

**BEFORE THE HON'BLE NATIONAL COMPANY LAW APPELLATE
TRIBUNAL, NEW DELHI
COMPANY APPEAL (AT) (INSOLVENCY) NO. 1243 OF 2022**

IN THE MATTER OF:

ASHOK GUPTA

SUSPENDED DIRECTOR OF AJNARA INDIA LIMITED

...APPELLANT

VERSUS

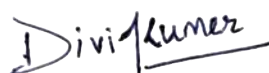
MANISH KUMAR GUPTA & ANR.

...RESPONDENTS

INDEX

S. NO.	PARTICULARS	PAGE NO.
1	WRITTEN NOTE ON BEHALF OF THE ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED (ARCIL)	1-3
2.	ANNEXURE A JUDGMENT COMPILATION ON PROJECT WISE RESOLUTION	4-182

FILED THROUGH



Divij Kumar/ Saumya/ Yogesh Khanduja
Counsels for the Applicant/Resolution Professional
77, LGE, Anand Lok,
New Delhi – 110049
E-mail: office@chambersofdivijkumar.com
Mobile: +91 96549 82990

Date: 27.05.2026

Place: Delhi

**BEFORE THE HON'BLE NATIONAL COMPANY LAW APPELLATE
TRIBUNAL, NEW DELHI
IN COMPANY APPEAL (AT) (INSOLVENCY) NO. 1243 OF 2022**

IN THE MATTER OF:

ASHOK GUPTA

SUSPENDED DIRECTOR OF AJNARA INDIA LIMITED

...APPELLANT

VERSUS

MANISH KUMAR GUPTA & ANR.

...RESPONDENTS

**WRITTEN NOTE ON BEHALF OF ASSET RECONSTRUCTION COMPANY
(INDIA) LIMITED (ARCIL)**

MOST RESPECTFULLY SHOWETH:

1. The present note is being filed on behalf of ARCIL in compliance of order dated 12.05.2026. The Corporate Debtor was admitted to insolvency vide order dated 22.09.2022, which came to be challenged by the present appeal. The present appeal has been pending for the past four years, during which period, this Hon'ble Appellate Tribunal has given opportunity to all stakeholders in the Corporate Debtor to bring forth, their concerns, suggestions etc. - through various applications- regarding the completion of the Corporate Debtor's projects and the way forward. It will not be out of place to mention that various status reports have also been filed by the Interim Resolution Professional ("**IRP**") providing relevant details of the project and construction. The IRP has even placed on record various proposals received from third party developers who are willing to come forth and complete the Corporate Debtor's projects. While, there may have been differences on policy/manner of completion, the majority of the stakeholders are in favor of a project-wise resolution. The relevant precedents on project-wise resolution are filed along with this Note for ease of reference of this Hon'ble Appellate Tribunal, as **Annexure A**.
2. Subject to consideration and directions of this Appellate Tribunal, it is suggested that the resolution of the Corporate Debtor ought to be undertaken on a project-wise and phase-wise basis, with Project Ajnara Ambrosia being taken up first for hearing in the NCLAT proceedings. The Projects - 'Ajnara Ambrosia' and 'Ajnara Panorama' are segregated into two categories, i.e. Phases I, II and III in the launched category ("**Launched Phases**") and Phase IV in unlaunched category ("**Unlaunched Phase**"). Further, it is to

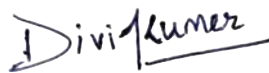
be noted that the Unlaunched Phase has also been registered as separate project with RERA. It is accordingly suggested that separate monitoring committees (“MC”), be constituted for the Launched Phases and Unlaunched Phase, with the homebuyers only forming part of the MC for the Launched Phases. At this stage, it is relevant to state that in the two Projects - ‘Ajnara Ambrosia’ and ‘Ajnara Panorama’, ARCIL is the sole lender (“**Lender**”).

3. The rationale for constituting a separate committee for the Unlaunched Phase of the two projects is that homebuyers are present only in the Launched Phases in Project Ambrosia and Project Panorama, which are at an advanced stage of construction. Clearly, the homebuyers are interested in the resolution regarding the possession of their homes and therefore once they get their homes the continued resolution process for the homebuyers becomes inconsequential. In any event, there is no rationale for the homebuyers monitoring the progress of the Unlaunched Phase in Project ‘Ambrosia’ and Project ‘Panorama’, wherein they have no stake involved. Homebuyers’ claims arise exclusively from allotment agreements, booking amounts, and instalments paid in connection with units in the Launched Phases. They have no allotment, no booking, and no contractual relationship whatsoever with the Unlaunched Phase. A cardinal principle of resolution under the IBC is that the composition of any monitoring or decision-making body must reflect the actual stakeholders of the asset pool in question. Permitting homebuyers to participate in a committee overseeing an asset in which they hold no contractual claim would be contrary to this principle and would effectively confer unwarranted rights over assets to which they have no legal entitlement. In any event, the cashflow from the sold and unsold inventory of the Launched Phases, wherein the homebuyers have an interest, is sufficient for completion of construction and delivery of units to homebuyers. However, in case of any deficit for purposes of construction, the said deficit can be fulfilled through contribution from the Unlaunched Phase. Further, it is to be noted that the Unlaunched Phase has also been registered as separate project with RERA.
4. It is pertinent to mention that on the other hand the recovery of the secured Lender is significantly dependent on the Unlaunched Phase, wherein the construction has not even started yet and will further delay the recovery of the Lender.
5. The strategic partner for the Launched Phases shall be ascertained by the stakeholders, namely (a) Lender, (b) homebuyers and (c) NOIDA/YEIDA, as the case may be, by giving preference to a developer who can showcase in its proposal an optimal resolution for the stakeholders along with a track record of timely delivery of projects with good

quality of construction, adherence to legal and regulatory compliances, overall financial stability and creditworthiness.

6. The appointment of the strategic partner for the Unlaunched Phase will be carried out by the stakeholders comprising of (a) Lender and (b) NOIDA/YEIDA on the same criteria as detailed in the aforesaid paragraph.
7. Once the partner is chosen, the MC of the Launched Phase may be formed and shall comprise of (a) the IRP, (b) a representative of all homebuyers, (c) one representative of the strategic partner, (d) one representative of the Lender and (e) one representative of the interim financier (if different from strategic partner). The said MC shall be vested with the authority to monitor progress and status of construction for Phase I to III of the project 'Ambrosia' and 'Panorama' and address the issues pertaining to construction of individual Phases (for Phase I to III of the projects 'Ambrosia' and 'Panorama').
8. The MC Of the Unlaunched Phase of the projects 'Ambrosia' and 'Panorama' shall comprise of (a) the IRP, (b) one representative of the strategic partner, (c) one representative of the Lender and (d) one representative of the interim financier (if different from strategic partner). The MC herein will also be vested with the authority to monitor progress and status of construction for Phase IV of the project 'Ambrosia' and 'Panorama' and address the issues pertaining to construction of Phase IV i.e. the Unlaunched Phase of the projects 'Ambrosia' and 'Panorama'.
9. In view of the foregoing, a project-wise and phase-wise approach, coupled with the constitution of separate committees for the Launched Phases and Unlaunched Phase of Project 'Ambrosia' and Project 'Panorama' be considered by this Hon'ble Appellate Tribunal as it is imperative for efficient completion of the respective phases of the projects of the Corporate Debtor.

That in view of the above, the Applicant respectfully places the foregoing suggestions before this Hon'ble Tribunal for its kind consideration and directions.



FILED THROUGH
Divij Kumar/ Saumya/ Yogesh Khanduja
Counsels for the Applicant/Resolution Professional
77, LGF, Anand Lok,
New Delhi – 110049
E-mail: office@chambersofdivijkumar.com
Mobile: +91 96549 82990

Date: 27.05.2026

Place: Delhi

**BEFORE THE HON'BLE NATIONAL COMPANY LAW APPELLATE
TRIBUNAL, NEW DELHI
COMPANY APPEAL (AT) (INSOLVENCY) NO. 1243 OF 2022**

IN THE MATTER OF:

ASHOK GUPTA

SUSPENDED DIRECTOR OF AJNARA INDIA LIMITED

...APPELLANT

VERSUS

MANISH KUMAR GUPTA & ANR.

...RESPONDENTS

CASE COMPILATION

S No.	Case Title	Court and Year	Relevant Paragraph	Page No.
1	Flat Buyers Association Winter Hills-77, Gurgaon v. Umang Realtech Pvt. Ltd. & Others 2020 SCC OnLine NCLAT 1199	National Company Law Appellate Tribunal (2019)	Paragraph 21, 25 Relevant paragraphs at Page 27-28 and 29 of compilation	6-31
2	Mansi Brar Fernandes vs. Shubha Sharma and Another 2025 SCC OnLine SC 1972	Supreme Court of India (2025)	Paragraph 21.2(5), 21.2(6) Relevant paragraphs at Page 58	32-63

3	Gagan Tandon and Others v. IL & FS Financial Services Ltd. and Others, 2026 SCC OnLine NCLAT 16	National Company Law Appellate Tribunal (2026)	Paragraph 81, 87 Relevant paragraphs at Page 110, 112-113 of compilation	64-125
4	Surender Singh, Suspended Director of Vatika Limited v. IDBI Trusteeship Services Ltd. & Anr. 2026 SCC OnLine NCLAT 346	National Company Law Appellate Tribunal, New Delhi (2026)	Paragraph 33, 34, 35, 36 Relevant paragraphs at Page 150-151 of compilation	126-164
5	Navin M. Raheja v. Shravan Minocha & Ors. 2026 SCC OnLine NCLAT 420	National Company Law Appellate Tribunal, New Delhi (2026)	Paragraph 13, 14, 15 Relevant paragraphs at Page 175-180 of compilation	165-182

FILED THROUGH

Divij Kumar

Divij Kumar/ Saumya/ Yogesh Khanduja
Counsels for the Applicant/Resolution Professional
77, LGF, Anand Lok,
New Delhi – 110049
E-mail: office@chambersofdivijkumar.com
Mobile: +91 96549 82990

Date: 27.05.2026

Place: Delhi

(2020) 12 Comp Cas-OL 174 : 2020 SCC OnLine NCLAT 1199

In the National Company Law Appellate Tribunal—New Delhi

(BEFORE SUDHANSU JYOTI MUKHOPADHAYA, J. (CHAIRPERSON) AND BANSI LAL BHAT, J. (JUDICIAL MEMBER))

Flat Buyers Association Winter Hills-77, Gurgaon ...
Appellant

Versus

Umang Realtech P. Ltd. and Others ... Respondent

Company Appeal (A. T.) (Insolvency) No. 926 of 2019.

Decided on February 4, 2020

Manoj Kumar, Ms. Shweta Bharti, Shantanu Mallik, Ms. Nanki Arora and Ms. Katyani Mahendru, for the appellant.

L. C. N. Shahdeo, for the resolution professional.

Manoj Kr. Singh, Vijay K. Singh, Ms. Daizy Chawla and Ms. Kanishka Prasad, for the intervenor-Uppal Housing P. Ltd.



Page: 175



Page: 176

1. This is a peculiar case in which the "Flat Buyers Association of Winter Hills-77, Gurgaon" and now the original applicants "Mrs. Rachna Singh" and "Mr. Ajay Singh" (allottees) though want corporate insolvency resolution process for resolution but do not want approval of any plan of a third party (resolution applicant).

Facts of the case

2. Mrs. Rachna Singh and Mr. Ajay Singh (allottees)-financial creditors moved application under section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "I and B Code") for initiation of corporate insolvency resolution process of "M/s. Umang Realtech P. Ltd." (corporate debtor), a real estate company constructing flats/apartments for allottees. The Adjudicating Authority (National

Company Law Tribunal), Principal Bench, New Delhi by impugned order dated August 20, 2019—(*Rachna*



Page: 177

Singh v. Umang Realtech P. Ltd. (2020) 12 Comp Cas-OL 164 (NCLT)) admitted the application and directed the financial creditor(s) to deposit a sum of Rs. 2 lakhs with the interim resolution professional to meet out the expenses for performing functions assigning to him. As per the I and B Code, after initiation of the corporate insolvency resolution process it is duty of the interim resolution professional/resolution professional to keep the company a going concern. In the case of a real estate infrastructure company to keep the company going concern, the flats/apartments are to be completed. However, a sum of Rs. 2 lakhs as ordered to be deposited by the financial creditor(s) with the interim resolution professional cannot meet the expenses for keeping the company a going concern for completion of the flats/apartments.

Problems in following certain process in the cases of infrastructure companies (for allottees)

3. Parliament made amendment of section 30(2) and (4) of the "I and B Code" to give weightage to the "secured creditors" which came into force on August 16, 2019.

4. In *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta* 2019 SCC OnLine SC 1478 ; (2020) 219 Comp Cas 97 (SC), the hon'ble Supreme Court made a distinction between the "secured" and "unsecured creditors" and observed that protecting creditors in general is, no doubt, an important objective. Protecting creditors from each other is also important. If an "equality for all" approach recognising the rights of different classes of creditors as part of an insolvency resolution process is adopted, secured financial creditors will, in many cases, be incentivised to vote for liquidation rather than resolution, as they would have better rights if the corporate debtor is liquidated. This would defeat the objective of the Code which is resolution of distressed assets and only if the same is not possible, should liquidation follow. The amended regulation 38 does not lead to the conclusion that "financial creditors" and "operational creditors", or secured and unsecured creditors, must be paid the same amounts, percentage wise, under the resolution plan before it can pass muster. Fair and equitable dealing of operational creditors rights under regulation 38 involves the resolution plan stating as to how it has dealt with the interests of operational creditors, which is not the same thing

as saying that they must be paid the same amount of their debt proportionately. So long as the provisions of the Code and the Regulations have been met, it is the commercial wisdom of the requisite majority of the committee of creditors which is to negotiate and accept a resolution plan, which may involve differential payment to different classes of creditors, together with negotiating



Page: 178

with a prospective resolution applicant for better or different terms which may also involve differences in distribution of amounts between different classes of creditors.

5. In *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 217 Comp Cas 1 (SC) ; 2019 SCC OnLine SC 1005, the hon'ble Supreme Court upheld the Explanation below section 5(8)(f) to hold that allottees (homebuyers) of infrastructure company are "financial creditors". It further observed that the RERA is in addition to and not in derogation of the provisions of any other law for the time being in force, also makes it clear that the remedies under the RERA to allottees were intended to be additional and not exclusive remedies. Therefore, provisions of the Code would apply in addition to the RERA.

6. The following are the problems which have now cropped up.

There is a difference in Form B and Form C for submission of proof claims by the operational creditors and the financial creditors. Prior to the Notification dated November 27, 2019, Form B which is for submission of proof of claims by operational creditors before the interim resolution professional, did not have any column for details of any security held by them, unlike Form C which had such a separate column. The inclusion of this column vide the aforesaid notification acknowledges the fact that operational creditors can also be secured and that earlier, due to absence of any such specific column, the operational creditors were deprived from submitting their claims and to state whether any security is held by them either by annexing it by way of supplementary documents. Hence, there was a need for this inclusion.

7. On the other hand, since inception of the Insolvency and Bankruptcy Code, 2016, at the time of liquidation, Forms B and C provided column for details of any security held by "operational creditors" and the "financial creditors".

8. The "allottees" (homebuyers) come within the meaning of "financial creditors". They do not have any expertise to assess "viability" or "feasibility" of a "corporate debtor". They don't have

commercial wisdom like financial institutions/banks/NBFCs. However, these allottees have been provided with voting rights for approval of the plan. Many of such cases came to our notice where the allottees are the sole financial creditors. However, it is not made clear as to how they can assess the viability and feasibility of the "resolution plan" or commercial aspect/functioning of the "corporate debtor" in terms of the decision of the hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank* (2017) 205 Comp Cas 57 (SC) ; (2018) 1 SCC 407 followed by *Swiss Ribbons P. Ltd. v. Union of India*



Page: 179

(2019) 213 Comp Cas 198 (SC) ; 2019 SCC OnLine SC 73 and *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta* 2019 SCC OnLine SC 1478 ; (2020) 219 Comp Cas 97 (SC).

9. In terms of the "I and B Code" and the decisions of the hon'ble Supreme Court, the "resolution plan" must maximise the assets of the corporate debtor and balance the stakeholders (secured and unsecured creditors-financial creditors/operational creditors).

10. The infrastructure which is constructed for the allottees by corporate debtor (infrastructure company) is an asset of the corporate debtor. The assets of the corporate debtor as per the Code cannot be distributed, which are secured for "secured creditors". On the contrary, allottees (homebuyers) who are "unsecured creditors", the assets of the corporate debtor which is the infrastructure, is to be transferred in their favour ("unsecured creditors") and not to the "secured creditors" such as financial institutions/ banks/NBFCs.

Normally, the banks/financial institutions/NBFCs also would not like to take the flats/apartments in lieu of the money disbursed by them. On the other hand, the "unsecured creditors" have a right over the assets of the corporate debtor, i. e., flats/apartment, assets of the company.

11. In most cases, the committee of creditors take "haircut". The resolution applicants satisfy them most of the time with lesser amount than the amount as determined. In the case of allottees (financial creditors), there cannot be a haircut of assets/flats/apartment.

The law is to be explained now again in a reverse way.

Reverse corporate insolvency resolution process

12. In *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta* 2019 SCC OnLine SC 1478 ; (2020) 219 Comp Cas 97 (SC), the hon'ble Supreme Court observed as follows (page 184 of 219 Comp Cas):

"In *Swiss Ribbons P. Ltd. v. Union of India* (2019) 213 Comp Cas

198 (SC) ; (2019) 4 SCC 17 this court was at pains to point out, referring, inter alia, to various American decisions in paragraphs 17 to 24, that the Legislature must be given free play in the joints when it comes to economic legislation. Apart from the presumption of constitutionality which arises in such cases, the legislative judgment in economic choices must be given a certain degree of deference by the courts. In paragraph 120 of the said judgment, this court held (page 305 of 213 Comp Cas):

'The Insolvency Code is a legislation which deals with economic matters and, in the larger sense, deals with the economy of the



Page: 180

country as a whole. Earlier experiments, as we have seen, in terms of legislations having failed, "trial" having led to repeated "errors", ultimately led to the enactment of the Code. The experiment contained in the Code, judged by the generality of its provisions and not by so-called crudities and inequities that have been pointed out by the petitioners, passes constitutional muster. To stay experimentation in things economic is a grave responsibility, and denial of the right to experiment is fraught with serious consequences to the nation. We have also seen that the working of the Code is being monitored by the Central Government by Expert Committees that have been set up in this behalf. Amendments have been made in the short period in which the Code has operated, both to the Code itself as well as to subordinate legislation made under it. This process is an ongoing process which involves all stakeholders, including the petitioners'."

In view of the observation of the hon'ble Supreme Court, we experimented as to whether during the corporate insolvency resolution process the resolution can reach finality without approval of the third party resolution plan.

13. One of the promoter-"Uppal Housing P. Ltd.)/intervenor agreed to remain outside the corporate insolvency resolution process but intended to play role of a lender (financial creditor) to ensure that the corporate insolvency resolution process reaches success and the allottees take possession of their flats/apartments during the corporate insolvency resolution process without any third party intervention. The Flat Buyers Association of Winter Hill-77, Gurgaon also accepted the aforesaid proposal. It is informed that "J. M. Financial Credit Solutions Ltd." one of the financial institution has also agreed to co-operate in terms of agreement with the condition that they will get 30 per cent. of the amount paid by the allottees at the time of the registration of the

flat/apartment.

14. The other development is that "Rachna Singh" and "Ajay Singh" (allottees), who moved application under section 7 of the I and B Code, joined hands with the appellant—"Flat Buyers Association Winter Hill-77, Gurgaon" and became its members. During the last few months the corporate insolvency resolution process has progressed and a number of allottees including "Rachna Singh" and "Ajay Singh" have already taken possession of their respective flats and sale deed(s) have been registered in their favour.

15. "Uppal Housing P. Ltd." invested certain amount as an outsider financial creditor and as promoter cooperating with the interim resolution professional, having expertise of real estate project, so we asked it to give time



Page: 181

frame for completion of the flats/apartments of the project and time frame for providing common area facilities like swimming pool, club house, etc., as per the agreement. They were directed to provide a chart showing the amount as due from different allottees and default, if any, committed by allottee(s). The progress report has also been taken on record.

Following facts have been highlighted by "Uppal Housing P. Ltd.", which is also accepted and endorsed by Mr. Manish Kr. Gupta, interim resolution professional, who is present and always remain present in person:

(i) There are 706 number of flats/apartments in Winter Hills-77, Gurgaon project. Out of 706 flats/apartments, 624 flats/apartments have been booked/agreed to be sold which includes 3 bookings done during CIRP. The corporate debtor offered possession to all 624 allottees through the interim resolution professional and asked them to pay their respective outstanding dues.

(ii) There are 453 number of allottees who have paid their respective consideration amount in full and have taken possession. The list of 453 allottees who have taken the possession after making payment as per the demand notice issued has been annexed and marked as annexure 1. There are 26 allottees who have paid the consideration amount in full, but have not taken possession of their respective apartment/flat from the corporate debtor through IRP. The list of these 26 allottees who have paid the amount as per the demand notice issued has been annexed and marked as annexure 2.

(iii) There are 142 allottees who have defaulted in making

payment of their instalments due to the corporate debtor. The IRP has issued demand notices to make the payment of the outstanding amount. However, they have neither paid the outstanding amount nor have come forward to take possession. The list/details of the defaulter-allottees along with date of default, amount in default and percentage of default has been annexed and marked as annexure 3.

(iv) As on January 16, 2020 the corporate debtor has received NOC in respect 123 number of allottees for execution of the sale deeds from J. M. Financial Credit Solutions Ltd. Further, 92 number of sale deeds have been registered in favour of the allottees as on January 16, 2020. The list of 92 allottees in whose favour the sale deeds have been registered has been annexed as annexure 4.

(v) Uppal Housing P. Ltd., in the additional affidavit dated January 3, 2020 had sought 5 months' more time for completion of Winter Hills-77 Gurgaon Project in all respects including necessary amenities and common services. This Appellate Tribunal directed Uppal Housing P. Ltd., to state



Page: 182

the time frame for completing the facilities like club house and swimming pool, etc. and completing the project.

(vi) Uppal Housing P. Ltd., after discussing with the contractor(s) involved in the execution of the work at Winter Hills-77 Gurgaon Project and the interim resolution professional reasonably believes that the construction work and essential services like electricity, water fit-outs would be completed within a period of 3 more months. Swimming pool and playgrounds are structurally ready and will be functional once enough allottees start actually residing in their respective flats. Further, club house would be completed within a period of 4 months.

(vii) The corporate debtor has already applied for water connection and are in process of applying electricity connection. The corporate debtor is following up with the statutory authority(ies) so that water and electricity connections provided expeditiously.

(viii) The corporate debtor has already installed two lifts each in every tower. Lifts would be functional as per the requirement of the allottees.

