabilities, debts, delegation etc. of the CD is to be included in the Information Memorandum so that every stakeholder may have proper appreciation of the financial strength of the CD. Therefore, the Respondent is directed to include the liabilities of the CD towards the original buyer and the Applicant in Information Memorandum and if it is already included, the Applicant has to be informed within 15 days from passing of the order.
36. As a result of the above facts and circumstances, this IA No.492 of 2024 in CP (IB) No.296/7/HDB/2022 is allowed.

**Sd/-**

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**IA No. 314 of 2024**

**in**

**CP (IB) No. 296/7/HDB/2022**

*[U/s. 60(5) of IBC, 2016 r/w Rule 11 of NCLT Rules, 2016]*

**In the matter of Majeera Retail Holdings Private Limited**

**Between:**

**1 Mr. Uday Kumar Sahu,**

S/o Late Mr. Kashi Prasad Sahu,  
aged about 58 years, R/o Alpha 209,  
Jayabheri Silicon Colony, Kothaguda,  
Hyderabad- 500084.

**2 Mr. Abhyuday Sahu,**

S/o Mr. Uday Kumar Sahu,  
aged about 25 years, R/o Alpha 209,  
Jayabheri Silicon Colony, Kothaguda,  
Hyderabad- 500084.

Rep. by Mr. Uday Kumar Sahu

**... Applicants**

**And**

**Mr. Birendra Kumar Agarwal,**

Resolution Professional of  
M/s Manjeera Retail Holdings Private Limited,  
#711, Manjeera Trinity Corporate  
Beside Manjeera Mall, JNTU-Hitech City Road,  
Kukatpally, Hyderabad, Telangana-500072.  
Represented by Mr. Uday Kumar Sahu.

**... Respondent/ Resolution Professional**

**Date of Order: 17.09.2024**

**Coram:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)  
Sri Sanjay Puri, Hon'ble Member (Technical)

**Parties / Counsels Present:**

For the Applicant : Mr. P. Ravi Charan, Advocate.

For the Respondent : Mr. V.V.S.N. Raju, Advocate.

**[Per: Rajeev Bhardwaj, Member (Judicial)]**

**ORDER**

1. The present application has been filed by Mr. Uday Kumar Sahu and Mr. Abhyuday Sahu (hereinafter referred to as "**Applicants**"), seeking to exclude Unit No 24 in second floor of 'Manjeera Mall' from the Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor (**CD**) and to confirm whether the obligation to register the said Unit in favor of the Applicants, is outlined in the Information Memorandum (**IM**). If this obligation is not included, alternatively further direct the Resolution Professional (**RP**) to incorporate the obligation of execution and registration of the said Unit in the IM.

**Applicant's Case:**

2. On July 18, 2023, the **CIRP** was initiated against the CD and Mr. Vamsi Khambamettu was appointed as the Interim Resolution Professional (**IRP**). Subsequently, Mr. Birendra Kumar Agarwal was appointed as RP, vide order dated 14.09.2023.

3. The commercial complex, titled Manjeera Mall, has been constructed by the CD. The Applicants entered into an Agreement of Sale (**AoS**) on 29.09.2014 with the CD for the purchase of Unit No. 24 on the second floor of "Manjeera Mall," having a total super built-up leasable area of 496 sq. ft. and an undivided area of 10 sq. yds. out of the total area of 24,587 sq. yds. (5.08 acres) of S2 in Survey No. 1050 situated at Kukatpally Village, Balanagar Mandal, Ranga Reddy District.
4. The Applicants have paid a total sale consideration of Rs. 44,60,000/- (Rupees Forty-four Lakhs sixty thousand Only) to the CD, which has been duly acknowledged by the CD from time to time.
5. The entire payments made by the Applicants to the CD are duly recorded in the CD's financial records. Moreover, each payment made for the purpose of acquisition of the referenced property was transacted through legitimate banking channels, with funds sourced from legal earnings after fulfilling tax, levy, duty, and other statutory obligations. The payment of the total sale consideration by the Applicants to the CD is duly recorded in the CD's records.
6. As per clause no. 28 of the AoS, the CD or its nominee/nominated agency holds exclusive leasing rights for 25 years regarding the said Unit in "Manjeera Mall". Consequently, the Applicants' Unit was leased by the CD, with deductions made for Common Area Maintenance (**CAM**) charges and annual management fees equivalent to 6% of the annual lease rentals. The CD used to pay the balance lease rentals to the Applicants till the Covid period. The payment of the total sale consideration by the



Applicants' to the CD, as well as the receipt of annual rentals, is duly recorded in the CD's records.

7. The transfer of title for the said Unit in favor of the Applicants has been delayed due to disputes between the Telangana Housing Board (**TSHB**) and the CD. The registration of the said Unit remains pending till date.
8. On 30.01.2024, the Applicants found from the "majeera.com" website that the Respondent has released an investment teaser for the CD, showing the "Manjeera Mall" as one of the projects of the CD. However, it remains unclear whether the Respondent has excluded the Applicants' Unit, as it does not belong to the CD.
9. Further, if the Respondent includes the Applicants' Unit as part of "Manjeera Mall" without adequately making provision of the obligations of prospective resolution applicants to recognize the Applicants' rights, possession and ownership, it would lead to irreparable loss and severe hardship for the Applicants.
10. The Respondent has already issued Form-G dated 21.11.2023, which specified 30.01.2024 as the deadline for submitting Resolution Plans, while as per section 25(2)(g) of the Code, the Respondent is obligated to prepare an Information Memorandum (**IM**) in accordance with section 29 of the Code.
11. The Writ Petition Nos. 41884, 42272, and 42308 of 2018 were filed by some affected persons with grievances similar to those of the Applicants before the Hon'ble High Court of Telangana. The Hon'ble High Court, vide Order dated 18.03.2021 directed the TSHB to register the respective flats. Subsequently, the TSHB appealed this decision before the Hon'ble

Division Bench and the Hon'ble Division Bench, vide order dated 01.10.2021, dismissed the appeals. Thereafter, the matter was brought before the Hon'ble Supreme Court, which granted an interim stay on the execution of the sale deed pending further orders. The appeal is currently pending for adjudication.

12. The Respondent has uploaded a claim as of 02.02.2024 on the 'manjeera.com' website, wherein it is stated that TSHB has filed its claim with the RP, claiming certain amounts from the CD. The RP has kept TSHB claim under verification and pending for adjudication due to disputes over the claimed amounts, which are presently being adjudicated in W.P.No. 1034 of 2023 and W.P. No. 1057 of 2023 in the Hon'ble High Court of Telangana. These Writ Petitions are still pending till date, as mentioned by the Respondent in their updated claim uploaded on the "manjeera.com" website.
13. It is claimed that the legitimate rights of the Applicants will be affected, if the details of their ownership of the Units are not included in the IM prepared by the Respondent. Prospective Resolution Applicants must be informed of Applicants' right to have the Sale Deed of the Unit registered in their favour. Further, the Applicants firmly believe that the prospective Resolution Applicants are obligated to address the issue of registration in their proposed resolution plans.

**Respondent's Case:**

14. Respondent who is the RP of the CD, has contended and contested the averments mentioned in the application.

15. It is submitted that that throughout the CIRP period, neither the suspended management of the CD nor the Applicants have disclosed or provided any details regarding the sale of units to the RP. Despite being aware of the initiation of CIRP against the CD, the Applicants failed to inform about their alleged ownership.
16. Though the suspended management provided documents related to the Agreement of Sale for other projects/sites of the CD, but prominently omitted to furnish the AoS dated 29.09.2014 or any similar documentation regarding the shop/units which is the subject matter of present application.
17. The purported AoS provided by the Applicants appear to be forged for the following reasons:
  - a) The Power of Attorney (POA) granted by APHB to the Corporate Debtor did not authorize it to conduct outright property sales; such authority was solely held by APHB.
  - b) The document has not been registered with the Sub-Registrar, as required under the RERA Act.
18. The Applicants did not communicate or raise the registration issue with the RP before filing of this application. Without seeking clarification from the RP regarding the IM, the Applicants directly approached this Authority. Further, according to the trial balance of the CD provided to the RP, proceeds from unit sales were incorrectly classified as "Advances from Customers under liabilities, misrepresenting the financial status. As per the Accounting Standards, if the sale of the units had occurred, these should have been recorded as revenue in the CD's books of accounts.