(ix) It is submitted that air condition, kitchen, wardrobes, fans, chimney, geyser would be installed in the respective flats before the allottees actually starts residing in their respective flats. Approximately 40-42 per cent. allottees have taken possession

without the fit-outs and they will do necessary fit-outs on their own. Such allottees have made payment to the corporate debtor after deducting the cost of the fit-outs. The corporate debtor would provide necessary fit-outs in rest of the flats expeditiously and the entire work would be completed within 4-5 months depending upon fund follow and delivery of necessary material from the suppliers, subject to final payment by each of the allottees.

(x) Uppal Housing P. Ltd., has requested to stay all the recovery proceedings and the corporate debtor and/or Uppal Housing P. Ltd., may not be burdened with additional amount in satisfying the order passed by the court/Consumer Forum/RERA Authority till the works mentioned are complete. Further, necessary directions is required so that the amount deposited by the allottees is utilized exclusively for the purpose of providing amenities, facilities and completion of work in the respective projects. It is stated that some of the allottees are adopting arm twisting tactics against Uppal Housing for recovery of the amount as they are not willing to take possession of their flats/apartments.

16. List of 453 allottees who have taken possession, is detailed:



Annexure - I.

PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
1	F-702	Kapil Batra	9th October 2019	85,818
2	H-202	Abhishek Singh Chauhan	10th October 2019	4,39,439
3	J-601	Manjusha Bhatia	10th October 2019	11,57,233
4	H-801	PSJ Estates Pvt Ltd	10th October 2019	
5	K-504	Urvi Maniar	10th October 2019	29,085
6	F-902	Gautam Gandhi	10th October 2019	62,551
7	H-804	PSJ Estates Pvt Ltd	10th October 2019	
8	F-701	Vimal Khanna	10th October 2019	93,103
9	B-1404	Nitin Anand	10th October 2019	62,774
10	J-601	Surinder Singh Pruthi	10th October 2019	55,106
11	H-703	Vijay Goel	10th October 2019	49,114
12	K-604	Lalit Jain	10th October 2019	4,60,626
13	H-704	Gripec Goods Pvt Ltd	11th October 2019	5,82,758
14	B-1502	R. Swaminathan	11th October 2019	2,15,126
15	D-101	Ishwar Chander	11th October 2019	66,534
16	K-101	Priyamvada Singh	11th October 2019	2,03,603
17	C-203	Mukesh Sahitya	11th October 2019	36,207
18	L-1601	Nitika Mondal	11th October 2019	11,15,913
19	L-1401	Susmita Avinash	11th October 2019	9,13,083
20	B-804	Purva Misra	11th October 2019	51,092
21	D-402	Puneet Chawla	11th October 2019	55,503
22	H-201	Surya Bhan	12th October 2019	4,59,933
23	G-402	Gaurav Gairola	12th October 2019	11,25,360
24	J-1502	Mukesh Agarwal	12th October 2019	6,90,735
25	C-1202	Rajiv Soni	12th October 2019	7,05,654
26	G-304	Deepak Sehgal	13th October 2019	16,35,131
27	E-202	Shiraz Askari	13th October 2019	11,60,339
28	C-1004	Vishal Mahajan	13th October 2019	9,26,062
29	C-1604	Deepu Malik	13th October 2019	2,89,906
30	A-1003	Nidhi Datt	13th October 2019	1,08,301
31	K-304	Gaurav Singh Gill	14th October 2019	29,550
32	F-404	Sumee Munjal	14th October 2019	1,78,854
33	D-904	Akhil Sukhija	14th October 2019	2,61,172
34	J-1401	Jitender Kumar Munjal	14th October 2019	7,15,822
35	G-1002	Drivesh Arora	14th October 2019	10,50,633
36	K-404	Kanika Gahlaut	14th October 2019	2,30,212
37	B-102	Rameshwar	14th October 2019	61,643
38	C-102	Manish Chawla	15th October 2019	2,35,733
39	H-302	Sudesh Chhabra	15th October 2019	18,013
40	F-302	Kanti Mohan Rustagi	16th October 2019	2,43,670
41	K-902	Jayaraj D	15th October 2019	4,86,584
42	J-1002	Surjeet Singh	16th October 2019	12,07,242
43	D-302	Goutam Karmakar	16th October 2019	53,540
44	D-301	Sal Chand Yadav	16th October 2019	8,85,126



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
45	B-402	Gary Real Estate Pvt Ltd	25th October 2019	28,075
46	C-403	Gary Real Estate Pvt Ltd	25th October 2019	46,831
47	C-802	Sarla Sabharwal	25th October 2019	41,498
48	L-804	Vandana Sabharwal	17th October 2019	7,36,959
49	I-401	Vandana Sabharwal	25th October 2019	12,90,251
50	B-601	Gary Real Estate Pvt Ltd	25th October 2019	22,439
51	A-701	Rajit Kohli	17th October 2019	2,79,999
52	C-1704	Ravinder Pal	13th October 2019	3,20,042
53	L-703	Bhagwan Dass Gupta	18th October 2019	2,37,119
54	I-903	Ashok Kumar Chhabra	18th October 2019	18,893
55	D-704	Rahul Jajodia	18th October 2019	1,74,460
56	C-704	Anmol Maria	19th October 2019	2,11,235
57	A-202	Vikram Sitaram Kasbekar	19th October 2019	52,759
58	K-403	Neeraj Kumar Bansal	19th October 2019	1,63,092
59	B-702	Vivek Katariya	19th October 2019	2,39,097
60	A-301	Aman Aggarwal	20th October 2019	2,78,928
61	C-1404	Ratna Sareen	20th October 2019	2,64,174
62	F-401	Salil Narang	20th October 2019	40,766
63	G-902	Ashish Gupta	20th October 2019	3,09,472
64	J-201	Anita Jasra	21st October 2019	2,03,833
65	J-1504	Kapil Chadha	22nd October 2019	5,35,695
66	L-304	Jasmeet Singh Sidhu	22nd October 2019	2,06,408
67	G-1003	Amarinder Singh Gill	22nd October 2019	13,97,564
68	H-502	Seema Goyal	22nd October 2019	72,895
69	L-901	Narendra Mahipal	23rd October 2019	38,685
70	L-1003	Naveen Mahipal	23rd October 2019	8,20,930
71	G-801	Vikram Jairath	22nd October 2019	12,25,914
72	C-1503	Sneh Bhatia	23rd October 2019	2,57,783
73	C-1702	Prabha Thakran	23rd October 2019	1,76,318
74	J-1704	Prabha Thakran	23rd October 2019	1,95,780
75	J-1004	Rita Sharma	24th October 2019	2,87,251
76	B-903	Sayan Chatterjee	12th October 2019	93,090
77	H-403	Amit Kathuria	12th October 2019	1,61,456
78	F-303	Bhavna Chadda	16th October 2019	64,378
79	C-303	Nishant Mehta	13th October 2019	2,03,114
80	I-801	Monisha Saraf	13th October 2019	9,17,504
81	G-1001	Aparna Batra	14th October 2019	1,18,827
82	B-1001	Virender Singh	14th October 2019	2,15,245
83	J-1204	Monica Yadav	14th October 2019	8,47,619
84	B-1503	Ajay Gupta	15th October 2019	57,859
85	L-1803	Ruchi Sehgal	15th October 2019	2,98,470
86	A-303	J. V. Abhay	15th October 2019	1,73,830
87	E-103	Parmmeet Vasdev	15th October 2019	7,60,510
88	B-1803	Pankaj Aroia	15th October 2019	1,16,299



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
89	K-703	Ravi Kumar Khyani	15th October 2019	4,94,135
90	E-1504	S. Ganesh	15th October 2019	5,94,187
91	I-1503	Neha Soni	15th October 2019	-
92	D-103	Sanjeev Kumar Srivastava	15th October 2019	1,24,251
93	I-1104	Vineeta Subhasini Agarwal	15th October 2019	12,81,173
94	F-301	Naveen Gupta	16th October 2019	1,41,388
95	F-804	Shalu Gupta	16th October 2019	1,47,341
96	L-1502	Sarbjit Kaur	16th October 2019	11,52,516
97	A-502	Manish Kohli	16th October 2019	8,846
98	A-402	Dheeraj Kohli	16th October 2019	-
99	E-1702	Shouvik Roy	16th October 2019	10,81,560
100	B-603	Timsy Bhabha	16th October 2019	81,937
101	C-1403	Harjeet Singh	19th October 2019	47,048
102	C-703	Harjeet Singh	19th October 2019	47,048
103	I-1603	Anirban Mayukh Ghosh	19th October 2019	2,33,824
104	H-901	Padam Hans Marwah	19th October 2019	1,75,672
105	E-902	Divya Sehgal	19th October 2019	6,00,617
106	I-1101	Neeraj Sharma	20th October 2019	5,46,325
107	A-1004	Gaurav Kumar Gupta	20th October 2019	87,392
108	A-902	Rahul Mehta	20th October 2019	2,38,978
109	J-302	Praveen Golash	20th October 2019	13,239
110	G-703	Deep Jyot Singh	20th October 2019	11,14,433
111	K-402	Anju Mittal	21st October 2019	2,90,969
112	I-404	Avneet Singh Puri	21st October 2019	9,98,373
113	E-1603	Rohit Mathur	21st October 2019	8,64,755
114	A-703	Komal Mehrotra	21st October 2019	2,49,367
115	B-704	Usha Rani Kanchan	21st October 2019	2,14,118
116	B-1602	Priyanka Verma	21st October 2019	1,98,921
117	L-1004	Mukesh Kumar Gupta	21st October 2019	8,19,355
118	L-1204	Vikas Yadav	21st October 2019	13,54,665
119	K-802	Gyanendra Vardhan	21st October 2019	4,40,542
120	H-903	Suvir Bagga	22nd October 2019	2,58,620
121	H-501	Pijush Kanti Adhikari	22nd October 2019	2,04,859
122	L-503	Meena Bhutani	22nd October 2019	2,05,526
123	G-1402	Anuj Pratap Singh	22nd October 2019	1,66,936
124	C-302	Rajesh Haniram Mundheda	22nd October 2019	3,86,376
125	K-801	Varun Gupta	22nd October 2019	77,268
126	A-702	Sarajini Vats	23rd October 2019	2,73,733
127	J-502	Aaras Vasa	23rd October 2019	9,72,321
128	E-404	Aaras Vasa	23rd October 2019	8,40,608
129	K-901	Ravi Ramaswamy	23rd October 2019	2,36,733
130	K-401	Babita Karki	24th October 2019	6,79,584
131	B-802	Ruby Sahney	24th October 2019	2,57,667
132	K-204	Pooja Goyal	24th October 2019	9,76,711



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
133	J-1503	Gaurav Chadha	24th October 2019	8,68,915
134	C-503	Sachin Malik	24th October 2019	10,42,323
135	G-1404	Nita Chaudhari	24th October 2019	15,11,047
136	J-1003	Rohit Chopra	24th October 2019	8,20,800
137	D-703	Amit Kumar Sobti	24th October 2019	3,03,231
138	L-104	Ripen Gupta	24th October 2019	8,04,300
139	K-701	Gagandeep Kainth	25th October 2019	4,07,270
140	E-601	Shashank Agarwala	11th October 2019	9,23,836
141	H-1002	Harmeet Singh Chadha	11th October 2019	9,355
142	L-101	Anil Yadav	11th October 2019	2,35,004
143	L-803	Atul Agarwal	12th October 2019	9,54,738
144	G-502	Gopal Kapoor	12th October 2019	8,68,499
145	L-502	Amar Pal Singh	12th October 2019	8,35,578
146	I-402	Pankaj Patel	17th October 2019	3,21,569
147	A-101	Abhishek Shukla	17th October 2019	82,119
148	G-303	Ashok Srivastava	10th October 2019	15,19,678
149	A-204	Vijay Kumar Sharma	10th October 2019	2,36,236
150	D-802	Pratibha Anand	10th October 2019	2,36,237
151	G-1702	Varsha Vikas Kirtani	10th October 2019	11,83,587
152	I-301	Gurbir Singh Madan	11th October 2019	10,58,827
153	L-1404	Rajni Tekchandani	11th October 2019	9,00,695
154	J-103	Subhash Chander Jindal	11th October 2019	9,47,341
155	B-504	Suneet Kumar	11th October 2019	2,11,532
156	J-1801	Rajat Handa	11th October 2019	3,05,198
157	L-701	Manoj Kumar	12th October 2019	8,95,566
158	L-301	Vishal Bhatia	12th October 2019	8,93,406
159	I-504	Biju K Varughese	12th October 2019	6,07,760
160	C-701	Manmeet Pal Singh	12th October 2019	2,30,477
161	L-802	N. S. Sarna	12th October 2019	10,66,206
162	A-503	Premjeet Singh	12th October 2019	2,57,630
163	E-304	Ranjan Sharma	12th October 2019	9,50,594
164	I-1401	Subodh Jain	12th October 2019	2,71,534
165	D-1002	Nidhi Datt	12th October 2019	5,77,515
166	K-102	Jaspreet Singh	7th October 2019	73,299
167	K-103	Avneesh Chopra	8th October 2019	4,75,452
168	B-1504	Ankit Soni	8th October 2019	2,92,615
169	A-1002	Shailendra Singh	8th October 2019	2,95,459
170	C-702	Dheera Seth	12th October 2019	2,28,494
171	I-902	Deepankar Seth	14th October 2019	8,46,148
172	C-902	Gaurav Suri	15th October 2019	2,27,785
173	C-903	Maulina Batra	15th October 2019	2,30,085
174	F-1002	Sheetal Bhasin	15th October 2019	7,00,411
175	J-1601	Akash Mohan	16th October 2019	27,956
176	H-1004	Gurdeep Kaur	16th October 2019	



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
177	D-304	Udita Gupta	17th October 2019	35,660
178	B-904	Pankaj Anand	17th October 2019	4,31,494
179	F-604	Rahul sood	17th October 2019	-
180	H-902	Mala Gautam	17th October 2019	3,17,595
181	K-203	Avanindra Jain	19th October 2019	4,84,473
182	L-904	Baljit Tib	21st October 2019	17,724
183	B-101	Suresh Balani	18th October 2019	72,134
184	F-402	Shweta Jain	18th October 2019	1,53,717
185	E-802	Anshul Bhatia	18th October 2019	52,984
186	D-503	Pankaj Singh Rawat	19th October 2019	2,64,138
187	B-1101	Nand Kumar Joshi	21st October 2019	24,54,376
188	K-104	Chetan Anand Soni	21st October 2019	2,33,551
189	D-603	Nishi Gagneja	21st October 2019	7,98,014
190	L-602	Sandeep Kumar	21st October 2019	12,55,589
191	C-1002	Vibha Khanna	22nd October 2019	59,675
192	I-1504	Vaibhav Gupta	22nd October 2019	7,77,589
193	L-203	Nitin Rohatgi	23rd October 2019	2,94,451
194	I-304	Asha Anant Bagayatkar	24th October 2019	13,62,691
195	G-501	Prabhas Kumar	24th October 2019	18,06,016
196	J-403	Avinash Gupta	25th October 2019	10,93,217
197	K-1001	Anil Sodhi	12th October 2019	4,64,437
198	L-1201	Ruchi Arora	12th October 2019	27,48,733
199	C-1003	Harsh Vardhan Trehan	13th October 2019	67,600
200	C-1703	Mukesh Agarwal	12th October 2019	37,782
201	B-1003	Hemant Thakur	12th October 2019	65,844
202	D-803	Amit Dhingra	12th October 2019	7,65,160
203	B-1601	Shilpa Kalra	13th October 2019	3,18,491
204	G-1503	Rachna Singh	13th October 2019	6,25,605
205	A-904	Sanjay Kumar Jain	13th October 2019	92,586
206	B-303	Ratnesh Malhotra	13th October 2019	52,152
207	E-701	Pranav Mehta	13th October 2019	3,26,478
208	E-702	Tushar Mehta	13th October 2019	9,56,329
209	F-203	Jyoti Gauba	14th October 2019	1,08,315
210	B-203	Shakuntla Devi	14th October 2019	2,46,532
211	E-503	Sheena Sahdev	14th October 2019	8,47,765
212	B-304	Sanjay Sethi	14th October 2019	2,34,635
213	C-1204	Prashant Datta	14th October 2019	9,08,962
214	J-503	Ram Kishore Thakur	14th October 2019	2,72,826
215	K-301	Sanjeev Kumar Rawat	15th October 2019	4,78,939
216	K-804	Ashish Kumar Agarwal	15th October 2019	4,50,359
217	B-1501	Kusum Talwar	18th October 2019	4,21,561
218	F-103	Debarshi Biswas	18th October 2019	3,34,495
219	L-201	Anil Kumar Jain	18th October 2019	11,16,372
220	E-901	Ritu Singh	18th October 2019	10,76,843



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
221	C-501	Samul Verma	18th October 2019	80,413
222	K-502	Rochit Saraf	18th October 2019	4,72,760
223	L-501	Ajay Bhatia	18th October 2019	3,06,812
224	I-604	Chandan Suri	19th October 2019	5,92,828
225	B-602	Avinash Chandra Mandraha	19th October 2019	2,10,927
226	A-404	Rakesh Mohan Malhotra	19th October 2019	2,20,238
227	B-604	Ritesh Ahuja	19th October 2019	54,548
228	L-003	Sumit Saxena	19th October 2019	3,12,956
229	A-102	Manju Dogra	19th October 2019	45,136
230	H-601	Gaurav Sood	21st October 2019	1,72,647
231	C-604	Avtar Singh Wafia	21st October 2019	80,990
232	D-202	Ravi Shankar	21st October 2019	67,912
233	K-603	Deepak Garg	21st October 2019	34,588
234	E-504	Ishwar Chandra Jaiswal	10th October 2019	8,47,437
235	J-802	Pradeep Kumar Gupta	10th October 2019	7,19,180
236	A-804	Vibha Saluja	10th October 2019	48,174
237	J-303	Tejdeep Kaur	10th October 2019	74,547
238	C-804	Munish Kumar	10th October 2019	6,64,065
239	C-401	Sweety Prakash	11th October 2019	7,54,325
240	D-801	Gagandeep Singh	11th October 2019	4,75,948
241	H-504	Ashish Kukrety	11th October 2019	36,110
242	K-602	Manish Garg	11th October 2019	6,38,371
243	L-704	Dolly Kumar	17th October 2019	9,92,649
244	J-901	Dolly Kumar	17th October 2019	11,05,996
245	L-702	Ashish Malhotra	17th October 2019	48,207
246	I-1204	Ashish Madan	18th October 2019	19,69,458
247	A-901	Peeyush Kumar	18th October 2019	2,76,645
248	F-704	Meenakshi Grover	18th October 2019	3,62,168
249	I-802	Seema Khullar	22nd October 2019	1,79,731
250	D-403	Bharat Khare	10th October 2019	
251	G-701	Jyotsna Singh	9th October 2019	1,09,656
252	K-501	Manish Kumar	10th October 2019	44,987
253	A-504	V.M P Bhagi	9th October 2019	1,88,788
254	K-202	Puneet Singh Bhatia	9th October 2019	4,32,788
255	H-1001	Rahul Maggon	10th October 2019	19,549
256	E-303	Vijay Khurana	9th October 2019	3,53,930
257	L-204	Vineet Bhasin	10th October 2019	62,535
258	A-403	Pooja Malhotra	9th October 2019	53,919
259	A-1001	Aditi Randev	10th October 2019	1,38,355
260	B-703	Punita Singh	10th October 2019	2,43,682
261	C-201	M L Goyal	9th October 2019	2,47,024
262	D-204	Sachin Sachdeva	9th October 2019	62,542
263	G-404	Manoj Shawani	10th October 2019	11,45,556
264	L-1103	Arvind Kumar Rai	7th October 2019	
265	F-603	Arun Mehta	9th October 2019	1,25,524
266	G-1602	Devendra Kumar Sachdeva	9th October 2019	9,80,894
267	H-204	Venkata Lalita Koutha	9th October 2019	2,77,991



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
268	J-1001	Mrs. Jogender Mahey	9th October 2019	53,310
269	K-201	Pratima K R	9th October 2019	2,05,493
270	L-402	Rahul Dev	9th October 2019	61,591
271	L-1002	Nirmal Kalra	9th October 2019	9,18,246
272	L-1702	Vinod Kumar Sethi	9th October 2019	3,35,608
273	G-301	Vijay Grover	25th October 2019	2,03,230
274	B-701	Devendra Ashok Sawlani	30th October 2019	5,23,023
275	A-704	Renu Dabral	30th October 2019	2,46,837
276	F-403	Rajeev Sharma	30th October 2019	1,31,697
277	H-602	Nishant Bhatia	31st October 2019	3,59,887
278	G-1601	Qazi Shahid Najmi	01st November 2019	3,24,556
279	J-903	Avinash Singh Sodhi	31st October 2019	2,90,330
280	A-802	Daksha K. Sheth	01st November 2019	73,306
281	D-401	Rabinarayan Panda	02nd November 2019	20,439
282	J-1104	Shashi Prabha Malhotra	30th October 2019	9,05,422
283	J-603	Amayamangalath Puthiyave	30th October 2019	9,31,251
284	C-404	Anshu Agrawal	30th October 2019	2,33,833
285	E-603	Pramit Agrawal	31st October 2019	4,69,480
286	E-1402	Yash Paul Bhardwaj	1st November 2019	3,97,519
287	L-302	Ashish Gargi	2nd November 2019	8,97,565
288	I-302	Vandana Sood Giddings	31st October 2019	11,32,113
289	B-1004	Narender Kumar	1st November 2019	31,261
290	K-903	Gaurav Kumar Singh	2nd November 2019	68,104
291	L-1403	Rohit Kumar	2nd November 2019	61,851
292	C-301	Rama Pasricha	5th November 2019	31,226
293	C-801	Rakesh Kumar	5th November 2019	5,80,291
294	F-504	Nalini Malhotra	5th November 2019	1,49,862
295	F-201	Eagle Forgings	5th November 2019	8,34,923
296	J-1404	Neeraj Bisht	5th November 2019	3,59,546
297	C-002	Raj Kumar	6th November 2019	6,40,437
298	G-903	Shantanu Singh	6th November 2019	12,01,953
299	B-803	Sudhanshu Paliwal	06th November 2019	7,02,349
300	D-601	Vivek Chauhan	06th November 2019	2,08,333
301	G-803	Mayank Pandey	06th November 2019	3,64,713
302	L-1701	Akshay Tyagi	6th November 2019	30,26,530
303	B-1704	Nishant Bhargava	7th November 2019	5,01,742
304	B-1604	Vani Bajpai	7th November 2019	1,03,427
305	L-404	Divakar Vijay Dey	8th November 2019	2,06,530
306	G-1603	Satyanarayan Singh Bhatti	8th November 2019	13,88,154
307	C-603	Deepak Mehta	8th November 2019	6,74,903
308	B-201	Rajwati	9th November 2019	2,35,546
309	L-1602	Ajit Kumar Yadav	9th November 2019	2,85,578
310	D-201	Amit Kumar	9th November 2019	2,07,029
311	L-604	Seema Arya	9th November 2019	7,24,846
312	J-1602	Vishal Kumar	9th November 2019	9,55,205
313	G-1401	Samit Mehrotra	9th November 2019	12,64,371
314	F-202	Jagmohan Singh Khanna	09th November 2019	5,10,704
315	I-204	Saurabh Kapoor	09th November 2019	9,91,788
316	J-1103	Mohnish Saini	09th November 2019	15,51,844



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
317	B-502	Bhagwan Dass Arora	09th November 2019	2,58,679
318	E-401	Pradeep Wadhwa	11th November 2019	5,16,359
319	F-304	Manindar Singh Chawla	11th November 2019	11,35,148
320	I-904	Hari Baboo Agrawal	11th November 2019	9,18,569
321	D-902	Manu Vasishat	11th November 2019	2,25,997
322	I-1604	Chitresh Karnawat	11th November 2019	11,01,999
323	L-1801	Kartik Vyas	12th November 2019	29,93,114
324	L-1703	Ajay Taneja	12th November 2019	8,96,279
325	J-401	Kunali Kohli	12th November 2019	9,26,161
326	B-001	Susan Beale	15th November 2019	15,41,296
327	A-201	Loveleen Kumar Satija	14th November 2019	2,53,003
328	A-603	Anu Bhangoo	15th November 2019	2,64,643
329	C-1501	Dolly Kumari	16th November 2019	11,59,388
330	C-901	Manjit Singh Ghai	16th November 2019	2,09,163
331	E-501	J.V.R. Prasada Rao	16th November 2019	1,93,182
332	B-404	Vaibhav Gosain	16th November 2019	2,37,309
333	F-903	Ashish Ahuja	18th November 2019	3,26,855
334	J-801	Veena Vashishta	18th November 2019	2,04,026
335	B-1102	Vivek Pratap Singh	19th November 2019	2,89,352
336	G-904	Ashutosh Singh Rawat	19th November 2019	3,84,966
337	E-1502	Rajni Rawat Wadhwa	19th November 2019	4,27,435
338	C-204	Navneet Kaur Bhatia	19th November 2019	8,03,493
339	H-1003	Veena Madaan	19th November 2019	9,40,441
340	K-302	Saurabh Bhatia	19th November 2019	2,37,523
341	F-801	Aditya Khosla	20th November 2019	4,23,989
342	B-003	Sanjeev Kohli	20th November 2019	8,10,094
343	D-1004	Pratful Agarwal	21st November 2019	5,77,650
344	L-504	Priyanka Sharma	22nd November 2019	9,40,122
345	F-1003	Sunil Nanda	22nd November 2019	9,97,724
346	H-503	Jai Prakash	22nd November 2019	2,60,469
347	C-1801	Pabitra Kumar Jena	22nd November 2019	21,60,055
348	I-403	Arjun S Dhillon	23rd November 2019	6,59,942
349	E-1403	Shivendu G Agarwal	20th November 2019	5,67,992
350	J-1702	Puneet Chadha	25th November 2019	9,47,419
351	J-504	Ekta Srivastava	29th November 2019	8,31,077
352	A-203	Meeta Anand	29th November 2019	1,27,063
353	K-3002	Richa	29th November 2019	24,42,427
354	J-1703	Sharad Goyal	29th November 2019	2,81,200
355	E-1202	Anuj Kumar	30th November 2019	32,46,286
356	E-1604	Balwinder Kaur	30th November 2019	7,34,907
357	E-904	Rajesh Saini (Retd)	30th November 2019	24,76,082
358	C-1502	Ashish Nagar	30th November 2019	77,048
359	G-302	Madhu Vermani	2nd December 2019	3,63,777
360	E-1003	Gaurav Mishra	2nd December 2019	12,66,599
361	L-1504	Manu Paliwal	2nd December 2019	1,72,043
362	D-504	Amrendra Kumar	02nd December 2019	2,58,563
363	F-1201	Sanjay Arora	02nd December 2019	15,75,529
364	B-304	Neetika	03rd December 2019	80,817
365	H-402	Atul Katyal	04th December 2019	1,84,453



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
366	E-903	Anoop Bahl	05th December 2019	6,71,397
367	A-401	Aarzoo Seth	05th December 2019	2,58,552
368	L-902	Shweta	05th December 2019	11,52,960
369	H-604	Arun Marntani	06th December 2019	353361
370	F-503	Monica Kar	06th December 2019	370348
371	L-401	Shashank Agarwal	7th December 2019	1039046
372	B-1204	Arvind Keswani	7th December 2019	1562796
373	G-1004	Ritu Prasad	07th December 2019	1358908
374	A-602	Latha Santhanam	07th December 2019	5029216
375	L-1104	Ruby Sethi	09th December 2019	1771038
376	B-901	Rakesh Gupta	09th December 2019	245699
377	B-302	Rauf Jan Malik	9th December 2019	249156
378	G-1604	Jitendra Jain	9th December 2019	1569433
379	K-1003	Om Shanker Pandey	10th December 2019	745421
380	G-603	Monika Mittal	10th December 2019	369401
381	I-503	Vandana Saxena	10th December 2019	92654
382	I-703	Roshni Passi	12th December 2019	385175
383	A-801	Divakar Prasad	13th December 2019	268491
384	L-1501	Vivek Malang	13th December 2019	1663179
385	E-804	Ankit Goel	13th December 2019	59301
386	I-303	Krishan Mohan Gupta	14th December 2019	2635507
387	I-1403	Neeraj Barisal	14th December 2019	1155596
388	D-702	Suraj Dutt	14th December 2019	277193
389	B-1002	Yukti Lonial	17th December 2019	247053
390	F-1001	Sandeep Saini	17th December 2019	2585453
391	B-401	Rahul Dev Bhushan	17th December 2019	246533
392	H-603	Madhavi Verma	18th December 2019	314935
393	B-1703	Manish Singhal	18th December 2019	1863536
394	G-1101	Niti Jain	18th December 2019	0
395	G-1202	Guneet Singla	19th December 2019	0
396	L-1001	Inder Singla	19th December 2019	0
397	G-1201	Manju Singla	19th December 2019	0
398	D-104	Inder Singla	19th December 2019	0
399	C-904	Guneet Singla	19th December 2019	0
400	E-302	Satish Kumar Sharma	19th December 2019	481476

Abhishek
Flow
Date



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TDS)
401	D-303	Ritu Passi	20th December 2019	90006
402	D-602	Sucheta Goel	21st December 2019	240000
403	D-203	Rakhi Singh	26th December 2019	291499
404	J-1002	Deepak Sachdeva	26th December 2019	219079
405	C-202	Anupama Batra	26th December 2019	783769
406	A-302	Rahul Sharma	26th December 2019	4114445
407	I-1004	Saket Ahuja	27th December 2019	671772
408	J-104	Vipin Goel	27th December 2019	1085746
409	C-1803	Pankaj Girdhar	27th December 2019	1988403
410	H-303	Madhu Gandhi	27th December 2019	624535
411	C-304	Bhavesh Vashishth	27th December 2019	743026
412	C-502	Nisha Dhingra	27th December 2019	937577
413	J-1102	Saurabh Tiwari	27th December 2019	649234
414	L-102	Rajeev Azad	27th December 2019	1078258
415	C-504	Vinod Kumar Yadav	28th December 2019	61768
416	I-1404	Manish Kumar Sharma	28th December 2019	186979
417	F-602	Purushottaman D	28th December 2019	54032
418	E-1703	Nita Sinha	28th December 2019	929864
419	K-002	Bhumiika Gupta	28th December 2019	2694830
420	H-203	Manish Inderlal Panjwani	28th December 2019	260538
421	F-203	Safia Anwar	28th December 2019	177078
422	G-601	Lalit Kumar Aggarwal	28th December 2019	103617
423	E-104	Niti Agarwal	28th December 2019	4388146
424	I-1501	Vipul Girotra	30th December 2019	1189929
425	J-604	Chetan Phutela	30th December 2019	283452
426	D-604	Bimal Agarwal	30th December 2019	331708
427	G-504	Santosh Kalra	30th December 2019	361544
428	F-501	Manoj Kumar Yadav	30th December 2019	826888
429	L-603	Nitin Saraswat	30th December 2019	914726
430	C-1103	Shruti Kapoor	30th December 2019	722677
431	B-1701	Pawan Kumar Singh	31st December 2019	2220000
432	L-1704	Vandana Mehra	31st December 2019	1094632
433	D-404	Awtar Singh	31st December 2019	79041
434	D-1001	Lokesh Seth	31st December 2019	3052307
435	E-204	Sachin Latawa	2nd January 2020	1074118
436	B-501	Arun Kumar Sharma	2nd January 2020	753189
437	A-104	Rohit Rana	2nd January 2020	227560
438	E-704	Vinod Kumar Goel	06th January 2020	391624
439	D-502	Veena Bhutani	7th January 2020	79461
440	G-1803	Sudhir Dhingra	2nd January 2020	2278883
441	B-1804	Sudhir Dhingra	2nd January 2020	1053121
442	B-1802	Sudhir Dhingra	2nd January 2020	1053120
443	E-102	Sudhir Dhingra	2nd January 2020	1573333
444	B-1801	Sudhir Dhingra	2nd January 2020	1053120
445	E-1602	Sudhir Dhingra	2nd January 2020	1573214
446	J-1501	Rahul Bhagat	8th January 2020	620779
447	K-003	Priyanka Jhala	10th January 2020	322514
448	J-402	Manmohan Kandpal	10th January 2020	217074
449	I-704	Naina Lal	11th January 2020	1257266



PROJECT WINTER HILLS 77, SECTOR- 77, GURUGRAM
LIST OF CUSTOMERS WHO HAVE TAKEN POSSESSION

Sl No.	Unit No	1st Applicant Name	Possession Date	Amount Received (excluding TD5)
450	L-1101	Gaurav Sawhney	11th January 2020	3138980
451	B-1203	Prince Chhabra	11th January 2020	775530
452	B-1202	Prince Chhabra	11th January 2020	233004
453	L-1003	Kiran Tandon	15th January 2020	994267
TOTAL				26,50,40,424

Handwritten signature
Tsk Datta

17. Another list of 26 allottees who have made payment but not taken possession has been provided:

Page 2

WINTER HILL-77 PROJECT LIST OF CUSTOMERS WHO HAVE MADE PAYMENTS BUT NOT TAKEN POSSESSION

S. No.	Customer Code	Customer Name	Unit No.	Area	Payment Received
1	WHG-031	Anuradha Bhargava	L-903	1,200	9,41,451.00
2	WHG-048	Satish Agrawal	E-502	1,940	3,62,188.00
3	WHG-076	Seema Gupta	J-404	1,515	9,27,522.00
4	WHG-087	L. Saravanan	J-703	1,515	14,49,317.00
5	WHG-088	M Ananthu	J-704	1,515	9,81,000.00
6	WHG-089	Pandi Saravanan	J-803	1,515	9,80,075.00
7	WHG-090	Radhya Shyam Agrawal	J-804	1,515	11,38,090.00
8	WHG-125	Sandeep Arora	L-1402	1,515	11,11,093.00
9	WHG-164	DEVKA CHUGH	C-1603	1,260	2,42,571.00
10	WHG-285	Neeraj Mathur	R-601	1,260	4,61,374.00
11	WHG-317	Arvind Rana	A-304	1,200	2,37,142.00
12	WHG-324	Krishan Yadav	R-803	1,260	2,89,185.00
13	WHG-409	Sanjay Sinha	E-1501	1,940	10,83,168.00
14	WHG-531	Sachin Saxena	D-1003	1,515	63,250.00
15	WHG-584	Yogesh Thapa	L-802	1,940	4,77,147.00
16	WHG-589	Lalit Dandona	H-301	1,735	2,17,190.00
17	WHG-651	Syed Arshad Aswat	A-004	1,342	7,58,006.00
18	WHG-292	Savita Bhabra	D-804	1,515	0.00
19	WHG-028	Narinder Gupta	B-1403	1,360	6,08,609.00
20	WHG-477	Sandeep Kumar	G-802	1,735	17,06,424.00
21	WHG-184	Devash Singh	L-1503	1,260	2,45,821.75
22	WHG-491	Aman Verma	G-604	1,940	9,59,048.00
23	WHG-221	Omaw Bansal	J-902	1,260	5,73,353.75
24	WHG-420	Dinesh Kumar	F-803	1,735	3,77,970.50
25	WHG-354	Clement Prashant Damer	D-501	1,260	63,490.00
26	WHG-373	Indar Singh	B-1603	1,260	62,676.00

1,62,65,788.00

Handwritten signature
Tsk Datta

18. Details of 92 allottees who have already paid the amount for registration and in whose favour registration has been made are:



Final order

PROJECT "WINTER HILLS 77", Sector- 77, Gurugram, Haryana			
Detail of customers who have executed and registered Conveyance Deed			
S. No.	Customer Name	Unit No	Date of Registration of Conveyance Deed
1	Arunesh Chopra	A-103	23.10.2019
2	Harpreet Singh	K-102	23.10.2019
3	Satinderjit Singh & Rajni Singh	J-101	23.10.2019
4	Arvind Singh & Anjana Singh	B-104	23.10.2019
5	Shalendra & Sushila Jain	A-1002	23.10.2019
6	Arvind Vardan	J-104	24.10.2019
7	Arvind Bhat & Jyoti Kaur	L-1007	24.10.2019
8	Rachna Singh & Anil Singh	G-1003	24.10.2019
9	Manoj Kumar	L-101	24.10.2019
10	Vinayak Subhash Agarwal & Manish Kumar Agarwal	L-104	28.10.2019
11	Kamran Kaur & Bhavna Bhatia	G-402	11.11.2019
12	Divyesh Arora & Sandesh Arora	G-1003	11.11.2019
13	Ujjwal Kapoor & Anshu Kapoor	G-102	11.11.2019
14	Anil Mehta & Pooja Mehta	F-603	11.11.2019
15	Mr. Gopal	K-201	11.11.2019
16	Trishu Bhatia	H-603	19.11.2019
17	Adar Ramesh, Madhu Ramesh & Sand Ramesh	A-1001	19.11.2019
18	Devendra Kumar & Manish Kumar	G-1002	19.11.2019
19	Pratima Singh & Sandeep Kumar	G-701	19.11.2019
20	Ruchi Arora & Navinder Kaur Arora	L-1201	19.11.2019
21	PSJ Estates (P) Ltd	H-604	26.11.2019
22	PSJ Estates (P) Ltd	H-601	26.11.2019
23	Lalit Jain	K-604	26.11.2019
24	Ravi Kishore Thakur & Madhulika Sharma	J-503	28.11.2019
25	Rahul Dev	L-402	19.11.2019
26	Anita Anand Bajaj & Anand Anand Bajaj	L-504	19.11.2019
27	Manish Kumar & Pooja	K-101	19.11.2019
28	Shilpi Kaur & Chandan Kaur	F-1001	09.12.2019
29	Manish Kumar Gupta & Neelima Gupta	L-1004	09.12.2019
30	Ana Bhatnagar	A-603	21.11.2019
31	Pratima K.R. & Sandeep K.R.	K-201	04.12.2019
32	Rishi Bhatia & Rishi Yadav	F-102	04.12.2019
33	Pooja Malhotra & Manish Malhotra	A-403	04.12.2019
34	Sachin Sachdeva	D-204	04.12.2019
35	Vinod Bhatia & Shashi Bhatia	L-204	04.12.2019
36	Navinder Singh Pruthi	J-601	04.12.2019
37	Manish Kumar & Anurag Agarwal	G-604	04.12.2019
38	Ishtar & Ishtar	D-101	04.12.2019
39	Anshu Singh & Mohini Singh	G-102	04.12.2019
40	Vijay Kumar Sharma & Harsh Sharma	A-204	09.12.2019
41	Manish Kaur & Anshu	D-401	12.12.2019
42	Manish Singh & Sushil Singh	R-203	09.12.2019
43	Manish Singh & Vikas G. Kaur	G-102	09.12.2019
44	Vinod Kumar Singh	F-102	09.12.2019
45	Pradeep Kumar Gupta	J-604	09.12.2019
46	Manish Bhatia	N-601	12.12.2019
47	Bhavna Chhabra & Gaurav Mahajan	F-203	09.12.2019
48	Prashant Datta & Neha Datta	C-1204	09.12.2019
49	Anil Kumar & Nisha Chaudhary	E-1202	04.12.2019

PROJECT "WINTER HILLS 77", Sector- 77, Gurugram, Haryana			
Detail of customers who have executed and registered Conveyance Deed			
S. No	Customer Name	Unit No	Date of Registration of Conveyance Deed
50	Surjeet Singh	E-1002	12.12.2019
51	Gourav Mishra	E-1003	12.12.2019
52	Urvi Maniar	K-504	16.12.2019
53	Vidha Saluja	A-804	19.12.2019
54	Vijay Kharana	E-303	19.12.2019
55	Pratibha Arand	D-802	12.12.2019
56	Pravir Chandra Jaiswal	E-504	16.12.2019
57	Rahul Meegon	H-1001	12.12.2019
58	Pooja Chawla	D-402	12.12.2019
59	Manish Garg	K-602	19.12.2019
60	Gagandeep Singh	D-801	12.12.2019
61	Harmeet Singh Chaudha	H-1002	19.12.2019
62	Shashank Agarwal	E-601	16.12.2019
63	Mukesh Sahotra	C-203	12.12.2019
64	RAJNI TEJCHANDANI	L-1404	24.12.2019
65	Pratyaksha Singh	K-101	16.12.2019
66	Lata Sathnam & Rajesh Seshan	A-602	12.12.2019
67	Rajiv Soni	C-1202	16.12.2019
68	Rani Jan Malik	B-302	24.12.2019
69	Sandeep Kumar Srivastava	D-105	19.12.2019
70	Shamir Goyal	E-1703	16.12.2019
71	Prabhas Kumar	G-501	24.12.2019
72	Komal Mehrotra	A-703	19.12.2019
73	Usha Rani Kanchan	B-704	19.12.2019
74	Anil Sodhi	K-1001	24.12.2019
75	Natika Mondal	L-1601	24.12.2019
76	AMIT DHINGRA	D-803	24.12.2019
77	YUKYFLONIVAL & Padma Loniwal	B-1002	24.12.2019
78	Anil Kumar Jain	L-201	30.12.2019
79	Niti Jain & Sanjay Kumar Jain	G-1101	30.12.2019
80	Venkata Lalitha Kontha	H-204	03.01.2020
81	Vinod Khanna	E-701	03.01.2020
82	Ratna Sreen	C-1404	03.01.2020
83	Dheera Seth	C-702	03.01.2020
84	Mukesh Agarwal	C-1203	03.01.2020
85	Mukesh Agarwal	E-1502	03.01.2020
86	Vishal Kumar Bhatia	L-301	03.01.2020
87	Anuraj Singh	L-502	03.01.2020
88	SI RYA BHAN	H-201	03.01.2020
89	Rajesh Hariram & Suman Rajesh Mundhada	C-302	03.01.2020
90	Premnesh Singh	A-503	06.01.2020
91	Hemant Thakur	B-1003	06.01.2020
92	Tejdeep Kaur	F-303	06.01.2020

Alkesh

19. Summary status as on January 17, 2020 with regard to Winter Hill-77 Gurgaon is shown below:

SUMMARY W&T WINTER HILLS-77									
STATUS ON 17.01.2020 I.E. AFTER THE HON'BLE NCLAT FIRST ORDER DATED 09.09.2019									
Number of Flats	Booked	Possession Offered	Possession Taken by Allottees as on 17.01.2020	Amount received pursuant to possession [IN Cr.] As on 17.01.2020	Possession Not taken (defaulters)	Amount to be received from the defaulters [IN Cr.]	Registry done as on 17.01.2020	Payment received however possession not taken	New Booking during CSOP (included in possession offered)
706	624	624	452	285,346,424 approximately	192	321,84,19,823 approximately	82	23	3
STATUS ON THE DATE OF AFFIDAVIT DATED 03.03.2020 AFTER THE HON'BLE NCLAT FIRST ORDER DATED 09.09.2019									
Number of Flats	Booked	Possession Offered	Possession Taken by Allottees as on 03.03.2020	Amount received pursuant to possession [IN Cr.] As on 03.03.2020	Possession Not taken (defaulters)	Amount to be received [IN Cr.] (approximately)	Registry done as on 03.03.2020	Payment received however possession not taken	
706	624	624	639	24.68 Cr.	368	37.38	76	23	
STATUS ON THE DATE OF AFFIDAVIT DATED 05.12.2019 AFTER THE HON'BLE NCLAT FIRST ORDER DATED 09.09.2019									
Number of Flats	Booked	Possession Offered	Possession Taken by Allottees as on 05.12.2019	Amount received pursuant to possession [IN Cr.] As on 05.12.2019	Possession Not taken (defaulters)	Amount to be received [IN Cr.]	Registry done as on 05.12.2019	Payment received however possession not taken	
706	624	624	364	Approximately 18 Cr.	226	Approximately 43 Cr.	47	23	

20. We have already noticed that the financial creditors like "J. M. Financial Credit Solutions Ltd.", their claim is also satisfied at the time of final registration of the flats. Mr. Manoj Kr. Singh, learned counsel appearing on behalf of "Uppal Housing P. Ltd.", on instructions from Mr. Sanjeev Jain, director finance of Uppal Housing P. Ltd., assured that the dues of the "financial institutions" such as "J. M. Financial Credit Solutions Ltd." and others, if any, with regard to the present project, i. e., Winter Hills-77, Gurgaon will be also satisfied within six months. Observations on findings of this Appellate Tribunal

21. In corporate insolvency resolution process against a real estate, if allottees (financial creditors) or financial institutions/banks (other financial creditors) or operational creditors of one project initiated corporate insolvency resolution process against the corporate debtor (real estate company), it is confined to the particular project, it cannot affect any other project(s) of the same real estate company (corporate debtor) in other places where separate plan(s) are approved by different authorities, land and its owner may be different and mainly the allottees (financial creditors), financial institutions (financial creditors, operational creditors are different for such separate project. Therefore, all the asset of the company (corporate debtor) are not to be maximized. The asset of the company (corporate debtor—real estate) of that particular project is to be maximized for balancing the creditors such as allottees, financial institutions and operational creditors of that particular project. Corporate insolvency resolution process should be project basis, as per approved plan by the competent



authority. Any other allottees (financial creditors) or financial institutions/ banks (other financial creditors) or operational creditors of other project cannot file a claim before the interim resolution

professional of other project and such claim cannot be entertained.

So, we hold that corporate insolvency resolution process against a real estate company (corporate debtor) is limited to a project as per approved plan by the competent authority and not other projects which are separate at other places for which separate plans approved. For example—in this case the Winter Hill-77 Gurgaon Project of the "corporate debtor" has been place of corporate insolvency resolution process. If the same real estate company (corporate debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the corporate debtor (company) for such other projects can be maximised.

22. Further, a "secured creditor" such as "financial institutions/banks", cannot be provided with the asset (flat/apartment) by preference over the allottees (unsecured financial creditors) for whom the project has been approved. Their claims are to be satisfied by providing the flat/apartment. While satisfying the allottees, one or other allottee may agree to opt for another flat/apartment or one tower or other tower if not allotted to any other. In such case their agreements can be modified by the interim resolution professional/resolution professional with the counter signature of the promoter and the allottees, so that the allottees (financial creditors), who are on rent or paying interest to banks may like to get earlier possession and are relieved from paying rent or interest to banks.