19. It is claimed that the CD has been consistently bearing the property tax obligations for all shops/offices/units, including the disputed units in question. The Applicants have neither covered any costs nor contributed to the payment of property tax, indicating that they are not the owners of the said shops/office units.
20. It is claimed that the CD leased the entire commercial space, including the disputed shop/units, through a Lease Deed executed on 08.10.2022, between Manjeera Retail Holdings Pvt Ltd and Lulu International Shopping Malls Pvt Ltd in Hyderabad. As per the recitals of the Clauses III and IV of the Lease Agreement, the CD was appointed as the developer with right to develop and manage the project; including entering into agreements and Schedule II of the Lease Agreement provides details of the entire commercial building, i.e. the mall cum multiplex, constructed on 2.53 acres of land. Further, Clause 10.1.(a) of Lease Agreement states about the absolute right of the lessor i.e. TSHB, to develop and manage the demised premises. On examination of recitals of the lease agreement undeniably establishes the fact that the CD owns the entire mall without any encumbrances, charges, claims, or ownership of individual units. Thus, the contention of the Applicants regarding ownership of the unit is false and vague.
21. Despite being the alleged owners of the Unit 24, the Applicants neither made any efforts to claim rental dues, arrears nor filed any claims regarding rental arrears before the RP since the initiation of the CIRP. No rental payments for the said units were made to the Applicants from June 2020 until the commencement of CIRP. Furthermore, the information obtained by the RP shows that the AoS for the unit in question was purportedly cancelled by the CD prior to its lease to Lulu International

Shopping Malls Private Limited (Lulu Mall). However, no documentary evidence has been provided to the RP.

22. It is submitted that a resolution plan has already been approved by the Committee of Creditors (CoC) and now it is pending before this Authority for approval. Filing of present application to stay CIRP of the CD at this advanced stage clearly shows the malafide intention of the Applicants.
23. Heard both the Counsels for both the parties and perused the entire records.
24. The Andhra Pradesh Housing Board, now Telangana Housing Board is the owner of the land measuring 6.31 acres in Site S2, Survey No.1050 situated at Kukatpally, Balanagar Mandal, R.R. District and out of this land, land measuring 5.08 acres was given to M/s. Manjeera Retail Holdings Private Limited/CD for its development. As a result of the Agreement executed between both the parties, the CD constructed Multiplex-cum-Mall Complex on the said land.
25. The Unit No. 24 on the second floor of the Mall measuring about 496 sq.ft is claimed to have been purchased from the CD by the Applicants, vide Agreement of Sale dated 29.09.2014 for a total sale consideration of Rs.44,60,000/- (Rupees Forty-Four Lakhs and Sixty thousand Only).
26. The Respondent has denied the existence of any Agreement between the CD and the Applicants. However, the facts on record suggest otherwise. The CD has acknowledged the receipt of Rs.44,60,000/- in its trial balance report as 'Advances from Customers'. Furthermore, the Agreement of Sale (AoS) indicates that the CD has already received the full sale consideration from the Applicants through RTGS on 27.09.2014.

27. In addition to the receipt of the total sale consideration, the CD was also paying the rent to the Applicants as per the terms & conditions of the Agreement dated 29.09.2014 and the clauses are 12 and 28, which are reproduced below:

*12. The DEVELOPER had already entered into a Registered Lease deed with M/s. Lavender, Vide document no. 823/2014 dated 24/01/2014 (a copy of which is annexed to this Agreement) for leasing out the Schedule Property on the various terms and conditions mentioned therein. The DEVELOPER undertakes to enter in to tripartite agreement with the Developer and Lessee on payment of the entire sale consideration mentioned under Clause No.1 above. The PURCHASER undertakes that the agreement by the Developer to lease shall be honoured by them and not to disturb such Lessee/intended Lessee during the lease terms except as provided therein.*

*28. The DEVELOPER or its nominee/ nominated Agency have exclusive Leasing rights for a period 25 years with respect to the Units in the Manjeera Mall and that the PURCHASER is bound by and shall adhere to the same. However the PURCHASER may solicit tenants for his/her/their respective Unit/s upon obtaining prior approval from the DEVELOPER, which approval is necessary to ensure the zoning and brand positioning in the Manjeera Mall.*

28. Therefore, the developer, i.e. CD was given the right to lease the Unit 24 purchased by the Applicants for a period of 25 years and vide the same document this property was given on lease to **M/s. Lavender**. In lieu of the lease granted to M/s. Lavender, the Applicants were regularly receiving rent from the CD after deduction of property tax and this is clear from Annexure II & III (Page Nos 45-111 of the Rejoinder).
29. The CD also issued several Form 16A between Dec-2017 to Jul-2020 to the Applicants, listing the CD as the deductor and the original buyer as the deductee of the tax. Furthermore, the property tax receipts of the said unit reflect the name of the Applicants, as evidenced in Annexure II of counter (pages 92-94). Although the Respondent denies the execution of the

agreement dated 29.09.2014, the facts clearly indicate that Unit No. 24 was agreed to be sold to the original buyer.