23. There may be some allottees who may ask for refund. But that prayer cannot be allowed by the Adjudicating Authority (National Company Law Tribunal) or by this Appellate Tribunal in view of the decision of the hon'ble Supreme Court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 217 Comp Cas 1 (SC) ; 2019 SCC OnLine SC 1005, wherein the hon'ble Supreme Court observed as follows (page 94 of 217 Comp Cas):

"It can thus be seen that just as information utilities provide the kind of information as to default that banks and financial institutions are provided under sections 214 to 216 of the Code read with regulations 25 and 27 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, allottees of real estate projects can come armed with the same kind of information, this time provided by the promoter or real estate developer itself, on the basis of which, prima facie at least, a 'default' relating to amounts due and

payable to the allottee is made out in an application under section 7 of the Code. We may mention here that once this prima facie case is made out, the burden shifts on the promoter/real estate developer to point out in their reply and in the hearing before the National Company Law Tribunal, that the allottee is himself a defaulter and would, therefore, on a reading of the agreement and the applicable RERA Rules and Regulations, not be entitled to any relief including payment of compensation and/or refund, entailing a dismissal of the said application. At this stage also, it is important to point out, in answer to the arguments made by the petitioners, that under section 65 of the Code, the real estate developer can also point out that the insolvency resolution process under the Code has been invoked fraudulently, with malicious intent, or for any purpose other than the resolution of insolvency. This the real estate developer may do by pointing out, for example, that the allottee who has knocked at the doors of the National Company Law Tribunal is a speculative investor and not a person who is genuinely interested in purchasing a flat/apartment. They can also point out that in a real estate market which is falling, the allottee does not, in fact, want to go ahead with its obligation to take possession of the flat/apartment under the RERA, but wants to jump ship and really get back, by way of this coercive measure, monies already paid by it. Given the above, it is clear that it is very difficult to accede to the petitioners' contention that a wholly one sided and futile hearing will take place before the National Company Law Tribunal by trigger-happy allottees who would be able to ignite the process of removal of the management of the real estate project and/or lead the corporate debtor to its death."

24. However, after offering allotment it is open to an allottee to request the interim resolution professional/promoter, whoever is in charge, to find out a third party to purchase said flat/apartment and get the money back. After completion of the flats/project or during the completion of the project. It is also open to an allottee to reach agreement with the promoter (not corporate debtor) for refund of amount.

25. In the light of aforesaid discussion, as we find it is very difficult to follow the process as in normal course is followed in a corporate insolvency resolution process, we are of the view, that a "reverse corporate insolvency resolution process" can be followed in the cases of real estate infrastructure companies in the interest of the allottees and survival of the real estate companies and to ensure completion of projects which provides employment to large number of unorganized workmen.



Directions

26. The "Uppal Housing P. Ltd."-intervenor (one of the promoter) is directed to cooperate with the interim resolution professional and disburse amount (apart from the amount already disbursed) from outside as lender (financial creditor) not as promoter to ensure that the project is completed with the time frame given by it. The disbursement of amount which has been made by "Uppal Housing P. Ltd." and the amount as will be generated from dues of the allottees (financial creditors) during the corporate insolvency resolution should be deposited in the account of the company (corporate debtor) to keep the company a going concern. The amount can be utilized only by issuance of cheque signed by the authorised person of the company (corporate debtor) with counter signature by the interim resolution professional. The bank in which the corporate debtor (company) has account the amount should be deposited only for the purpose of completion of the Winter Hill-77 Gurgaon Project. Banks will allow the cheques for encashment only with the counter signature of the interim resolution professional.

27. The flats/apartments should be completed in all aspect by June 30, 2020. All internal fit outs for electricity, water connection should be completed by July 30, 2020. The financial institutions/banks should be paid simultaneously. The allottees are directed to deposit their balance amount and pay 90 per cent. without penal interest, if not deposited, by March 15, 2020. The allottees in whose favour possession has been offered and clearance has been given by the competent authority are bound to pay the cost for registration and directed to deposit registration cost to get the flats/apartments registered after paying all the balance amount in terms of the agreement.

28. Common area such as swimming pool, club house, etc., as per the agreement, be also completed by August 30, 2020. The allottees are allowed to form "Residents Welfare Association" and get it registered to empower them to claim the common areas.

29. All these processes should be completed by August 30, 2020. If it completed, the corporate insolvency resolution process be closed after intimating it to the Adjudicating Authority (National Company Law Tribunal). The resolution cost including fee of the interim resolution professional will be borne by the promoter. Only after getting the certificate of completion from the interim resolution professional/resolution professional and approval of the Adjudicating

Authority (National Company Law Tribunal) unsold flats/apartments, etc., be handed over to the promoter/Uppal Housing P. Ltd.



Page: 200

30. It is made clear that even during the corporate insolvency resolution process, the interim resolution professional can also sell the unsold flats/ apartments, by way of a tripartite agreement between the purchaser, interim resolution professional/resolution professional and promoter (Uppal Housing P. Ltd.). The proceeds as may be generated from such sale should be utilized for completion of the project and payment to financial institutions/banks and operational creditors. Once the project is completed, the interim resolution professional will move application before the Adjudicating Authority (National Company Law Tribunal) with the report of completion and ask for disposal of application under section 7, "Rachna Singh" and "Ajay Singh" (allottees -financial creditors) having already occupied their flats.

31. However, if the "promoter" fail to comply with the undertaking and fails to invest as financial creditor or do not co-operate with the interim resolution professional/resolution professional, the Adjudicating Authority (National Company Law Tribunal) will complete the insolvency resolution process. The appeal stands disposed of with aforesaid observations and directions.

— — —

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.

(2025) 259 Comp Cas 769 : 2025 SCC OnLine SC 1972

In the Supreme Court of India

(BEFORE J.B. PARDIWALA AND R. MAHADEVAN, JJ.)

Mansi Brar Fernandes¹ ... Appellant;

Versus

Shubha Sharma and another (and connected appeals) ... Respondent.

Civil Appeal Nos. 3826 of 2020, 540 of 2021, 3903 of 2022 and 5495 of 2025

Decided on September 12, 2025

Advocates who appeared in this case :

Saurabh Mishra, Senior Advocate (Chandra Shekhar Yadav, Awanish Sinha, Vineet Kumar, Ms. Harshita Gulati, Ms. Anindita Mitra, Akhil Anand, Ms. Nupur Kumar and Ms. Diksha Dadu, Advocates with him), for the appellant.

Ms. Nupur Kumar, Kaustubh Shukla, Ms. Pushpanjali Singh, Praveen Kumar Singh, Ms. Harshita Gulati, Vineet Kumar, Vishal Sinha, Ms. Anindita Mitra, Ms. Mantika Haryani, Ms. Astha Sharma and Bhanu Mishra, Advocates, for the respondents.

The Judgment of the Court was delivered by

R. MAHADEVAN, J.:— There are four appeals, which, having been heard together, are being disposed of by this common judgment.

2. The first three appeals, viz., C.A. No. 3826 of 2020, C.A. No. 540 of 2021 and C.A. No. 5495 of 2025 arise out of the final judgment and order dated November 17, 2020² passed by the *National Company Law Appellate Tribunal, New Delhi*³, in Company Appeal (AT) (Insolvency) No. 83 of 2020. The fourth appeal, viz., C.A. No. 3903 of 2022, is directed against the final judgment and order dated August 12, 2021⁴ passed by the *National Company Law Appellate Tribunal*⁵ in Company Appeal (AT) (Insolvency) No. 1020 of 2019.

3. C.A. No. 3826 of 2020⁶ has been preferred by the appellant-Mansi Brar Fernandes in her capacity as a homebuyer/financial creditor. Cross -appeals, viz., C.A. No. 540 of 2021 and C.A. No. 5495 of 2025 have been filed by Shubha Sharma and Ashlesh Gupta, respectively- former and present directors of Gayatri Infra Planner P. Ltd.-respondent No. 2/corporate debtor. C.A. No. 3903 of 2022 has been filed by the appellant-Sunita Agarwal, also a homebuyer/financial creditor, against

the corporate debtor Antriksh Infratech P. Ltd.

4. By the first impugned order dated November 17, 2020, the National Company Law Appellate Tribunal reversed the admission of the application filed under section 7 of the Insolvency and Bankruptcy Code, 2016⁷ by the appellant-Mansi Brar Fernandes, holding that she was a “speculative investor” and not a genuine homebuyer/financial creditor. Following this, by its second impugned order dated August 12, 2021, the National Company Law Appellate Tribunal set aside the admission of the section 7 application filed by the appellant-Sunita Agarwal, holding that she too fell within the category of “speculative buyer” who sought to profit from a lucrative agreement. The directors of the corporate debtor, in their cross- appeals, have further challenged the first impugned order on the limited ground of non-applicability of the Ordinance/Amendment Act to the facts of the present case.

Prefatory

5. The Insolvency and Bankruptcy Code, 2016 (IBC) is a landmark economic legislation enacted to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms, and individuals in a time-bound manner. Its primary objectives are the maximisation of value of assets, promotion of entrepreneurship, availability of credit, and balancing of stakeholder interests-creditors, investors, employees and workmen inter alia. Yet, the Insolvency and Bankruptcy Code is also a highly misunderstood legislation. The nomenclature of the Code itself has often contributed to this perception. In popular imagination, the Insolvency and Bankruptcy Code, is associated with bankruptcy and recovery of the “last drop of life” from a company. But a closer look reveals that the true character of the Insolvency and Bankruptcy Code lies not in its sombre title but in its design and purpose. It privileges resolution over ruin, revival over decay, and seeks to breathe life back into companies where revival is possible, while providing for an orderly and dignified closure where it is not. As emphasised by this court in *Swiss Ribbons P. Ltd. v. Union of India*⁸ and a catena of subsequent decisions, liquidation is not the primary object of the Code, but a measure of last resort. The Code is designed to revive and restructure distressed entities, so that they continue as going concerns-safeguarding business continuity, protecting employment, and maximising value of stakeholders.

5.1. Within this framework, the homebuyers occupy a distinct position. Although their advances were, in substance, financial contributions to real estate projects, they initially lacked representation in the committee of creditors (CoC). To correct this imbalance, Parliament amended the Insolvency and Bankruptcy Code to recognise allottees as “financial creditors”, thereby ensuring that their voices are

represented in the resolution process. The legislative intent was to protect genuine homebuyers, secure completion of projects, and ensure delivery of homes. For such stakeholders, liquidation rarely yields meaningful relief.

5.2. However, this amendment also gave rise to an unintended consequence : a surge of individual section 7 petitions, often filed not by genuine homebuyers but by speculative investors seeking premature exits or enhanced returns. Many of these applications were aimed at holding promoters to ransom by threatening commencement of the corporate insolvency resolution process. Such misuse burdened the adjudicatory machinery, strained the real estate sector, and stalled projects that could otherwise have been revived. To curb this mischief, through an ordinance and subsequent amendment, Parliament introduced a threshold requirement : at least 10 per cent. of the allottees or 100 in number must act collectively to file a section 7 application against a real estate developer. This safeguard was designed to prevent a handful of disgruntled or speculative investors from derailing entire projects to the detriment of genuine homebuyers.

5.3. The residential real estate sector plays a systemic role in the Indian economy. It is closely interlinked with banking, steel, cement, and allied industries, and is among the largest employment generators. Despite robust demand, the sector has been plagued by delays, defaults, and lack of accountability, leaving countless families without possession of homes despite having invested their life savings. In this backdrop, this court has consistently reiterated that the Insolvency and Bankruptcy Code is not a recovery mechanism or a bargaining chip for individual disputes. Rather, it is a collective mechanism intended to revive viable projects and safeguard the fundamental right to shelter of genuine homebuyers.

5.4. With this prefatory discussion on the objectives of the Insolvency and Bankruptcy Code, the legislative recognition of homebuyers, and the safeguards introduced against speculative misuse, we now turn to the facts of the present case.

Brief facts

6. The appellant (Mansi Brar Fernandes) and respondent No. 2 (Gayatri Infra Planner P. Ltd) had entered into a memorandum of understanding (MoU) dated April 6, 2016 which a buy-back agreement for four flats in Gayatri Life at Plot No. 1F, Sector 16, Greater Noida (West), Uttar Pradesh. She paid a sum of Rs. 35,00,000 via cheque towards part consideration, and the memorandum of understanding included a buy-back clause exercisable solely at the discretion of the corporate debtor. If the buy-back option was not exercised, the appellant was entitled to receive possession of the flats without payment of any additional amount. Despite the memorandum of

understanding having been extended twice (first on April 7, 2017 and second on October 7, 2017), neither flats were delivered, nor payment made; and post- dated cheques worth Rs. 1 crore handed over by the corporate debtor, were returned dishonoured upon presentation. The appellant thereafter initiated section 7 of the Insolvency and Bankruptcy Code proceedings in the capacity as an allottee/financial creditor, before the *National Company Law Tribunal, New Delhi*⁹, besides initiating the proceedings under section 138 of the Negotiable Instruments Act, 1881¹⁰. The National Company Law Tribunal issued notice to the corporate debtor and after detailed arguments, admitted the application vide order dated January 2, 2020. Challenging the same, respondent No. 1 preferred an appeal before the National Company Law Appellate Tribunal, which allowed the appeal and set aside the corporate insolvency resolution process proceedings initiated by the appellant against the corporate debtor, by the first impugned order.

7. The appellants in C.A. No. 540 of 2021 and C.A. No. 5495 of 2025 assail the first impugned order dated November 17, 2020 passed by the National Company Law Appellate Tribunal on the limited ground of non-compliance with the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019, promulgated on December 28, 2019. The appellants stated that the section 7 petition under the Insolvency and Bankruptcy Code filed by respondent No. 1 (Mansi Brar Fernandes) on January 2, 2020, was reserved on December 4, 2019, i.e., prior to the promulgation of the Ordinance. As on December 28, 2019, the application was still pending consideration. Consequently, the Ordinance and the subsequent Amendment Act, squarely applied to the proceedings. It was urged that the failure of respondent No. 1 to satisfy the threshold requirement mandated under the Ordinance is fatal to the maintainability of the petition.

7.1. The appellants further stated that specifically, the third proviso to section 7 of the Insolvency and Bankruptcy Code mandated compliance even for insolvency applications filed by financial creditors that had not yet been admitted by the Adjudicating Authority within thirty days of the promulgation of the Ordinance/Amendment Act. In the absence of such compliance, the proviso expressly deemed such pending applications to have been withdrawn prior to admission. Therefore, the finding of the National Company Law Appellate Tribunal that the Ordinance was inapplicable to the facts of the present case, is erroneous, untenable, and unsustainable in law, and the admission order was liable to be set aside on this ground alone.

7.2. The appellants also stated that compliance with the requirements of the Ordinance/Amendment Act, cannot be

subsequently cured in appellate proceedings before the National Company Law Appellate Tribunal. Hence, after the Ordinance/Amendment Act, a section 7 of the Insolvency and Bankruptcy Code petition could not have been admitted by the Adjudicating Authority, unless the statutory threshold prescribed for allottees to initiate the corporate insolvency resolution process against a real estate project was met. The admission order dated January 2, 2020, therefore, failed to give effect to the binding mandate of the Ordinance/Amendment Act. Consequently, the appellants submitted that the requirements of the Ordinance/Amendment Act, are squarely attracted, and to that extent, the first impugned order of the National Company Law Appellate Tribunal warrants interference by this court.

8. The facts of the case in C.A. No. 3903 of 2022 are that respondent No. 2 (Antriksh Infratech P. Ltd.) approached the appellant (Sunita Agarwal), and represented that they were in the process of developing a housing project in the name and style of "Antriksh Urban Greek" at L-Zone, Dwarka, New Delhi-110 075. The appellant agreed to invest a sum of Rs.25,00,000 and paid the same by cheque dated July 8, 2015. Pursuant thereto, respondent No. 2 issued letters dated July 13, 2015, stating that a 4BHK residential unit on the 6th floor, admeasuring 2,500 squire feet at Rs. 5,000 per square feet, had been booked in the name of the appellant under buy-back plan, and also issued receipt No. 0492 dated July 13, 2015 acknowledging the payment of Rs. 25,00,000. On July 28, 2015, an agreement/memorandum of understanding was executed between respondent No. 2 and the appellant. As per clause 2(a) of the agreement, respondent No. 2 admitted the payment of Rs. 25,00,000 and agreed to provide a return of 25 per cent. per annum at the end of 24 months or upon the issuance of final LTC by the competent authority, whichever was earlier. The 24 month period ended on July 7, 2017.

8.1. Since construction was never commenced and, as reported by the insolvency resolution professional appointed by the National Company Law Tribunal, even land had not been acquired by respondent No. 2, the appellant issued a demand notice/e-mail dated February 1, 2019 demanding a sum of Rs. 47,31,164.38 (comprising the principal amount of Rs. 25,00,000 plus interest at 25 per cent. per annum till February 8, 2019). Respondent No. 2, however, refused to accept the notice. The appellant also sent the notice through e-mail on February 1, 2019.

8.2. Thereafter, the appellant filed an application under section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal. On May 2, 2019, the National Company Law Tribunal issued notice to respondent No. 2 and directed filing of an affidavit of service, re-notifying the case on May 10, 2019. The appellant served the

complete set of the petition and documents on respondent No. 2 through e-mail on May 7, 2019, and filed an affidavit of service along with a certificate under section 65B of the Indian Evidence Act, 1872, on May 14, 2019. Vide order dated May 15, 2019, the National Company Law Tribunal directed that the matter proceed ex parte as respondent No. 2 failed to appear. Arguments were heard on August 30, 2019, and by order dated September 17, 2019, the National Company Law Tribunal admitted section 7 of the Insolvency and Bankruptcy Code, petition and appointed an interim resolution professional (IRP) to act in accordance with the Code.

8.3. Challenging the said order, respondent No. 1 preferred Company Appeal (AT) (Insolvency) No. 1020 of 2019 before the National Company Law Appellate Tribunal. In support, respondent No. 1 relied upon the National Company Law Appellate Tribunal judgment dated November 17, 2020 in *Shubha Sharma v. Mansi Brar Fernandes*¹¹ (Company Appeal (AT) (Insolvency) No. 83 of 2020) wherein, the National Company Law Appellate Tribunal, referring to clauses of a similar agreement, held that at the end of the stipulated period, the corporate debtor was obliged to buy-back the apartment and refund the amount along with premium, which was a lucrative agreement for the investor, thereby making the allottee a speculative investor. On this reasoning and applying the ratio of this court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*¹², the National Company Law Appellate Tribunal by the second impugned order dated August 12, 2021, set aside the National Company Law Tribunal's admission order. Aggrieved thereby, the appellant is before this court with the present appeal.

Contentions of the parties

9. According to the learned senior counsel for the appellant, the appellant (Mansi Brar Fernandes) is a homebuyer and qualifies as a financial creditor under section 5(8)(f) of the Insolvency and Bankruptcy Code. She entered into a memorandum of understanding dated April 6, 2016 with the corporate debtor (Gayatri Infra Planner P. Ltd.) for the purchase/buy-back of four apartments in its project "Gayatri Life", and paid a sum of Rs. 35 lakhs through cheque as part consideration. The memorandum of understanding, which was commercially structured by the corporate debtor itself, contained a buy-back clause that was entirely at the option of the corporate debtor. It could either buy-back the units after 12 months for Rs. 1 crore or hand over possession of the flats to the appellant at no extra cost. The memorandum of understanding was extended twice, i.e., on April 7, 2017 (for six months) and October 7, 2017 (for twelve months), and all post-dated cheques issued by the corporate debtor for Rs. 1 crore, were

dishonoured upon presentation. Despite the expiry of the final extension period on October 6, 2018, the corporate debtor failed to hand over the flats or honour its buy-back commitment, thereby constraining the appellant to initiate proceedings under section 138 of the Negotiable Instruments Act, and subsequently, file a section 7 of the Insolvency and Bankruptcy Code petition.

9.1. Continuing further, it was submitted that the National Company Law Tribunal, by order dated January 2, 2020 admitted the petition, holding that the appellant was a homebuyer/financial creditor under section 5(8)(f), and that the corporate debtor had committed default. However, on appeal, the National Company Law Appellate Tribunal reversed the admission, branding the appellant as a speculative investor. The learned counsel submitted that this finding is wholly erroneous, as it was based merely on the existence of the buy-back clause, the dishonour of post-dated cheques, and the appellant's resort to remedies under the Negotiable Instruments Act. None of these, it was argued, demonstrate speculative intent. On the contrary, the appellant never withdrew from the memorandum of understanding and was always willing to accept possession of the flats, while the option of buy-back was solely with the corporate debtor, not the appellant. The National Company Law Appellate Tribunal's approach, according to the learned counsel, disregards the builder's default and unfairly penalise the homebuyer.

9.2. It was also submitted that the transaction clearly bears the hallmarks of a financial debt, having the commercial effect of borrowing and carrying the element of time value of money, as recognised in the Insolvency and Bankruptcy Code. The sum of Rs. 35 lakhs was duly received by the corporate debtor, reflected in its financial records, and is undisputed. The transaction is not alleged to be preferential, undervalued, fraudulent, or extortionate under sections 43 to 50 of the Insolvency and Bankruptcy Code, and the appellant is not a related party of the corporate debtor or its promoters. Reliance was placed on the judgment of this court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*¹³, wherein the 2018 amendment recognising homebuyers as financial creditors was held to be clarificatory in nature. It was submitted that the presence of a buy-back clause in the memorandum of understanding does not exclude a homebuyer from the purview of section 5(8)(f), especially where such clause was devised by the builder and not at the instance of the allottee.

9.3. Learned senior counsel further pointed out that during the pendency of the present appeal, another section 7 of the Insolvency and Bankruptcy Code petition filed by *Amit Joshi v. Gayatri Infra Planners P. Ltd.*¹⁴ against the same corporate debtor was admitted by

the National Company Law Tribunal on March 28, 2023 and a corporate insolvency resolution process is presently ongoing. The appellant has already submitted her claim in those proceedings. She clarified that she does not seek revival of her original section 7 of the Insolvency and Bankruptcy Code, petition, but only challenges the erroneous finding of the National Company Law Appellate Tribunal branding her as a “speculative investor”, which prejudices her rights in the ongoing corporate insolvency resolution process and under other proceedings including those under the Negotiable Instruments Act.

9.4. In view of this subsequent corporate insolvency resolution process, it was submitted that it is not necessary for this court to adjudicate on other issues raised in the first impugned order, including the maintainability of her section 7 of the Insolvency and Bankruptcy Code application in light of the 2018 amendment to the Insolvency and Bankruptcy Code, requiring a threshold number of homebuyers to initiate the insolvency proceedings. For the same reason, the cross-appeals preferred by Shubha Sharma and Ashlesh Gupta also do not require consideration.

9.5. With these submissions, learned senior counsel prayed that the impugned finding of the National Company Law Appellate Tribunal describing the appellant as a “speculative investor” be set aside, she be recognised as a homebuyer and financial creditor under section 5(8)(f) of the Insolvency and Bankruptcy Code, and she be treated at par with similarly situated allottees in the ongoing corporate insolvency resolution process in *Amit Joshi v. Gayatri Infra Planners P. Ltd.*¹⁵

10. Learned counsel for the applicant in I.A. No. 9936 of 2021 in C.A. No. 3826 of 2020/intervenor submitted that the applicant-Gayatri Life Buyers Welfare Society-comprises allottees of the now-defunct residential housing project “Gayatri Life” promoted by the corporate debtor/ respondent No. 2. The members of the applicant who hold 89 apartment units in the said project, had supported the appellant-Mansi Brar Fernandes-before the National Company Law Appellate Tribunal by filing affidavits in support of initiation of the corporate insolvency resolution process against the corporate debtor. They continue to support the appellant/homebuyer in seeking admission of the builder to the insolvency proceedings. Therefore, there is material and substantial compliance with the amendment introduced on December 28, 2019 to section 7 of the Insolvency and Bankruptcy Code, and the hyper-technical objections taken by the corporate debtor in this regard merit rejection.

11. On behalf of respondent No. 2 (Gayatri Infra Planner P. Ltd.), the resolution professional made the following submissions :

(i) The appellant, claiming to be a financial creditor, seeks to rely

on a memorandum of understanding dated April 6, 2016, which was purely provisional in nature and did not result in final allotment. The appellant had paid Rs. 35 lakhs out of a total consideration of Rs. 1,03,78,521 for four flats and the memorandum of understanding provided the company a discretionary option to repurchase the flats for Rs. 1 crore within 12 months, failing which the appellant would be entitled to possession. This optional buy-back clause does not create any binding repayment obligation, and therefore, does not constitute a "financial debt" under the Insolvency and Bankruptcy Code. The appellant's own case confirms that the buy-back was at the sole discretion of the respondent, and no evidence has been adduced to show that the company exercised the option or agreed to repay Rs. 1 crore. The transaction was clearly speculative in nature, structured to yield an abnormal return of over 350 per cent. within a short duration, reflecting an investment for profit and not a genuine homebuying intent.

(ii) Furthermore, the appellant fully aware of the project's construction timeline, instead sought to recover money under the garb of insolvency proceedings. As held in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*¹⁶, the Insolvency and Bankruptcy Code cannot be used by speculative investors to initiate coercive proceedings. Therefore, the appellant not being a financial creditor under section 5(8)(f) had no locus to initiate the corporate insolvency resolution process, and the admission order was rightly set aside. The first impugned order correctly distinguishes the appellant as a "speculative investor" rather than a genuine allottee, and upholds the principles underlying the Code.

(iii) The appellant is not a genuine allottee but a speculative investor who entered into a transaction with the corporate debtor purely for assured financial returns and not for the purpose of acquiring residential property. A speculative allottee, as recognised in law, is one who seeks short term gains through devices like buy-back clauses and post-dated cheques (PDCs) with no genuine intent to obtain possession or use the property for residential purposes. In contrast, a genuine allottee under section 5(8)(f) is a person who seeks a home for personal use and falls within the protective ambit of the Code. In the present case, the appellant was issued post-dated cheques against the investment made, a practice not followed in respect of genuine homebuyers, thereby clearly indicating the speculative nature of the transaction. The memorandum of understanding executed between the appellant and the corporate debtor included a buy-back clause offering the appellant an exorbitant return of Rs. 1 crore on an investment of Rs. 35 lakhs within 12 months, reflecting a commercial arrangement rather than

a residential purchase. The structure of the memorandum of understanding, absence of a builder-buyer agreement, lack of follow-up for possession, and reliance on section 138 of the Negotiable Instruments Act, proceedings all point to the appellant's intent to profit financially rather than obtain residential possession.

(iv) The National Company Law Appellate Tribunal, in the first impugned order, rightly found that the appellant was a speculative investor and not a genuine allottee. It specifically observed that the memorandum of understanding was a highly lucrative agreement designed to yield massive returns with no real obligation on the part of the appellant to pay the balance amount for the flats. Further, the appellant never sought possession during the term of the memorandum of understanding, nor monitored the project's progress, thereby indicating the absence of genuine buyer conduct. The transaction lacked the characteristics of a real estate allotment protected under the Insolvency and Bankruptcy Code or the Real Estate (Regulation and Development) Act, 2016 (RERA). The appellant's failure to produce any registered builder-buyer agreement or other formal documentation also supports the conclusion that the arrangement was speculative in nature.

(v) Moreover, the appellant's attempt to use the Insolvency and Bankruptcy Code framework only after dishonour of the post-dated cheques and commencement of the corporate insolvency resolution process proceedings reflects a coercive and opportunistic invocation of the Code, which has been disapproved by this court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*¹⁷, wherein, it was clearly held that speculative investors cannot misuse the Insolvency and Bankruptcy Code for recovery of returns or enforcement of investment contracts disguised as real estate allotments. The present case squarely falls within that prohibition. Similarly, in *Binani Industries Ltd. v. Bank of Baroda*¹⁸ a recovery mechanism for investors who do not qualify as genuine stakeholders affected by insolvency.

(vi) The National Company Law Appellate Tribunal, by order dated November 17, 2020 in Company Appeal (AT) (Insolvency) No. 83 of 2020, directed initiation of reverse corporate insolvency resolution process against respondent No. 2, and the construction of the project continues smoothly under the interim resolution professional supervision.

(vii) The respondent-company has always been ready and willing to allot the four flats on a fully paid-up basis to the appellant, which would entitle the appellant to take possession of the same upon completion of construction. However, the appellant was only

interested in the premium of Rs. 1 crore from the respondent-company, instead of delivery of the flats. That apart, the appellant sought to encash the cheques and even filed a complaint under section 138 of the Negotiable Instruments Act.

(viii) Respondent No. 2 was admitted into the corporate insolvency resolution process (CIRP) on March 28, 2023, pursuant to an order passed by the National Company Law Tribunal in C.P. (IB) No. 350/(PB) of 2021, under section 7 of the Insolvency and Bankruptcy Code, whereupon a moratorium under section 14 came into effect.

(ix) The respondent-company is currently undergoing the corporate insolvency resolution process, and the construction is progressing under the supervision of the interim resolution professional, who is ensuring that possession is handed over to genuine homebuyers in a fair and lawful manner. The committee of creditors proceedings have been stayed by the National Company Law Appellate Tribunal, and the project continues to be developed smoothly. The appellant's speculative claim, if allowed, would upset the priority and fairness principle enshrined in the Code and prejudice the rights of genuine homebuyers and creditors.

(x) In view of the above submissions, it was prayed that the appeal be dismissed, and the findings of the National Company Law Appellate Tribunal-holding the appellant to be a speculative investor not entitled to initiate proceedings under section 7 of the Insolvency and Bankruptcy Code-be confirmed.

12. The learned senior counsel for the appellants in C.A. No. 540 of 2021 and C.A. No. 5495 of 2025 assailed the finding of the National Company Law Appellate Tribunal in the first impugned order in respect of inapplicability of Ordinance/Amendment Act, to the facts of the present case, on the following grounds :

(i) The National Company Law Appellate Tribunal erred in concluding that the provisions of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (later enacted as Amendment Act, 2020) were inapplicable to the present case. The Ordinance was promulgated on December 28, 2019, prior to the National Company Law Tribunal's admission order dated January 2, 2020. Hence, its provisions squarely governed the present proceedings.

(ii) The Ordinance/Amendment Act, does not envisage any carve-out or exception in favour of real estate allottees. The statutory threshold introduced by the amendment applies uniformly, and an allottee is required to comply with the threshold requirement before initiating proceedings under section 7 of the Insolvency and Bankruptcy Code. The company cannot be deprived of its right to insist on such compliance before being subjected to the corporate

insolvency resolution process.

(iii) The National Company Law Appellate Tribunal erroneously assumed that this court's interim order in the earlier proceedings had the effect of staying the Ordinance/Amendment Act. It failed to appreciate that the legal effect of an interim order is entirely distinct from that of a stay order. The statutory amendments remained fully operative and binding at the relevant time.

(iv) The impugned order runs contrary to the plain language and intent of the Ordinance/Amendment Act, which clearly applied to the present case. The finding of inapplicability is legally impermissible as well as factually unsustainable.

(v) This court in *Manish Kumar v. Union of India*¹⁹ upheld the constitutional validity of the Ordinance/Amendment Act and recognised the crucial importance of the threshold prescribed for financial creditors who are allottees.

(vi) The respondent (Mansi Brar Fernandes), in her reply affidavit before the National Company Law Appellate Tribunal, effectively admitted non-compliance with the statutory threshold. On this ground alone, the section 7 application was liable to be rejected.

(vii) The appellants were deprived of their right to natural justice, as they were not afforded an opportunity to rebut the filing of the section 7 application. This procedural lapse further vitiates the impugned order.

(viii) On these grounds, it was submitted that the National Company Law Appellate Tribunal's finding on the inapplicability of the Ordinance/ Amendment Act, is contrary to law, unsustainable on facts, and liable to be set aside.

13. Learned senior counsel for the appellant in C.A. No. 3903 of 2022 submitted that section 5(8)(f) was added by way of amendment on August 17, 2018 with effect from June 6, 2018 under which the debt of the appellant comes within the definition of financial debt. The definition of "allottee" under section 5(8)(f)(ii) is taken from the Real Estate (Regulation and Development) Act, which under section 2(d) defines "allottee". The appellant falls in the category of "allottee". The constitutional validity of section 5(8)(f) has been upheld by this court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*²⁰.

13.1. It was further submitted that the finding of the National Company Law Appellate Tribunal that as the appellant entered into an memorandum of understanding, the appellant becomes "speculative investor" is patently illegal, as the memorandum of understanding was executed by both parties and they remain bound by that. The appellant has not changed her stand depending upon the market conditions and therefore, by no stretch of imagination, she is "speculative investor" as

parties are bound by definitive terms.

13.2. It was also submitted that the second impugned order was passed ignoring the interim order dated December 11, 2020 passed by this court in C.A. No. 3826 of 2020 (*Mansi Brar Fernandes v. Shubha Sharma*²¹). Moreover, the corporate debtor is admittedly, withholding the money of the appellant since July 13, 2015 and did not deliver the promised unit.

13.3. The learned senior counsel further submitted that vide orders dated October 1, 2019, November 13, 2019 and November 19, 2019, the National Company Law Appellate Tribunal had recorded the submissions of the interim resolution professional that "there is no land for project". In these circumstances, the second impugned order is liable to be set aside.

Analysis and findings

14. We have heard the learned senior counsel appearing for all the parties, and perused the materials available on record.

14.1. This court by order dated December 11, 2020 in Civil Appeal No. 3826 of 2020, granted an ad interim direction to the effect that the finding of the National Company Law Appellate Tribunal that the appellant is a "speculative investor" is confined to the facts of the present case and shall not be treated as a precedent in any other case for the present.

15. The present matter, though seemingly straightforward, provides this court with a timely occasion to clarify and reaffirm key principles under the Insolvency and Bankruptcy Code, 2016, particularly on the role of speculative investors in residential real estate. While subsequent legislative amendments have sought to address this concern, uncertainty persists in pending matters before the Tribunals. A clear pronouncement at this stage will eliminate inconsistency, prevent conflicting orders, and bring stability to a sector vital significance to the Indian middle class.

15.1. This case also raises a jurisprudential concern : the manner in which litigants may be protected from prejudice caused by changes in law or external factors arising after hearings conclude, but before judgment is delivered. The courts and Tribunals across the country are grappling with an ever-increasing docket explosion. While such a surge indicates greater citizen engagement with the justice system, it also results in orders being reserved for longer than desirable. Though courts ordinarily take judicial notice of subsequent changes in law, the failure to do so should not operate to the detriment of any party. In the context of the present case, article 21 demands that bona fide homebuyers receive expeditious and effective redressal before the designated fora, including the consumer commissions, National

Company Law Tribunal, National Company Law Appellate Tribunal, and RERA²².

15.2. In this necessary in this backdrop to reiterate certain settled principles :

- The RERA, remains the primary forum for redressal of homebuyers' grievances;
- The Insolvency and Bankruptcy Code is a forum of last resort, intended to secure revival and completion of viable projects, not to serve as a debt recovery mechanism; and
- Consumer forums should confine themselves to adjudicating individual service deficiencies, thereby avoiding conflicting or overlapping orders across multiple fora.

15.3. The decision of this court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*²³ drew a distinction between speculative investors and genuine homebuyers. The present case affords an opportunity to reinforce that distinction through a principled intelligible differentia, so as to protect bona fide homebuyers, deter misuse of the Code by speculative investors, and prevent dishonest developers from exploiting systemic loopholes.

15.4. Strict adherence to the Insolvency and Bankruptcy Code, timelines and settled precedent is imperative to realise two complementary objectives :

- (i) ensuring revival and completion of stalled projects for the benefit of genuine homebuyers; and
- (ii) curbing speculative activity which has functioned as a "slow poison" for the residential real estate sector and, by extension, the Indian middle class.

15.5. A balanced judicial approach in this regard will have far-reaching benefits : protecting homebuyers, restoring confidence in the real estate market, and encouraging reputed business houses and conglomerates to participate in residential development. In taking this approach, this court seeks to contribute towards cleansing and strengthening a core economic sector that sustains millions of livelihoods in both the organised and unorganised economy and touches the lives of people at their most fundamental level.

16. In the present case, as indicated above, there are two impugned orders, whereby the National Company Law Appellate Tribunal set aside the admission of section 7 of the Insolvency and Bankruptcy Code applications by the National Company Law Tribunal, holding that the appellants in C.A. Nos. 3826 of 2020 and 3903 and 2022, viz., Mansi Brar Fernandes and Sunita Agarwal, respectively, were "speculative investors". Further, in the first impugned order, the National Company Law Appellate Tribunal held that the statutory requirements introduced

by the Ordinance/ Amendment Act, were not applicable to the facts of the present case. It is however, undisputed that section 7 of the Insolvency and Bankruptcy Code application filed by one *Amit Joshi v. Gayatri Infra Planners P. Ltd.*²⁴ was admitted by the National Company Law Tribunal and that the corporate insolvency resolution process is presently ongoing against the corporate debtor-Gayatri Infra Planner P. Ltd.

17. In light of these facts, the following issues arise for consideration in these appeals :

(i) Whether the appellants, Mansi Brar Fernandes and Sunita Agarwal, fall within the category of “speculative investors” so as to disentitle them from initiating proceedings under section 7 of the Insolvency and Bankruptcy Code ?

(ii) Whether the Ordinance/Amendment Act, introducing threshold requirements for filing of section 7 of the Insolvency and Bankruptcy Code applications by allottees was applicable to the facts of the present case ?

18. Issue No. 1-Speculative investors

18.1. The determination of whether an allottee is a speculative investor depends on the facts of each case. The inquiry must be contextual and guided by the intent of the parties. Indicative factors include : (i) the nature and terms of the contract; (ii) the number of units purchased; (iii) presence of assured returns or buy-back clauses; (iv) the stage of completion of the project at the time of investment; and (v) existence of alternative arrangements in lieu of possession. Possession of a dwelling unit remains the sine qua non of a genuine homebuyer's intent.

Speculation in real estate and Pioneer Urban

18.2. The problem of speculative misuse of real estate agreements has long been recognised. Such speculative arrangements artificially inflate demand, fuel asset bubbles, and prejudice genuine buyers. Unlike financial markets—where speculation may sometimes serve a liquidity function—speculation in residential housing undermines stability, fairness, and the very object of housing development. Schemes of assured returns, compulsory buy backs, or excessive exit options are in truth financial derivatives masquerading as housing contracts. These arrangements enable developers, on the one hand, to mislead gullible individuals, and seasoned investors, on the other, to “jump ship” when the market turns or to hold developers to ransom by invoking the Insolvency and Bankruptcy Code as a coercive recovery mechanism, thereby creating a situation of “heads I win, tails you lose”. This court, in *Madhubhai Amathalal Gandhi v. Union of India*²⁵ while deprecating speculative activities in the stock market, strongly

cautioned against such distortions, observing²⁶ :

“These mischievous potentialities inherent in the transactions, if left uncontrolled, would tend to subvert the main object of the institution of stock exchange and convert it into a den of gambling which would ultimately upset the industrial economy of the country”.

18.3. This court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*²⁷, while upholding the constitutional validity of the 2018 amendment recognising allottees as financial creditors, drew a crucial distinction between genuine homebuyers and speculative investors. It clarified that speculative investors cannot be permitted to misuse the Code as a debt recovery mechanism. The judgment struck a balance : ensuring representation of genuine homebuyers in the committee of creditors, while shielding developers and projects from being derailed by investors who never intended to take possession.

18.3.1. The court further noted that remedies under the RERA, and the Consumer Protection Act, are additional, not exclusive. Both statutes operate alongside the Insolvency and Bankruptcy Code, but with distinct purposes : RERA, protects individual investors by enforcing compliance with project obligations, while the Insolvency and Bankruptcy Code operates in rem to revive the corporate debtor and maximise value for all stakeholders.

18.3.2. Importantly, *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*²⁸ held that once a prima facie default is established under section 7 of the Code, the burden shifts onto the developer to demonstrate that the applicant is a defaulter, or that the process has been invoked fraudulently, with malicious intent, or by a speculative investor. These safeguards were intended to prevent “trigger-happy” investors from destabilising projects or prematurely driving developers into insolvency.

18.3.3. For better appreciation, the relevant paragraph of the said decision is reproduced below²⁹ :

“It can thus be seen that just as information utilities provide the kind of information as to default that banks and financial institutions are provided under sections 214 to 216 of the Code read with regulations 25 and 27 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, allottees of real estate projects can come armed with the same kind of information, this time provided by the promoter or real estate developer itself, on the basis of which, prima facie at least, a ‘default’ relating to amounts due and payable to the allottee is made out in an application under section 7 of the Code. We may mention here that once this prima facie case is made out, the burden shifts on the promoter/ real estate developer to point out in their reply and in the

hearing before the National Company Law Tribunal, that the allottee is himself a defaulter and would, therefore, on a reading of the agreement and the applicable RERA Rules and Regulations, not be entitled to any relief including payment of compensation and/or refund, entailing a dismissal of the said application. At this stage also, it is important to point out, in answer to the arguments made by the petitioners, that under section 65 of the Code, the real estate developer can also point out that the insolvency resolution process under the Code has been invoked fraudulently, with malicious intent, or for any purpose other than the resolution of insolvency. This the real estate developer may do by pointing out, for example, that the allottee who has knocked at the doors of the National Company Law Tribunal is a speculative investor and not a person who is genuinely interested in purchasing a flat/apartment. They can also point out that in a real estate market which is falling, the allottee does not, in fact, want to go ahead with its obligation to take possession of the flat/apartment under the RERA, but wants to jump ship and really get back, by way of this coercive measure, monies already paid by it. Given the above, it is clear that it is very difficult to accede to the petitioners' contention that a wholly one-sided and futile hearing will take place before the National Company Law Tribunal by trigger-happy allottees who would be able to ignite the process of removal of the management of the real estate project and/or lead the corporate debtor to its death."

Criteria to identify speculative investors

18.4. "Speculation" has been defined in P. Ramanatha Iyer's Law Lexicon (sixth Edition) as "a risky investment of money for the sake of and in expectation of unusually large profits". A "speculator" is "one who practices speculation in trade or business". Two elements emerge : (i) expectation of unusually high profits; and (ii) activity in the nature of business or trade. These elements accord with the ratio of *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*³⁰, which described speculative investors as those seeking refund or profit without an intention to occupy.

18.4.1. In *Duni Chand Rataria v. Bhuwalka Brothers Ltd.*³¹ this court considered the validity of an ordinance of the State of West Bengal prohibiting speculative transactions in the jute trade. A Constitution Bench (four judges) held that constructive delivery by intermediate parties would be valid provided that it culminated in actual delivery to the end purchaser. The court observed³² :

"The mate's receipts or the delivery orders as the case may be, represented the goods. The sellers handed over these documents to the buyers against cash payment. .. The constructive delivery of

possession which was obtained by the intermediate parties was thus translated into a physical or manual delivery of possession in the ultimate analysis eliminating the unnecessary process of each of the intermediate parties taking and in his turn giving actual delivery of possession of the goods. . .”

Thus, where there is an actual chain of delivery ending with possession by a genuine buyer, the transaction is not speculative. Conversely, in the present context, where there is no intention to take possession, the onus to find another buyer and effect resale is cast on the developer. Delivery in such cases is more in the nature of a lien or an option. For a genuine allottee, however, delivery and possession are a sine qua non.

18.4.2. In *Jute Investment Co. Ltd. v. CIT*³³, this court held that for a transaction to fall outside the ambit of “speculative” under the Income-tax Act, 1961, actual delivery of the commodity is essential. By analogy, where an allottee has no intention to take delivery of the unit, the arrangement assumes the character of a speculative transaction.

18.4.3. *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*³⁴, in paragraph 56, defines a speculative investor as one who intends to evade possession and “jump ship”, or one who is not genuinely interested in purchasing a flat/apartment. Any allottee, who, from the inception of the agreement, does not intend to take possession, or who later abandons such intent, falls within this category. Such an allottee is primarily concerned with refund or profit, and not with completion of the project.

18.4.4. Thus, the determination of whether an allottee is a speculative investor, must be holistic, having regard to the terms of the agreement, the allotment letter, the payment terms, and the overall conduct of the allottee.

18.4.5. Non-exhaustive indicators include :

(1) If the agreement substitutes possession with a buy-back or refund option, or any other special arrangement, the allottee is likely a speculative investor.

(2) Insistence on refund with high interest, coupled with refusal to accept possession would indicate speculation.

(3) Purchase of multiple units, especially in double digits, shall invite greater scrutiny, though it is not conclusive. If the terms of the agreement provide for possession or refund in the event of failure to give possession alone, this factor may not be held against the allottee.

(4) Special rights, preferential treatment, or unusual privileges to the allottee would signal investment intent.

(5) Deviation from the RERA. model agreement shall be a

crucial indicator as to the nature of the transaction-the greater the departure, the greater the likelihood of speculation.

(6) Unrealistic interest rates and promises of 20-25 per cent. returns over a short duration are indicative of speculation.

18.4.6. However, it must be clarified that the distinction between speculative investors and genuine homebuyers is relevant only at the stage of initiation of the corporate insolvency resolution process. Such allottees are not barred from filing claims for the principal amount invested, or from pursuing remedies before other fora in accordance with law.

Application to the present appeals, viz., C.A. Nos. 3826 of 2020 and 3903 of 2022

18.5. In C. A No. 3826 of 2020 (Mansi Brar Fernandes), the memorandum of understanding executed reveals that possession was never contemplated. The agreement stipulated a buy-back whereby Rs. 35 lakhs invested would be returned with an additional Rs. 65 lakhs as premium within 12 months. Though four apartments were notionally "allotted", the appellant paid only Rs. 35 lakhs with no provision for the balance. Instead, the corporate debtor issued post-dated cheques of Rs. 1 crore, which were repeatedly dishonoured. Successive extensions of the memorandum of understanding were granted without justification, and the appellant invoked proceedings under section 138 of the Negotiable Instruments Act for recovery. These circumstances make clear that the appellant's true interest lay in assured returns, not possession. The memorandum of understanding was in substance a buy-back contract, not an agreement to sell flats. By the standard in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*³⁵, the appellant was a speculative investor, disentitling her from invoking section 7.