30. The Sale Deed of Unit No. 24 could not be registered because of dispute between the owner of the land, i.e. Telangana Housing Board and the CD. In this regard, some of the persons facing similar issues approached the Hon'ble High Court of Telangana by filing Writ Petition No.1034 of 2023 and the Single Bench vide order dated 10.01.2023 directed that the Telangana Housing Board shall not take coercive steps about the payment of upfront amount as a pre-condition to enter into supplementary development agreement. Now this matter is pending before the Hon'ble Apex Court
31. Thus, it is evident that due to the ongoing dispute between the Telangana Housing Board and the Corporate Debtor, the sale deed in favor of the original buyer could not be executed and registered. As a result, the assignment agreement in favor of the Applicants was not executed and in the meantime, the CIRP was initiated against the CD, vide order dated 18.07.2023. Prior to this, the CD leased the entire commercial mall constructed over the land measuring 5.08 acres, which includes Unit No. 24 purchased by the Applicants to M/s Lulu International Shopping Malls Private Limited, for a period of 20 years vide Agreement dated 08.10.2022. In the said Agreement, there is no reference of earlier Agreement dated 29.09.2014.
32. Notwithstanding the Lease Agreement executed by the CD with M/s.Lulu International Shopping Malls Private Limited, the CD had liability towards the Applicants. Had the Sale Deed been executed at the time when the entire sale consideration was paid by the Applicants, Unit No. 24 would

not have become part of the property of the CD. In its absence, the Applicants have a claim against the CD.

33. After the initiation of the CIRP, the Resolution Professional was to collect information about the assets, liabilities, debts, pending litigation, disputes etc. of the Corporate Debtor and for this Information Memorandum (IM) is to be prepared. Section 5(10) of the IBC says that Information Memorandum is to be prepared by the RP under Section 29(1). The collection of such information helps in decision making by the RP/CoC. When the record of the CD clearly reflects such liability, the RP is not supposed to act only when the claim is filed by the Applicants. Hon'ble NCLAT in *Kushal Ltd. versus Kartik Baldwa and ors Comp. App. (AT) (Ins.) No. 678 of 2022*, decided on 21.07.2022 emphasized the importance of information memorandum while interpreting section 29 of IBC in the following words:

53. In the explanation annexed to Section 29, the word 'relevant information' is explained. It means the information required by the resolution applicant to make the resolution plan for the Corporate Debtor which shall include financial position of the Corporate Debtor. All information relating to dispute against the Corporate Debtor on any other matter pertaining to the Corporate Debtor as may be specified. Therefore, the word 'relevant information' referred in Section 29 (1) of IBC is only an information required by the resolution applicant is appellants herein to make resolution plan for the Corporate Debtor. Here, the Resolution Professional disclosed the information based on the report of MITCON available and he is not an expert to make an assessment of the production capacity of the industry, therefore, he only disclosed those details regarding production capacity based on earlier report submitted by MITCON, such information is relevant for the purpose of making a resolution plan for the Corporate Debtor by the Resolution Applicant.

54. Thus, the Resolution Professional disclosed relevant information enabling the resolution applicants/appellants to make appropriate application by submitting resolution plan for the Corporate Debtor. Such set would not amount to fraudulent misrepresentation.



34. Thus, the Resolution Professional must collect relevant information which may affect the decision making of the prospective resolution applicants or other stakeholders. Discharge the liability of the Corporate Debtor towards the Applicants is definitely a relevant information and therefore the RP was supposed to make it part of the information memorandum.
35. In the light of the observations and discussions, we find that the information about the liabilities, debts, delegation etc. of the CD is to be included in the Information Memorandum so that every stakeholder may have proper appreciation of the financial strength of the CD. Therefore, the Respondent is directed to include the liabilities of the CD towards the Applicants in Information Memorandum and if it is already included, the Applicants have to be informed within 15 days from passing of the order.
36. As a result of the above facts and circumstances, this IA No.314 of 2024 in CP (IB) No.296/7/HDB/2022 is allowed.

**Sd/-**

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**