18.6. In C.A. No. 3903 of 2022 (Sunita Agarwal), the memorandum of understanding dated February 28, 2015 provided for an investment of Rs. 25 lakhs per unit with assured returns of 25 per cent. per annum after 24 months. It contained a compulsory buy-back clause and provisions for profit-sharing over and above guaranteed returns. The repeated use of the term "investment" coupled with a risk-free exit option, confirms that possession was never intended. While the National Company Law Tribunal admitted her section 7 application ex parte, the National Company Law Appellate Tribunal correctly reversed the order. As this court has observed, a homebuyer cannot simultaneously demand refund with guaranteed returns while retaining the option to refuse possession. Such risk-free contracts place speculative investors in an advantageous position, to the detriment of genuine homebuyers and developers.

18.6.1. The reliance placed by the National Company Law Appellate Tribunal on its earlier decision in *Shubha Sharma v. Mansi Brar Fernandes*³⁶ (decided on November 17, 2020 in Company Appeal (AT) (Insolvency) No. 83 of 2020), despite interim order of this court, does not vitiate its reasoning. An interim order suspends enforcement between parties, but does not efface the declaration of law or reasoning in a judgment. Unless specifically overruled, such reasoning remains available for guidance, particularly when judicial discipline demands consistency in sensitive sectors such as real estate.

18.7. On the facts and law, it is evident that both the appellants are speculative investors. Their claims are in the nature of recovery, not insolvency resolution. Consistent with *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*³⁷, speculative investors cannot be permitted to trigger the corporate insolvency resolution process as this would undermine revival, destabilise projects, and prejudice genuine homebuyers.

18.8. Accordingly, the findings of the National Company Law Appellate Tribunal treating the appellants as speculative investors warrant no interference. Both impugned orders, setting aside admission of the section 7 applications, stand affirmed. However, liberty is reserved to the appellants to pursue their remedies before appropriate fora in accordance with law. In such proceedings, the bar of limitation shall not apply, in line with settled jurisprudence of this court³⁸.

Issue No. 2-Applicability of Ordinance/Amendment Act to the facts of the present case (Mansi Brar Fernandes)

19. Section 7 of the Insolvency and Bankruptcy Code, as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019, enforced with effect from December 28, 2019, added a proviso to sub-section (1) before the Explanation, providing a threshold limit for initiation of the corporate insolvency resolution process at the instance of allottees under a real estate project. It mandated that an application shall be filed jointly by not less than 100 allottees or not less than 10 per cent. of the total number of such allottees under the same real estate project, whichever is less. It further provided that where an application for initiating the corporate insolvency resolution process against a corporate debtor had been filed by such financial creditors and had not been admitted by the Adjudicating Authority before commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, such application was required to be modified to comply with the said requirement within thirty days of commencement of the Act, failing which it would be deemed to be withdrawn before its admission.

19.1. In the present case, the appellant filed a section 7 application against the corporate debtor on March 18, 2019. On December 28,

2019, when the Ordinance was promulgated, the application was still pending before the Adjudicating Authority. However, arguments had already been heard and the matter reserved for orders on December 4, 2019. The order came to be passed on January 2, 2020, admitting the application without reference to the Ordinance. At that stage, the requirement introduced by the Ordinance had not been complied with by the appellant. Nevertheless, she subsequently complied with the said requirement in the appellate proceedings.

19.2. The National Company Law Appellate Tribunal relied upon the co-ordinate Bench decision in *Sushil Ansal v. Ashok Tripathi*³⁹ in Company Appeal (AT) (Insolvency) No. 452 of 2020, wherein reliance was placed on the interim order of this court dated January 13, 2020 passed in *Manish Kumar v. Union of India*⁴⁰ and observed that the provisions of section 7 as they stood prior to the amendment continued to occupy the field. Proceeding on that basis, the National Company Law Appellate Tribunal concluded that the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (later replaced by the Insolvency and Bankruptcy Code (Amendment) Act, 2020) had no effect on the present proceedings. However, such reasoning was erroneous in the facts of the instant case. It is pertinent to note here that the appellant's application had already been admitted on January 2, 2020, prior to the status quo order of this court dated January 13, 2020, whereas the section 7 application filed by *Sushil Ansal v. Ashok Tripathi*⁴¹ was admitted only on March 17, 2020⁴². Thus, while the decision in *Sushil Ansal v. Ashok Tripathi*⁴¹ was correct on its own facts, the National Company Law Appellate Tribunal wrongly applied it in *Mansi Brar*.

19.3. In the present case, limitation was due to expire on January 27, 2020. Even if computation is reckoned from January 2, 2020 (the date of reopening of the National Company Law Tribunal after the winter recess), the limitation period would have run its course by January 31, 2020. Although the affidavits bear the date January 27, 2020, the undisputed position is that they were actually filed before the National Company Law Appellate Tribunal only on February 1, 2020, by which time the limitation period had already lapsed. Consequently, the appellant had no option but to comply with the requirements of the Ordinance which had come into effect on December 28, 2019. However, it was incumbent upon the National Company Law Tribunal to take cognizance of the Ordinance and afford an opportunity to the appellant to meet its stipulations. Since no such opportunity was granted, the appellant had no occasion to comply before the National Company Law Tribunal.

19.4. Indeed, even the respondents have contended that the National Company Law Tribunal ought to have deferred the admission

order in light of the Ordinance. Though no specific objection was raised on January 2, 2020 by director/respondent No. 1 or the corporate debtor/respondent No. 2, the failure to consider the Ordinance was essentially an act of the court. For such an act, no party can be prejudiced. The appellant, in fact, succeeded in obtaining the consent of 10 per cent. of allottees in compliance with the Ordinance, albeit with slight delay. The provision being procedural in nature and not affecting substantive rights, no prejudice has been caused to the respondents.

19.5. This situation exemplifies the doctrine of *actus curiae neminem gravabit*-that an act of the court shall prejudice no one. Where prejudice arises solely because of a judicial act, such as reserving orders without accounting for a legislative change, the court must neutralise the effect so that no party suffers. As Benches of this court of various strengths have consistently held in a catena of decisions in *High Court Bar Association v.*

*State of Uttar Pradesh*⁴³, *Jang Singh v. Brij Lal*⁴⁴ and *State of Punjab v. Shamlal Murari*⁴⁵, inter alia, no litigant can be penalised for delay, mistake, or inadvertence of the court. In the words of the great judicial maverick, Justice V.R. Krishna Iyer, in *State of Punjab v. Shamlal Murari* :

"Where the non-compliance, the procedural, will thwart fair hearing or prejudice doing of justice to parties, the rule is mandatory. But, grammar apart, if the breach can be corrected without injury to a just disposal of the case, we should not enthrone a regulatory requirement into a dominant desideratum. After all, courts are to do justice, not to wreck this end product on technicalities. Viewed in this perspective, even what is regarded as mandatory traditionally may, perhaps, have to be moderated into wholesome directions to be complied with in time or in extended time."

19.6. In the present case, once orders were reserved, the appellant could not have complied with the Ordinance until pronouncement. To insist otherwise would be to compel the appellant to perform an impossibility-contrary to the maxim *lex non cogit ad impossibilia*. It would be apt to reproduce the words of Lord Cairns in *Alexander Rodger v. Comptoir D'escompte De Paris*⁴⁶, as quoted in *A.R. Antulay v. R.S. Nayak*⁴⁷ wherein, it was observed thus⁴⁸ :

"Now, their Lordships are of opinion, that one of the first and highest duties of all courts is to take care that the act of the court does no injury to any of the suitors. And when the expression 'the act of the court' is used, it does not mean merely the act of the

primary court, or of any intermediate court of appeal, but the act of the court as a whole, from the lowest court which entertains jurisdiction over the matter up to the highest court which finally disposes of the case. It is the duty of the aggregate of those Tribunals, if I may use the expression, to take care that no act of the court in the course of the whole of the proceedings does an injury to the suitors in the court."

19.7. Accordingly, the outcome on grounds of equity should be determined as on the date the order was reserved, and no subsequent legislative or administrative change should prejudice the parties. In conclusion, while the validity of the threshold requirement introduced by the Ordinance has been upheld by this court in *Manish Kumar v. Union of India*⁴⁹, its application must necessarily depend on the stage of proceedings and the feasibility of compliance. Where orders were already reserved prior to the promulgation of the Ordinance, the requirement cannot be retrospectively enforced so as to defeat vested rights. The subsequent compliance by the appellant during appellate proceedings sufficiently cures the defect, and the act of the court must not prejudice the litigant. Therefore, the finding of the National Company Law Appellate Tribunal in respect of the inapplicability of the Ordinance/Amendment Act, to the facts of the present case requires interference, and the first impugned order deserves to be set aside to that effect. Accordingly, this issue is answered by us.

Right to shelter as a fundamental right : Constitutional obligation of the State to protect homebuyers

20. This court has, in a catena of decisions, consistently held and reaffirmed that the right to shelter is an integral part of the right to life under article 21 of the Constitution. This recognition casts a corresponding duty on the State to ensure access to adequate housing, particularly for weaker sections. Indeed, various welfare schemes such as the Pradhan Mantri Awas Yojana (PMAY) have been initiated by the Government to provide affordable housing.

20.1. A home is not merely a roof over one's head; it is a reflection of one's hopes and dreams—a safe space for a family, a refuge from the worries of the world. With India rapidly industrialising and the rural-to-urban mobility proceeding at lightening pace, the demand for housing has risen sharply.

20.2. Yet, the plight of tax-paying middle-class citizens paints a disheartening picture. Having invested their lifelong savings in pursuit of a home, many are compelled to shoulder a double burden—servicing equated monthly instalments on one hand, and paying rent on the other—only to find their "dream home" reduced to an unfinished building. In some cases, construction has not even commenced despite full or substantial payment. An average homebuyer may be a teacher.

lawyer, doctor, IT professional, or a Government employee, who has poured his or her hard-earned money into the pockets of a developer. For such individuals, a stable roof over their family's head is all they desire. The anxiety of not having a home despite paying a fortune is bound to take a serious toll on health, productivity, and dignity.

20.3. It is therefore imperative that the life savings of a common person culminate in timely possession of their promised home. article 21 would mandate nothing less. In *Samatha v. State of A.P.*⁵⁰, this court reiterated that the right to social and economic justice as well as the right to shelter are fundamental rights encompassed within the ambit of the right to life. Similarly, in *Chameli Singh v. State of U.P.*⁵¹, this court observed⁵² :

"Shelter for a human being, therefore, is not a mere protection of his life and limb. It is home where he has opportunities to grow physically, mentally, intellectually and spiritually. Right to shelter, therefore, includes adequate living space, safe and decent structure, clean and decent surroundings, sufficient light, pure air and water, electricity, sanitation and other civic amenities like roads, etc., so as to have easy access to his daily avocation. The right to shelter, therefore, does not mean a mere right to a roof over one's head but right to all the infrastructure necessary to enable them to live and develop as a human being. Right to shelter when used as an essential requisite to the right to live should be deemed to have been guaranteed as a fundamental right. As is enjoined in the directive principles, the State should be deemed to be under an obligation to secure it for its citizens, of course subject to its economic budgeting. In a democratic society as a member of the organised civic community one should have permanent shelter so as to physically, mentally and intellectually equip oneself to improve his excellence as a useful citizen as enjoined in the fundamental duties and to be a useful citizen and equal participant in democracy. The ultimate object of making a man equipped with a right to dignity of person and equality of status is to enable him to develop himself into a cultured being. Want of decent residence, therefore, frustrates the very object of the constitutional animation of right to equality, economic justice, fundamental right to residence, dignity of person and right to live itself."

20.4. Thus, it would be thoroughly erroneous to treat homebuying as a mere commercial transaction, or worse, to reduce housing to the status of speculative instruments such as stocks, debentures, futures, or options through creative contractual devices. Housing is neither a luxury nor a commodity for speculation—it is a fundamental human need. The right to secure, peaceful, and timely possession of one's

home is therefore a facet of the fundamental right to shelter enshrined under article 21⁵³.

20.5. The State carries a constitutional obligation to create and strictly enforce a framework wherein no developer is permitted to defraud or exploit homebuyers. Ensuring timely project completion must be a cornerstone of India's urban policy. Equally, the State must proactively address the menace of a parallel cash economy and speculative practices in the real estate market, which artificially inflate housing costs and enable "trigger- happy" investors seeking easy exits to jeopardize the interests of genuine end-users.

20.6. Comparative experience from western countries demonstrates the dangers of unchecked speculation. Despite smaller populations, several nations face acute housing shortages, prompting measures such as restrictions on the number of houses an individual may own. India must ensure, through robust policies and strict enforcement, that such a crisis never arises here.

20.7. While recent amendments and regulatory measures are welcome-and the Government merits commendation for undertaking proactive structural reforms-much remains to be done. It is imperative that the RERA, authorities are not reduced to toothless tigers. They must be equipped with adequate infrastructure, empowered Tribunals, and effective enforcement mechanisms so that their orders are implemented swiftly, in letter and spirit. Only then can the constitutional promise of the right to shelter under article 21 be meaningfully realized for homebuyers.

Conclusion

21. This court reiterates that while investors are integral to any industry and their interests warrant protection, speculative participants driven purely by profit motives cannot be permitted to misuse the Insolvency and Bankruptcy Code, which is a remedial framework conceived for revival and the protection of sick companies and, in the case of real estate, genuine homebuyers. Such investors have alternative remedies under consumer law or RERA, and even recourse to civil courts in appropriate cases. To admit speculative claims into insolvency proceedings would dilute the intelligible differentia underlying the legislative scheme, destabilize the residential real estate sector, and erode the social purpose embedded in housing as a fundamental right.

21.1. The present case, therefore, provides an occasion to fortify safeguards for bona fide homebuyers, who have invested their life savings, to insulate the real estate market from speculation and artificial inflation, and to secure speedy and time-bound adjudication as mandated by the Code. As in the culmination of the landmark His

Holiness *Kesavananda Bharati Sripadagalvaru v. State of Kerala*⁵⁴, where "Kesavananda Bharti lost but the country won", the larger interest of the sector and genuine allottees must prevail over narrower considerations.

21.2. In exercise of this court's jurisdiction, and to advance the constitutional and statutory objectives, the following directions are issued to the concerned authorities, in the larger interests of bona fide homebuyers and the stability of the real estate sector, which demand coordinated action by all stakeholders :

(1) Vacancies in the National Company Law Tribunal/National Company Law Appellate Tribunal shall be filled on a war footing. Dedicated Insolvency and Bankruptcy Code Benches with additional strength should be constituted. Services of retired judges may be utilised on ad hoc basis until regular appointments are made. this court is cognizant of the fact that similar directions have been issued in the past, including in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*⁵⁵, but no effective step has been taken on the ground.

(2) The Union Government shall, within three months, file a compliance report on measures taken to upgrade the National Company Law Tribunal/National Company Law Appellate Tribunal infrastructure nationwide. The recent closure of the Chandigarh National Company Law Tribunal and portions of the Delhi National Company Law Tribunal due to water seepage in the courtrooms and chambers of members underscores the urgency of robust infrastructural support.

(3) Within three months, a committee chaired by a retired High Court Judge shall be constituted, with representatives from the Ministry of Law, Ministry of Housing, domain experts in real estate, finance and Insolvency and Bankruptcy Code from NIUA, HUDCO's HSMI, IIMs, NLUs, and NITI Aayog, as well as two eminent industry representatives. The Committee shall suggest commercially viable systemic reforms for cleansing and infusing credibility into the real estate sector. NITI Aayog/NIUA shall provide research and secretarial support. The Committee shall submit its report within six months of its constitution.

(4) States shall ensure that the RERA, authorities are adequately staffed with infrastructure, experts, and resources. At least one member of every RERA, must be a legal expert or consumer advocate with proven expertise in real estate field. The RERAs must conduct thorough diligence before granting approval to any project. Failure to do so, resulting in miscarriage of justice, shall amount to an error unpardonable in law and may invite strict

intervention by this court.

(5) Since real estate is the second largest sector in the Insolvency and Bankruptcy Code proceedings, *IBBI*⁵⁶, in consultation with the RERA, authorities, shall constitute a council to frame specific guidelines for insolvency proceedings in real estate, including timelines for project- wise the corporate insolvency resolution process, and safeguards for allottees.

(6) Resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire corporate debtor, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice. The Insolvency and Bankruptcy Board of India shall also devise a mechanism to enable handover of possession to willing allottees where substantial units in a project are complete.

(7) The Union Government shall consider establishing a revival fund under *NARCL*⁵⁷ or expanding the *SWAMIH*⁵⁸ Fund, to provide bridge financing for stressed projects undergoing corporate insolvency resolution process, thereby preventing liquidation of viable projects and safeguarding homebuyer interests. *SWAMIH* Fund is a commendable initiative; however, being a large fund involving public money, every rupee must be utilised strictly for its intended purpose of last-mile financing. To prevent misuse, we direct that a comprehensive periodic performance audit by the *CAG*⁵⁹ be carried out, with reports placed in the public domain in a form comprehensible even to laypersons.

(8) Regulations shall ensure meaningful representation of allottees in the committee of creditors through authorised representatives, with safeguards against conflicts of interest.

(9) At the admission stage of section 7 petitions filed by allottees, the National Company Law Tribunals must record a prima facie finding on whether the applicant is a genuine homebuyer or speculative investor. This would prevent unnecessary admissions and reduce docket burden.

(10) The Government shall prioritize e-filing, video conferencing, and dedicated case management systems for the Insolvency and Bankruptcy Code matters, in view of the heavy caseload before the National Company Law Tribunals.

(11) Every residential real estate transaction for new housing projects shall be registered with local revenue authorities upon payment of at least 20 per cent. of the property cost by buyer/allottee. Further, to protect senior citizens and bona fide homebuyers, contracts that significantly deviate from the model RERA, agreement to sell, or that incorporate returns/buy-back

clauses where the allottee is over the age of 50, must be supported by an affidavit sworn before the competent Revenue Authority, certifying that the allottee understands the attendant risks.

(12) In projects at nascent stages, such as where land is yet to be acquired or construction has not commenced, proceeds from allottees shall be placed in an escrow account and disbursed in phases aligned with project progress, as per a RERA—sanctioned SOP. Every RERA, shall devise such SOPs within six months from today.

Suggestions for future reform :

(1) The Insolvency and Bankruptcy Board of India may consider introducing “Basel-like” early warning frameworks, drawing from comparative practices, such as, pre-bankruptcy mediation and preventive restructuring, requiring directors to initiate restructuring before defaults spiral out of control.

(2) The Union Government should undertake a consultative exercise to bring about uniformity in the RERA, Rules across States, to remove ambiguity and fill lacunae in what is otherwise a watershed legislation.

(3) Housing boards, State-level Urban Development Authorities (e. g., DDA, GMADA, MHADA, CHB) and CPSUs should establish dedicated wings to revive and complete stalled projects under the Insolvency and Bankruptcy Code mechanisms. This would instill faith in the sector, ensure affordable housing, and protect genuine homebuyers.

(4) It is a matter of grave concern that despite funding hundreds of crores into various Government-run think tanks and management institutions such as IIMs and IITs, India still requires a robust homegrown consulting industry. Collaboration with Indian think tanks and academic institutions should be strengthened to build indigenous capacity for sectoral restructuring. This has the potential to improve India's ease of doing business and accelerate economic growth.

(5) The Union Government may also consider establishing a body corporate, on the lines of National Asset Reconstruction Co. Ltd. or otherwise, promoted by real estate/construction-focused PSUs or through public-private partnerships, to identify, take over, and complete stalled projects under the Insolvency and Bankruptcy Code framework. Unsold inventory from such projects could be utilised towards affordable housing schemes like PMAY or for Government quarters, thereby addressing both the housing shortage and revival of sick projects.

While this is a matter of policy falling within the exclusive domain of the Government, it cannot remain a silent spectator. The Government is constitutionally obliged to protect the interests of homebuyers and the economy at large. It is not merely about houses or apartments; the banking sector, allied industries, and employment for a large populace are also at stake.

22. Before parting, we observe that the right to housing is not merely a contractual entitlement but a facet of the fundamental right to life under article 21. Genuine homebuyers represent the backbone of India's urban future, and their protection lies at the intersection of constitutional obligation and economic policy. Through these directions, this court seeks to restore faith in the regulatory and insolvency framework, deter speculative misuse, and ensure that the "dream home" of India's citizens does not turn into a lifelong nightmare.

23. The registry is directed to circulate a copy of this judgment to the learned Cabinet Secretary to Government of India as well as to the Chief Secretaries of all States, who shall take necessary steps at the earliest.

24. To sum up :

(i) The findings of the National Company Law Appellate Tribunal holding the appellants (Mansi Brar Fernandes and Sunita Agarwal) to be speculative investors are affirmed. Consequently, both the impugned orders setting aside the admission of the section 7 applications by the National Company Law Tribunal, also stand affirmed. However, the appellants are at liberty to pursue their remedies before the appropriate forum in accordance with law, and in such event, the bar of limitation shall not apply.

(ii) Ordinance/Amendment Act, is squarely applicable to the facts of the present case and to that extent, the first impugned order stands set aside.

25. With the aforesaid directions and suggestions, all the appeals stand disposed of. There is no order as to costs.

26. Connected miscellaneous application(s), if any, stand disposed of.

— — —

¹ 2025 SCC OnLine SC 1972.

² For short, "the first impugned order".

³ For short, "the NCLAT".

⁴ For short, "the second impugned order".

⁵ *Ankit Goyat v. Sunita Agarwal* 2021 SCC OnLine NCLAT 3732.

⁶ *Mansi Brar Fernandes v. Shubha Sharma* 2020 SCC OnLine SC 1256.

⁷ For short, "the IBC".

⁸ (2019) 213 Comp Cas 198 (SC); (2019) 4 SCC 17; 2019 SCC OnLine SC 73.

⁹ For short, "the NCLT".

¹⁰ For short, "NI Act".

¹¹ 2020 SCC OnLine NCLAT 1104.

¹² (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

¹³ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

¹⁴ 2023 SCC OnLine NCLT 21131

¹⁵ 2023 SCC OnLine NCLT 21131.

¹⁶ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

¹⁷ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

¹⁸ (2019) 5 Comp Cas-OL 28 (NCLAT); 2018 SCC OnLine NCLAT 565; [2018] 150 SCL 703.

¹⁹ (2021) 225 Comp Cas 1 (SC); (2021) 5 SCC 1; 2021 SCC OnLine SC 30.

²⁰ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

²¹ 2020 SCC OnLine SC 1256.

²² *Upendra Choudhury v. Bulandshahar Development Authority* (2022) 11 SCC 449; 2021 SCC OnLine SC 92.

²³ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

²⁴ 2023 SCC OnLine NCLT 21131.

²⁵ (1960) 30 Comp Cas 667 (SC); 1960 SCC OnLine SC 51; AIR 1961 SC 21.

²⁶ See page 670 of 30 Comp Cas.

²⁷ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

²⁸ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

²⁹ See page 94 of 217 Comp Cas.

³⁰ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

³¹ (1954) 2 SCC 808; 1954 SCC OnLine SC 57; AIR 1955 SC 182.

³² See page 817 of (1954) 2 SCC.

³³ (1980) 121 ITR 56 (SC); (1980) 1 SCC 117; 1980 SCC (Tax) 60; 1979 SCC OnLine SC 367.

³⁴ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

³⁵ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

³⁶ 2020 SCC OnLine NCLAT 1104.

³⁷ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

³⁸ *Rameshwarlal v. Municipal Council* (1996) 6 SCC 100

³⁹ (2022) 230 Comp Cas 402 (NCLAT); 2020 SCC OnLine NCLAT 680.

⁴⁰ 2020 SCC OnLine SC 384.

⁴¹ (2022) 230 Comp Cas 402 (NCLAT); 2020 SCC OnLine NCLAT 680.

⁴² *Ashok Tripathi v. Ansal Properties and Infrastructure Ltd.* (2022) 230 Comp Cas 394 (NCLT); 2020 SCC OnLine NCLT 569.

⁴³ (2024) 6 SCC 267; (2024) 3 SCC (Civ) 137; (2024) 3 SCC (Cri) 154; 2024 SCC OnLine SC 207.

⁴⁴ 1963 SCC OnLine SC 219; (1964) 2 SCR 145; AIR 1966 SC 1631.

⁴⁵ (1976) 1 SCC 719; 1976 SCC (L&S) 118; 1975 SCC OnLine SC 376; AIR 1976 SC 1177.

⁴⁶ Law Reports Vol. III 1869-71 page 465 at 475.

⁴⁷ (1988) 2 SCC 602; 1988 SCC (Cri) 372; 1988 SCC OnLine SC 151.

⁴⁸ See page 672 of (1988) 2 SCC.

⁴⁹ (2021) 225 Comp Cas 1 (SC); (2021) 5 SCC 1; 2021 SCC OnLine SC 30.

⁵⁰ (1997) 8 SCC 191; 1997 SCC OnLine SC 229.

⁵¹ (1996) 2 SCC 549.

⁵² See page 555 of (1996) 2 SCC.

⁵³ *U.P. Avas Evam Vikas Parishad v. Friends Co-op. Housing Society Ltd.* 1995 Supp (3) SCC 456, *Shantistar Builders v. Narayan Khimalal Totame* (1990) 1 SCC 520; 1990 SCC OnLine SC 90, *Anita Kushwaha v. Pushap Sudan* (2016) 8 SCC 509; (2016) 3 SCC (Cri) 530; (2016) 4 SCC (Civ) 80; (2016) 2 SCC (L&S) 463; 2016 SCC OnLine SC 772.

⁵⁴ (1973) 4 SCC 225; 1973 SCC OnLine SC 156.

⁵⁵ (2019) 217 Comp Cas 1 (SC); (2019) 8 SCC 416; (2019) 4 SCC (Civ) 1; 2019 SCC OnLine SC 1005.

⁵⁶ Insolvency and Bankruptcy Board of India.

⁵⁷ National Asset Reconstruction Co. Ltd.

⁵⁸ Special window for affordable and mid-income housing.

⁵⁹ Comptroller and auditor general of India.

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.

2026 SCC OnLine NCLAT 16

In the National Company Law Appellate Tribunal*

(BEFORE ASHOK BHUSHAN, CHAIRPERSON AND BARUN MITRA, MEMBER
(TECHNICAL))

Company Appeal (AT) (Insolvency) No. 500 of 2025 & I.A. No.
1911, 2261, 2264 of 2025[±]

Gagan Tandon and Others ... Appellants;

Versus

IL & FS Financial Services Ltd. and Others ...
Respondents.

And

Company Appeal (AT) (Insolvency) No. 502 of 2025 & I.A. No.
1922, 1923, 1924, 1925, 2249, 2250, 2251, 2252, 2254, 2255,
2256, 2555, 2993, 2994, 3001, 3556, 4193 of 2025[±]

Pranav Ansal ... Appellant;

Versus

IL & FS Financial Services Ltd. and Another ...
Respondents.

Company Appeal (AT) (Insolvency) No. 500 of 2025, I.A. No. 1911,
2261, 2264 of 2025, Company Appeal (AT) (Insolvency) No. 502 of
2025 and I.A. No. 1922, 1923, 1924, 1925, 2249, 2250, 2251,
2252, 2254, 2255, 2256, 2555, 2993, 2994, 3001, 3556, 4193 of
2025

Decided on January 7, 2026

Advocates who appeared in this case:

Company Appeal (AT) (Insolvency) No. 500 of 2025 & I.A. No. 1911,
2261, 2264 of 2025

Mr. M.P. Sahay, Adv. Yaman Verma, Ms. Chitra Chanda, and Mr.
Kartik Virmani, Advocates for Appellant;

Mr. Gopal Jain, Sr. Advocate with Mr. Satendra Rai and Ms. Ruchika
D. and Mr. Pareesh Virmani, Advocates for R 1 IL & FS.

Mr. Abhishek Anand, Mr. Karan Kohli, Advocates for RP.

Mr. Arijit Prasad, Sr. Advocate with Mr. Ritesh Agrawal, Ms. Priyanshi
Sharma, Ms. Shruti Vats and Mr. Argh B. Sharma, Advocates for Awas
Vikas Parishad.

Mr. Seshagiri Vadlamani, Advocates for I.A. No. 2264/25.

Mr. Vinayak Nath Singh, Advocates for UP Awas for Respondents.

Company Appeal (AT) (Insolvency) No. 502 of 2025 & I.A. No. 1922, 1923, 1924, 1925, 2249, 2250, 2251, 2252, 2254, 2255, 2256, 2555, 2993, 2994, 3001, 3556, 4193 of 2025[±]

Ms. Neeha Nagpal, Mr. Malak Bhatt and Mr. Nikunj Mahajan, Advocates, Mr. Sanjiv Kumar Dubey, Sr. Advocate with Mr. Abhishek Chawdhary, Mr. Shahrukh, Ms. Tanya Verma, Advocates for LDA & BKDA.

Mr. Abhishek Chaudhary, Advocate for GDA & ADA for Appellant;

Mr. Gopal Jain, Sr. Advocate with Mr. Satendra Rai and Ms. Ruchika D. and Mr. Pareesh Virmani, Advocates for R 1 IL & FS.

Mr. Abhishek Anand, Mr. Karan Kohli, Advocates for RP.

Mr. Ashim Vachher, Sr. Advocate with Ms. Saiba M. Rajpal and Mr. Vinayak Uniyal, Advocates for I.A. 2251 & 3556 of 2025.

Mr. Arijit Prasad, Sr. Advocate with Mr. Ritesh Agrawal, Ms. Ankita Singh, Mr. Argh B. Sharma, Mr. Deepak Kumar and Ms. Priyanshi Sharma, Advocates for UP Awas.

Mr. Karamveer and Mr. Kumar Abhishek, Advocates for I.A. 2252 of 2025 Homebuyers.

Mr. Thakur Ankit Singh, Advocate for IA No. 2555 of 2025 & 2993 of 2025.

Mr. Thakur Ankit Singh, Advocate for I.A. 2993 of 2025.

Mr. Anshul Sharma, Advocates for Homebuyers in I.A. 3001 of 2025.

Mr. Sunil Fernandes, Sr. Advocate with Mr. Spandan Biswal, Mr. Kaustubh Rai and Mr. Shivendra Pandey, Advocates for I.A. No. 4193 of 2025.

Mr. A.K. Tewari, Mr. Rahul Burmani and Adv. Yosha Dutt, Advocates for I.A. No. 5887 & 5888 of 2025 for Respondents.

The Judgment of the Court was delivered by

ASHOK BHUSHAN, CHAIRPERSON:— These two Appeal(s) have been filed against the order dated 25.02.2025 passed by NCLT, New Delhi, Court-IV admitting Section 7 application filed by M/s IL&FS Financial Services Ltd. ("**IL&FS**"), the Financial Creditor (Respondent No. 1 herein). Company Appeal (AT) (Ins.) No. 502 of 2025 has been filed by Pranav Ansal, the Suspended Director of the Corporate Debtor ("**CD**") - M/s Ansal Properties and Infrastructure Limited ("**Ansal Properties**"). Company Appeal (AT) (Ins.) No. 500 of 2025 has been filed by Gagan Tandon and Ors., Homebuyers of the "Sushant Golf City", Lucknow Project, developed by Ansal Properties.

2. The facts of the present case and the relevant materials brought on record by the parties as well as Intervenors, highlights various aspects of insolvency resolution process, which relate to a real estate Company. The detailed facts, which we shall notice hereinafter is

reflection of varied complexities and difficulties in respect to a real estate Company, which has Projects, situated in different Cities, different States of the country.

3. We need to notice certain background facts with respect to the CD and facts leading to filing of Section 7 application by the Financial Creditors:

- (i) The State of Uttar Pradesh by Government Order dated 22.11.2023 announced a policy to promote and facilitate private sector participation in developing of Hi-tech Townships with world-class infrastructure, keeping in view the mandate of national estate housing policies. The policy was subsequently revised by Government Order dated 16.08.2007. Under the policy, the Development Authorities were to provide land to the developers under the Land Acquisition Act, 1894. The Developer was also to obtain land by direct purchase. The State was also entitled to provide land after resuming the land from different Gram Sabhas under the UP Zamindari Abolition and Land Reforms Act, 1950.
- (ii) As per the above policy, a Memorandum of Understanding ("**MoU**") was entered between the State of UP through the Lucknow Development Authority ("**LDA**") and M/s Ansal Properties and Infrastructure Limited (the CD). The CD was selected to develop Hi-Tech Township at Lucknow on land measuring 1500 acres or more. The MoU provided that after receiving the land acquisition proposal from the CD, the LDA shall initiate land acquisition proceedings and submit the acquisition proposal to the Collector of the District. Certain exemptions were also granted to the CD, including waiver of payment of 10% land acquisition charges, exemption from stamp duty for initial purchase and transfer of land, which shall be on the lease hold title for 90 years. The land which vests with the Gram Sabha was also required to be resumed by following the prescribed procedures. One of the Clauses under the MoU was to ensure timely completion of Project as per the provisions of the approved DPR, the LDA shall retain transferable rights of 25% of total saleable land, which shall be released in proportion to the second party on successful completion of various services to the functional stage. If the second party leaves any development work incomplete, the same shall be completed by the LDA through sale of the land so retained.
- (iii) A Development Agreement dated 18.11.2006 was entered between the CD and LDA, where the CD was to develop a HiTech Township in an area of 1765 acres. As per the Master Plan of Lucknow Development, Agreement contained one Clause-8 regarding Performance Guarantee, which reads as follows:

"8. Performance Guarantee

To ensure timely completion of the project as per the provisions of approved DPR, the First Party shall retain the transferable rights on 25 percent of total saleable land, which shall be released in proportion to the Second Party! on successful completion of various services to the functional stage. If the Second Party leaves any development work incomplete, the same shall be completed by the First Party through sale of the land so retained."

- (iv) There has been amendment to MoU between LDA and CD. On 10.05.2007 Development Agreement - 2 was executed. Similarly, on 27.11.2008, Development Agreement-3 was executed. Development Agreement-4 was executed on 20.08.2010. One more Development Agreement dated 26.04.2011 was executed between the CD and the LDA, which dealt with fifth phase of the proposed Hi-Tech Township of 958.85 acres. In the Development Agreement as noted above, DPR with respect to proposed lands were approved. The Development Agreement contained various Clauses, including the Clause of Performance Guarantee. Clause-9 of the Development Agreement dated 26.04.2011 provides as follows:

"9.	Performance Guarantee	To ensure timely completion of the project as per the provisions of the approved DPR and registration of transfer deeds of developed properties before handing over of properties to allottees, the Second Party shall mortgage 25 per cent of the total saleable land in favour of the First Party in accordance with the applicable rules/Acts. The mortgage deed shall be 'registered' and stamp duty as per Applicable Law shall be payable on Mortgage-Deed. Twenty per cent of the mortgaged land shall be
-----	-----------------------	--

		released after the successful completion of various services to the functional 'stage, compliance of all-conditions as per the provisions of the approved DPR especially with regard to "the ground water recharging system ensuring 120 per cent water recharging against total amount of ground water drawn and registration of transfer deeds of developed properties in favour of allottees. It the Second Party leaves any development work Incomplete, the same shall be completed by the First Party through sale of the land so mortgaged. Remaining five per cent of the mortgaged land shall be kept retained performance guarantee to ensure the maintenance of services."
--	--	--

- (v) The above Clause requires the CD to mortgage 25% of the total saleable land in favour of LDA.
- (vi) Lands were provided by the LDA through acquisition under the Land Acquisition Act as well as by redemption of land belonging to different Gram Sabha under the UP Zamindari Abolition and Land Reforms Act, 1950. The detailed DPR for Hi-Tech Technology in different phases approved and was sanctioned including the necessary Plans. Several Projects were launched by the CD in the State of UP and other States. One of the Hi-Tech Township Project at Lucknow was Sushant Golf City, Lucknow over an area of 4,465 acres. Different Projects were registered under the UP RERA at Lucknow, which Projects commenced and under the various Projects at Lucknow, the CD allotted units, both residential and commercial to large number of unit holders.
- (vii) Similarly in the State of UP, under the Hi-Tech Township/Integrated Township, Policy in other cities of State, MoU and Development Agreements were executed between CD and respective Development Authorities.
- (viii) The CD approached the IL&FS Financial Services Ltd., the Financial Creditor for sanction of Rupee Term Facility of Rs. 500 million. The CD was also proposed PMDO Facility (Pooled Municipal

Debt Obligation) of Rs. 3210 million and Rs. 3930 million funding facilities towards development of infrastructure at Lucknow Township. IL&FS Financial Services sanctioned Term Loan Facility of Rs. 500 million by a letter dated 16.02.2016 and terms and conditions for Term Loan Facility were part of the Sanctioned Letter. In pursuance of Sanction Letter dated 16.02.2016, a Loan Agreement was entered on 18.03.2016. Another Term Loan Facility of Rs. 100 crores was sanctioned on 26.10.2016, in pursuance of which a Loan Agreement was entered between the CD and IL&FS on 25.11.2016. The Loan Document-I and Loan Document-II both contained details terms and conditions, including details of security, purpose for which the loan was sanctioned and identified hypothecated receivables. Between 23.03.2016 to 01.12.2017, IL&FS disbursed amounts under Loan Agreement-I and Loan Agreement-II. On 28.06.2018, the Loan Agreement was amended vide a Supplemental Agreement dated June 28, 2018, whereby the repayment schedule was revised. In pursuance of the amount received under both the Facilities, the CD largely utilized such funds in the Project of Phase-2 Township located at Lucknow.

- (ix) There being default committed by the CD, IL&FS issued notice to rectify the alleged breaches. IL&FS vide notice dated 26.03.2019 recalled the entire Facility and in July 2019 filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "**IBC**"). Being CP(IB) No. 1649/ND/2019 to initiate Corporate Insolvency Resolution Process ("**CIRP**") of the CD.
- (x) On a statement made by the parties, the Adjudicating Authority vide order dated 27.04.2021 dismissed Section-7 application as withdrawn with liberty to the Financial Creditors to file fresh application.
- (xi) The CD gave an offer of settlement to pay an amount of Rs. 109,66,00,000/-. A Settlement Agreement dated 03.03.2022 was entered between the CD and IL&FS. The NCLT Mumbai in CA No. 130/MB/2022 in CP(IB) No. 3638/MB/2018 approved the Settlement Agreement between the parties. Pursuance to the Settlement Agreement, an amount of Rs. 5 crores was paid by the CD to IL&FS on 20.10.2022. The CD proposed a Revised Settlement Plan on 31.10.2023 of Rs. 104,66,00,000/- along with interest on delayed payment. On 22.11.2023, IL&FS accepted the proposal. In pursuance of settlement an amount of Rs. 28.36 crores were paid by the CD as on March 31, 2024. The CD asked for extension of time for making the payment, which was refused by the IL&FS. On 13.05.2024, IL&FS terminated the Settlement

Agreement and demanded an amount of Rs. 2,574,312,692/- having not been paid by the CD.

- (xii) On 06.08.2024, IL&FS filed Section 7 application being CP(IB) No. 558/2024 claiming default of Rs. 2,574,312,692/-. Notices were issued in Section 7 application. The CD filed its reply. Several Interventions Petitions were also filed in Section 7 application. One of the Intervention Petition was filed by Gagan Tandon and other Homebuyers of Sushant Golf City Project, seeking intervention. Several other Intervention Petitions were filed by different parties, including Financial Creditors.
- (xiii) Adjudicating Authority heard the parties and passed an order on 25.02.2025 admitted Section 7 application filed by the IL&FS. The Adjudicating Authority held that CD having not denied that it owns a substantial debt to the Applicant and the CD has only disputed the quantum of default as claimed in Section 7 application and has pleaded that amount overdue is only Rs. 83 crores. The Adjudicating Authority held that quantum does not affect the application admissibility. The Adjudicating Authority has held that the CD having admitted the existence of the debt and the default, and the default amount exceeds the statutory threshold of Rs. 1 crore, the application needs to be admitted. Section 7 application was admitted and moratorium was imposed under Section 14 of the IBC and the Interim Resolution Professional ("**IRP**") was also appointed. By the separate orders of the same day, dated 25.02.2025, Intervention Petitions filed by Gagan Tandon and other Intervenors, were rejected.
- (xiv) Aggrieved by the order dated 25.02.2025 admitting Section 7 application, these two Appeal(s) have been filed.

4. When these two Appeal(s) came for hearing on 26.03.2025, learned Counsel for LDA and other Development Authorities sought leave to file Intervention Applications. Learned Counsel for the Homebuyers also sought leave to file Intervention Applications for Homebuyers. On 26.03.2025, following order was passed in these Appeal(s):

"26.03.2025: This appeal has been filed against the order initiating CIRP on 25.02.2025. Shri Gopal Jain appears for the IL&FS Financial Services Ltd/Financial Creditors. Ld. Counsel for the Lucknow Development Authority and other Development Authorities submits that they have also stake in the matter and they should be permitted to intervene. Ld. Counsel appearing for Homebuyer also seeks liberty to file an intervention application. We permit Lucknow Development Authority and other Development Authorities as well as Homebuyers to file an intervention application along with affidavit within a week from today.

Shri Gopal Jain, counsel appearing for IL&FS Financial Services Ltd. may file Reply to the appeal within two weeks.

Company Appeal (AT) (Ins) No. 500 of 2025

Shri Gopal Jain, Counsel appears for the IL&FS Financial Services. Reply, if any, be filed before the next date. Intervention application be served on both Appellant as well as IL&FS Financial Services.

List these appeals on 15.04.2025 for admission/disposal."

5. Various Intervention Applications have been filed by the LDA and other Development Authorities and different other Statutory Authorities as well as the Homebuyers. We need to notice pleadings and facts brought in some of the IAs, so as to capture the nature of dispute and other aspects of the real estate Projects, which are up for consideration.

6. IA No. 2249 of 2025 : This IA has been filed by LDA praying for intervention, wherein following prayers have been made:

- "(a) Allow the intervention application of the applicant being a necessary party whose rights have been severely prejudiced by the order dated 25.02.2025 passed by the Hon'ble NCLT without impleading the applicant; and/or
- (b) Pleased to set aside the order dated 25.02.2025 passed in CP No. IB 558(ND)/2024 passed by the Hon'ble National Company Law Tribunal, New Delhi; and/or
- (c) Remand the matter back to the Hon'ble NCLT to pass appropriate orders after hearing and impleading the necessary and affected parties i.e. L.D.A. in the present application; and/or
- (d) Stay the proceedings before the Ld. IRP till the disposal of the present application; and/or
- (e) Pass any other or further order of any nature, direction as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case and in the interest of justice."

7. LDA's case in the application is that as per the Hi-Tech Township Scheme of the State of UP, an MoU was entered with LDA and the Ansal Properties and Infrastructure Limited for development of 1765 acres of land on Lucknow Sultanpur Road for Hi-Tech Township. In furtherance of which a Development Agreement was also executed between the parties. The MoU was for 1765 acres of land. Further, first extension of 1765 acres of land was also done totaling to 3530 acres. Further extension was granted with 2935 acres of land and DPR for 6465 acres was sanctioned on 23.05.2015 in approved layout/map. In the MoU dated 26.11.2005, 25% of the saleable area was to be retained by the LDA. In the application various Clauses of MoU and the Development Agreement have been referred to, including the Clause of Performance Guarantee. The Applicant's case is that the CD has also mortgaged its land and executed various Mortgage Deeds, which were registered on

15.10.2018 and thereafter. The Applicant's case is that LDA has also filed the claim in Form-C and the claim was filed on 11.03.2025 for Rs. 4,490 crores and also claimed security interest in various land of the CD by different Mortgage Deed and guarantees issued, which claim is claimed to have been filed for abundant caution. The LDA also claimed to have filed FIR C.C. No. 080 of 2025 against the CD. It is pleaded that in event of non-completion of the project by the CD, the LDA has the first right to complete the project as per Government Hi-Tech Policy and various MoU and Development Agreement entered between parties. It is further pleaded that the proceedings initiated under Section 7 are malicious proceedings, which are against the public interest. The Applicant prays that the order initiating CIRP be set aside. Reply and rejoinder to the IA have also been filed.

8. IA No. 2254 of 2025 : This IA has been filed by Bulandshahr Khurja Development Authority ("BKDA") seeking intervention in the Appeal. In the Intervention Application, the Applicant prays for setting aside order dated 25.02.2025 and has further prayed that the matter be remanded back to the NCLT for hearing the Applicant - BKDA. The Applicant's case is that the Applicant is a Statutory Authority constituted under the U.P. Urban Planning & Development Act, 1973. The Applicant claims that proceeding initiated is a malicious initiation. The Applicant being major stakeholder in the development of integrated Township under the State Policy, was required to be heard. It is pleaded that the CD had various resources to pay the alleged due to IL&FS, which has not been paid. The proceedings initiated is more in nature of recovery of debt. The Applicant has a claim of Rs. 16879 crores. The MoU dated 18.11.2004 for development of Hi-Tech Township was executed between M/s. Uttam Galva Steels Ltd. and M/s Ansal Properties & Industries Ltd. for development of Hi-Tech Township. A MoU was signed between BKDA and M/s Uttam Steel & Associates Consortium and a Development Agreement was signed on 07.07.2008 for development of 5.22 acres of land. There was Performance Guarantee wherein 25% of the saleable land has to be kept as mortgaged. Development Agreement-2 was executed and a Security Bond was also executed. BKDA by letter dated 29.04.2023 sent reminder to pay outstanding amount of more than Rs. 211 crores. It is submitted that development of Hi-Tech Township Project named - Dadri Project Scheme, Bulandshahr Khurja is different district from the Lucknow Project developed by the CD. Various FIRs. have been lodged by the Applicant and the Homebuyers against the CD. The entire proceedings of the CD is vitiated since CD deliberately connived in initiation of insolvency proceedings to overcome the various statutory/legal proceedings initiated against them in various Fora. The CD is using the present proceedings to avoid payment of legitimate

dues of Government Authorities and defrauding the gullible home buyers. Reply has also been filed in the application, to which rejoinder has also been filed.

9. IA No. 2256 of 2025 : This IA has been filed by Ghaziabad Development Authority ("GDA") seeking intervention as praying to set aside order dated 25.02.2025. GDA has entered into Development Agreement with CD for development of integrated Township in the City of Ghaziabad. Total land of 3847 sqm of land is mortgaged with GDA through registered Mortgage Deed. There is liability of the CD of Rs. 15,38,80,000/-. A Development Agreement was entered with GDA and CD on 09.05.2007 for integrated Township for 153 acres of land, under which the CD was to pay various development charges, Performance Guarantee to mortgage of 25% of total land in favour of GDA was also executed. The initiation of CIRP is malicious initiation. The GDA has also filed claim as Financial Creditor on 23.03.2025. Reply has also been filed by the ILFS to the application, to which rejoinder has also been filed.

10. IA No. 2251 of 2025 : This IA has been filed by Neha Singh and four others, who claimed to be purchasers of different plots of land from the CD in Sushant Golf City, Project partially developed by the CD, which Township is situated in Lucknow. The CD has issued the allotment letter in favour of the Applicants, who have paid sale consideration. The development of basic civic amenities, which was to be developed by the CD is still under way. The Sushant Golf City-Hi Tech Township is an amalgamation of different projects within it and the NCLT instead of keeping those projects which are sufficient to secure the loan of the CD has initiated CIRP against the CD itself encompassing all its projects across the country and imposing moratorium against all the Projects. The Applicant prays that Applicant be permitted to intervene and development work be resumed.

11. IA No. 2252 of 2025 : This IA has been filed by Arbind Kumar Mishra & 26 others, who claimed to be buyers of residential apartment/independent floors/villa & plots in Sushant Golf City, Lucknow developed by the CD. It is pleaded that order dated 25.02.2025 should not be made applicable to Sushant Golf City, Lucknow Hi-Tech Township as the same has been initiated under the UP Hi-Tech Township Policy of the State Government of the U.P. and the project is being constructed under the MoU and the Joint Development Agreement between the LDA and the CD. The initiation of CIRP will jeopardize the real estate project and cause irreparable loss and injury to thousands of Homebuyers. The Applicant refers to different Clauses of the MoU. It is pleaded that Section 7 application has been filed only for the debt of Rs. 83 crores and the creditors are misusing the provisions of IBC as a money recovery tool rather than seeking a

resolution process. The debt of Rs. 83 crores is negligible compared to the only Lucknow project, which valuation is more than Rs. 26,000 crores, which comprises of public funds. The continuation of CIRP will jeopardize registries and the rights of the Applicant. It is pleaded that in Company Petition No. (IB)-297(ND)/2023 in *Indian Bank v. Ansal Properties & Infrastructure Ltd.*, the NCLT has confined the CIRP to "Serene Residency Group Housing Project" at Sector ETA II, Greater Noida and did not extend it to the entire company. The Applicant seeks intervention and prays that impugned order dated 25.02.2025 be set aside and LDA be directed to take over all the Projects and the land of Sushant Golf City as per MoU, which is under UP Hi-Tech Township Policy 2003 and to ensure that all the Projects are developed. It has further been prayed that CIRP be confined to specific Project, Sushant Golf City, Lucknow. Following prayers have been made in the application:

- "A. Admit the present application and be pleased to consider the grounds raised herein in the interest of justice.
- B. Allow the present Intervention Application and implead the Applicant(s) as necessary parties in the instant appeal in order to protect their legitimate interests.
- C. Set aside the Impugned Order dated 25.02.2025 passed by the NCLT, Bench IV, New Delhi in CP No. : IB 558(ND)/2024 titled as "*IL&FS Financial Services Limited v. Ansal Properties and Infrastructure Limited*" with consequential reliefs; and
- D. Direct the Lucknow Development Authority (LDA) to take over all the projects and the land of Sushant Golf City, Lucknow, as per the Memorandum of Understanding (MOU) and the Uttar Pradesh Hi-Tech Township Policy 2003, to ensure that all the projects in which money has been taken from the buyers are constructed and completed. The LDA is obligated under the MOU and the UP Hi-Tech Township Policy 2003 to complete the project in case the developer fails to do so.
- E. Confine the CIRP proceedings to the specific project, "Sushant Golf City, Lucknow", in line with the precedents set by the Hon'ble NCLAT and NCLT in similar matters; F. Pass such other and further orders as this Hon'ble Tribunal may deem fit and proper in the interest of justice."

12. IA No. 2555 of 2025 : This IA has been filed by Arvind Dwivedi, who claims to have entered into Buyer Agreement with respect to a residential unit in Sushant Golf City, Lucknow Project. The Applicant claimed to have paid all the instalments. A Tripartite Agreement has been entered with the Indian Bank, the CD and the Applicant, where Applicant has been paying EMI to the Bank. The Applicant has executed one more Plot Buyer Agreement with the CD.

The Applicant has referred to CP(IB) No. 330(ND)2021 - *Bibhuti Bhushan Biswas v. Ansal Properties and Infrastructure Ltd.*, where the CIRP was admitted on 16.11.2022, wherein Appellate Tribunal vide order dated 04.03.2024 restrained the Project to the Project 'Fernhill' of the CD in Company Appeal (AT) (Ins.) No. 41 of 2023. Another CP(IB) No. 297(ND)/2023 - *Indian Bank v. Ansal Properties and Infrastructure Ltd.* has been admitted by the NCLT on 20.10.2023 qua "Serene Residency" Project of the CD. The Applicant seeks intervention and prays that Appeal No. 502 of 2025 be dismissed.

13. IA No. 2993 of 2025 : This IA has been filed by Apexstar Infracon Pvt. Ltd. and four others, who claim to have been invested money in several properties of the CD. Reference to various FIRs. against the Promoter have also been made. Actions taken by Uttar Pradesh Real Estate Regulatory Authority against the CD and its Promoters have also been highlighted. The Applicant prays that Appeal be dismissed.

14. IA No. 3001 of 2025 : This IA has been filed by Rakesh Pandey and 26 others, who claim to be Homebuyers and have paid substantial amount to the CD, who claim to be aggrieved by the order dated 25.02.2025, initiating the CRIP and have sought intervention.

15. IA No. 4193 of 2025 : This IA has been filed by Raavee Buildcon Pvt. Ltd. and two others. The Applicant has filed this application to safeguard its rights and obligations with respect to Sushant Taj City Project in Agra, UP. It claims to be co-developer along with the CD. The Applicant claim to have made efforts and paid substantial amount, and the Project has been progressing. It has received payments from 117 buyers and executed Sale Deed to 210 homebuyers. The Applicant seeks intervention and prays that Appeal be dismissed.

16. IA No. 5887 & 5888 of 2025 : This Application has been filed by Army Welfare Housing Organisation seeking intervention, who claimed to have purchased a land admeasuring 28.81 acres situated at Sector 114, Mohali, Punjab from the CD. The Applicant claims to have filed petition under Section 11(6) of the Arbitration & Conciliation Act, 1996 before the High Court of Punjab. There are 1048 allottees, who are serving/retired Army Personnel and their widows. The Applicant seeks intervention in the proceedings. In IA No. 5888 of 2025 - The Applicant prayed for direction to accept the claim of the Applicant and CD to obtain regulatory approvals from the Regulatory Authorities relating to Applicant's Group Housing Project at Sector 114 Mohali. Certain other prayers have been made. The Applicant also claims to have filed its claim in Form-C on 10.09.2025.

17. IA No. 3556 of 2025 : This IA has been filed by Shri Abhay Kesarwani and 47 others, who claim to be Homebuyers of Project

namely - Sushant Golf City Hi-Tech Township, Lucknow. The Applicants claim that there are various Builder Buyer Agreements executed by the CD and with respect to certain buyers Sale Deed have also been executed. The Applicant seeks intervention and has prayed that Management be permitted to run the Project Sushant Golf City Hi-Tech Township, which be kept out of CIRP process and direction be issued for execution of Conveyance Deed in favour of the Homebuyers.

18. IA No. 2261 of 2025 in Company Appeal (AT) (Ins.) No. 500 of 2025 : This IA has been filed by UP Awas Evam Vikas Parishad ("UPAEVP") making following prayers:

- "a. Allow the UP A VP to intervene in the present appeal;
- b. Direct the IRP of the Corporate Debtor to release the land in question in favor of the UP A VP, which is part of the mortgage deed/performance guarantee dated 26.08.2019;
- c. IRP may be directed to not to create any hindrance in the right of UPA VP with respect to 6.954 acres of land which is part of the mortgage deed and has stand vested in the UP A VP;
- d. Pass any other order as this Hon'ble Appellate Tribunal may deem fit and proper in the light of facts and circumstances hereof.

19. The case of the UPAEVP in the application is that 74.876 acres land situated at Sultanpur Road in land Development and Housing Scheme (Awadh Vihar Scheme) at Sector-7B, Village Barauna, Lucknow, which was utilized in favour of the CD, for which land the CD was required to make payment to the UPAEVA, as per the rate agreed between the parties and amount payable by M/s Ansal was converted into installments. The UPAEVP in its 236th Board Meeting held on 31.05.2016 decided that registered mortgage deed shall be executed from M/s Ansal only towards the amount payable by them from the land owned by them. Under the 239th Board meeting held on 21.10.2016, a proposal was passed about excluding the 74.876 acres of land situated a village Baruna from the HiTech Township Project. In continuation of which Gazette Notification dated 03.12.2016 was published. A mortgage deed between the UPAEVP and the CD was executed on 28.06.2019 with respect to certain areas of land included in 74.876 acres of land of which only 24.638 is part of HiTech Township (Sushant Golf City). The Demand Letter was issued by the UPAEVP to the CD. The CD deposited certain amount, but substantial amount is still due, for which the Deputy Housing Commissioner of UPAEVP on 12.04.2024 requested the District Magistrate, Lucknow to initiate recovery proceedings against the CD. The CD had entered into a Mortgage Deed, which is in the nature of performance guarantee with the UPAEVP. On default of the CD, the possession of the land has to automatically come in possession of the UPAEVP. After execution of

Mortgage Deed, the CD has no right over the land. Out of 74.876 acres of land, 24.638 acres of land has been released in favour of the CD by UPAEVP as per the proportionate payment made by the CD and on the balance 50.238 acres of land, the CD does not have any right. The UPAEVP has also lodged FIR against the CD on 29.03.2025. The UPAEVP has already filed a claim dated 14.04.2025 for an amount of Rs. 58,11,68,417/-. The UPAEVP has also filed an application before the Adjudicating Authority for excluding the above land from the assets of the CD.

20. IA No. 2264 of 2025 in Company Appeal (AT) (Ins.) No. 500 of 2025 : This IA has been filed by Uttar Pradesh Real Estate Regulatory Authority ("UP RERA") praying for following reliefs:

- "a. Allow the present Intervention Application and add the Applicant as a proper party to the captioned Appeal in the present facts and circumstances of the matter;
- b. Allow the Applicant Authority to file a response to the present Appeal as well as the connected Appeal;
- c. Pass any other Order(s) as this Hon'ble Appellate Tribunal may deem fit and proper in the facts and circumstances of the present matter."

21. In the application UP RERA claimed that it is an Statutory Authority established under the Real Estate (Regulation and Development) Act, 2016. Certain Projects are being developed by the CD under the Hi-Tech Township Policy of the State Government. Various complaints were received by the UP RERA from different Homebuyers, on which notices were issued to the CD and various orders imposing penalty have been passed against the CD. The CD has got several Projects registered with the UP RERA. The UP RERA has also directed the CD for getting the unregistered Projects registered. An additional affidavit has been filed by the UP RERA, where it has been pleaded that the CD has registered 93 real estate projects under the subject property at Lucknow. The subject property of the CD spans across an area of 4655 acres, which has more than 18,000 allottees. It is pleaded that CIRP proceedings will defeat the very objective of the RERA Act and this Tribunal may modify the order dated 25.02.2025 and quash the initiation of CIRP.

22. We have heard learned counsel Mr. M.P. Sahay appearing for the appellant in Comp. App. (AT) (Ins.) No. 500/2025 and learned counsel Ms. Neeha Nagpal appearing for the appellant in Comp. App. (AT) (Ins.) No. 502/2025 as well as learned Sr. counsel Mr. Gopal Jain appearing for IL&FS. We have also heard learned counsel for the intervenors including learned counsels appearing for different Development Authorities.

23. The submission of learned counsel for the appellant in Comp.

App. (AT) (Ins.) No. 500/2025, hereinafter referred to as submissions on behalf of the appellants - homebuyers. It is submitted that adjudicating authority committed error in initiating CIRP against the corporate debtor. Initiation of CIRP will jeopardise and prejudice the Real Estate Projects and cause irreparable loss, harm and injury to thousands of homebuyers. Real Estate Project was floated under the policies of Government of Uttar Pradesh, where corporate debtor is a licence holder authorised to construct and developed the project. In view of the Memorandum of Understandings (MoUs) entered with the corporate debtor and Lucknow Development Authority (LDA), LDA was entitled to take over the project in question, in event, the corporate debtor failed to develop the project. Section 7 application was filed by the financial creditor for a debt and default of Rs. 83 crore approximately. Financial creditor does not intend to resolve the corporate debtor rather using the Section 7 proceedings as money recovery tool. Corporate debtor has substantially completed the township project and delivered several thousand units to the allottees. Initiation of insolvency is against the interest of the homebuyers. Running of CIRP in Real Estates matter is a very complex and often a futile exercise. The delay in possession will have a cascading effect on the finance of the homebuyers as they are paying both EMIs to the banks and rents of their houses. The project being developed under state policy ought to be excluded from the CIRP which has been initiated against the corporate debtor. All appellants are allottee of the Suhant Golf City High-Tech Township Project, for which the corporate debtor was selected as a developer under the state policy. The land is owned by the State Government. Learned counsel for the appellant - homebuyers submits that appellants have also filed an application for intervention in Section 7 proceedings which was erroneously rejected by the adjudicating authority. Appellants are stakeholders in CIRP and Section 7 application filed by the financial creditor need to be dismissed in alternative the Township Project be excluded from purview of CIRP or this Tribunal may pass such other or further orders as may be deemed fit.

24. Learned counsel for the appellant in Comp. App. (AT) (Ins.) No. 502/2025 submits that corporate debtor has made efforts to liquidate the entire amount of the financial creditor as settled, out of settlement amount, amount of Rs. 28.36 crore was paid by 31.03.2024 and corporate debtor has prayed for extension of some more time to pay the balance which was erroneously rejected by financial creditor. The corporate debtor has explained the reason for delay in arranging the funds. The default amount as claimed in Section 7 application is of Rs. 257,43,12,692/- is not the amount in default and at best the default was only Rs. 83 crore. The corporate debtor is financially stable and

solvent company, it has substantial receivables from its various projects across India, including Mother City, Lucknow, which receivables are multiple times than the amount of alleged debt, given available resources, there is no justification for initiating CIRP against the corporate debtor. Corporate debtor has settled huge chunk of allottees/customers of its project situated throughout India. In Lucknow, corporate debtor has settled its customers amounting to about Rs. 126 crore. Corporate debtor has executed total of 3,306 Sale Deeds in favour of the allottees. The default by the corporate debtor is only with respect to the Project "Mother City, Lucknow". The project in default and CIRP initiated against the corporate debtor should be limited to the project in default only. Adjudicating authority failed to appreciate that if the distress or default is limited to one Project "Mother City, Lucknow", CIRP should be limited to that project alone. Adjudicating authority committed an error in admitting Section 7 application despite the fact that the corporate debtor had shown bona fide intent to repay and has already repaid Rs. 28.36 crores under the Revised Settlement Amount. The financial creditor is misusing the IBC proceedings as debt recovery tool. Adjudicating authority failed to appreciate that in case of CIRP against the Real Estate Company, it is very difficult to follow the normal process and a reverse CIRP should be followed in the case of Real Estate Companies in the interest of the allottees and to ensure survival of Real Estate Company, and to ensure completion of projects which provide employment to large number of unorganized workman and provide benefits to all other stakeholders in the infrastructure projects. The corporate debtor has several projects spread all over India and default being mainly in the Mother City, Lucknow, CIRP should be restricted to Lucknow Project only. The blanket admission of CIRP without restricting it to a particular project is contrary to settled judicial principles that require insolvency resolution to be undertaken on a project specific basis.

25. Learned counsel appearing for the Intervenor - LDA submitted that corporate debtor has entered into MoU with LDA under the High-Tech Township Policy of the State Government. MoU was entered on 26.11.2005 with corporate debtor and the LDA under which the corporate debtor was selected as developer for developing 1,765 acres of land for High-Tech Township. The corporate debtor was granted various concessions like waiver of payment of 10% acquisition cost, waver of stamp duty. 5 Development Agreements were executed between the LDA and the corporate debtor from 18.11.2006 to 26.04.2011 under which Development Agreements, the corporate debtor had to carry out the development work under High-Tech Township Policy 2003. As per the Development Agreement, the corporate debtor had to give performance guarantee providing that LDA

shall retain 25% of the total saleable land. In subsequent Development Agreement dated 20.08.2010, the corporate debtor was required to mortgage 25% of the total saleable land in favour of the LDA. The Agreement also contemplated that in event, the developer fails to complete the project, the project shall be completed by the LDA. It is submitted that land was provided by the LDA by acquiring the land. Land was also provided by the state of Uttar Pradesh by resuming land from various Gaon Sabhas under Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950. The land on the project was land provided to the corporate debtor by the state and the LDA. The corporate debtor committed error in entering into Rupee Loan Agreement with IL&FS in the year 2016, where all relevant clauses of MoU and the Development Agreement were concealed. It is submitted by the learned counsel for the LDA that Section 7 proceedings have been fraudulently initiated to harm the interest of all stakeholders. The corporate debtor was fully capable to discharge the amount of Rs. 83 crore which was due as per Settlement between the IL&FS and the corporate debtor. Large number of First Information Reports were lodged against the corporate debtor and its Director and corporate debtor in connivance with IL&FS initiated proceedings to save itself from its obligation to complete the project and pay dues of LDA and other stakeholders. Learned counsel for the LDA submits that in the facts of the present case, LDA was also necessary party to the proceeding and ought to have been heard before taking a decision to initiate CIRP against the corporate debtor. It is submitted that as abundant caution, LDA has also filed its claim in the CIRP. Dues of the LDA are more than Rs. 4,490 crore. The corporate debtor has been provided land of thousands of acres. Corporate debtor has also executed various mortgage deeds in favour of the LDA towards performance guarantee. In the High-Tech Township Project, launched by the State of Uttar Pradesh for the benefit of City population will suffer a jolt due to initiation of CIRP which is not in the interest of all stakeholders.

26. Learned counsel appearing for the Bullandshahar Khurja Development Authority submitted that the Bullandshahar Khurja Development Authority has entered into the MoU with corporate debtor and Uttam Steels and Associates Consortium, which project is at Dadri. MoU was entered on 13.12.2006 between the Ghaziabad Development Authority (GDA) and the consortium for development of High-Tech Township, where clause 22 provided for retention of 25% of total saleable land of the project and right to sale the asset mortgaged land on non-completion of development work. It is submitted that default committed in by the corporate debtor in the Lucknow Project cannot be a reason to put other projects in jeopardy Bullandshahar Khurja Development Authority by abundant caution without prejudice to its

right filed its claims as a financial creditor in 'Form-C' in the CIRP. CIRP has been initiated from non-payment of dues in the Lucknow project of corporate debtor, whereas the Project of Bullandhahar Khurja Development Authority is situated in Dadri. More than Rs. 1,687 crores are dues on the corporate debtor. Corporate debtor had various resources to pay the alleged dues of the IL&FS. Learned counsel for the appellant submitted that with respect to security given under the Loan Agreement 1 & Loan Agreement 2 by IL&FS securities are given out of receivables from Project at Lucknow.

27. Learned counsel for the GDA also submitted that GDA has entered into MoU with corporate debtor for development of Integrated Township in the City of Ghaziabad. Mortgaged Deed has also been executed by corporate debtor in favour of the GDA by abundant caution the claim has been filed as a financial creditor. The Section 7 proceeding has been maliciously initiated before the NCLT. Adjudicating authority ought to have appreciated that initiation of insolvency proceedings against corporate debtor will affect all the High-Tech/Integrated Township Projects in the State of Uttar Pradesh, various Development Authorities, homebuyers etc. shall be prejudicially affected. Adjudicating authority ought to have been heard development authority as necessary party before passing the order on 25.02.2025 since the impact/ramification of the impugned order has much wider implication to the public authorities/public money and affects and the confidence of the allottees in various projects being developed under the High-Tech/Integrated Township policy for the state of Uttar Pradesh. Learned counsel for the GDA has also prayed for setting aside the order initiating the CIRP.

28. Learned Sr. counsel Mr. Arijit Prasad appearing for the UP Awam Vikas Parishad also submitted his submission that UP Awam Vikas Parishad has made available the land to the corporate debtor for carrying out development. It is submitted that the Projects of UP Awam Vikas Parishad which was being developed by the corporate debtor be kept out of the CIRP process.

29. Several intervention applications have been filed by the homebuyers of Sushant Golf City Projects, Lucknow and homebuyer of other Projects situated in Agra, Mohali, Punjab, which we have noticed as above, the homebuyers in different intervention applications having quite different views. In some of the applications homebuyers prayed that CIRP be not initiated at all with respect to any project, in some of the applications it is prayed that Lucknow Project of Sushant Golf City be excluded from CIRP, in some of the applications it is prayed that CIRP, if any, be initiated only with respect to Lucknow Project. It is submitted in the intervention applications filed by the homebuyers that there is precedent of two earlier CIRPs where NCLT have initiated CIRP

with respect to two specific projects of the corporate debtor. It is submitted that in one project at Gurgaon namely 'Fernhill Project', there is direction of this Tribunal to confine the CIRP to 'Fernhill Project' and another project namely Serene Residency Group Housing Project situate in Greater Noida is also Project specific CIRP where CIRP was sought to be initiated against the corporate debtor. There are thus two earlier precedents where CIRP has been initiated with regard to two different projects of the corporate debtor and not the corporate debtor as a whole.

30. Learned counsel appearing for UP RERA has also prayed for intervention claiming that RERA which is statutory authority to regulate development of all Real Estate Projects ought to have been heard by the adjudicating authority before initiating CIRP.

31. Learned Sr. counsel Mr. Gopal Jain appearing for the IL&FS submits that the adjudicating authority has rightly admitted the Section 7 application, there being admitted debt and default on the part of the corporate debtor. It is submitted that financial creditor has granted ample opportunity to the corporate debtor to pay its outstanding debt in which corporate debtor miserably failed. C.P. (IB) No. 1649/2019 was earlier initiated by IL&FS which was withdrawn on 27.04.2021 on Settlement Proposal submitted by the corporate debtor to IL&FS. Corporate debtor entered into Settlement dated 03.03.2022 for Rs. 109,66,00,000/- out of only Rs. 5 crore was paid. Subsequently on 31.10.2023, corporate debtor proposed a revised settlement for Rs. 111,36,00,000/- out of which entire amount was to be paid by 31.03.2024. Corporate debtor has paid only amount of Rs. 28.36 crore. Request for further extension of time was not accepted and the Settlement Agreement was recalled by IL&FS on 13.05.2024, hence the total amount of Rs. 257,43,12,692/- became due for which Section 7 proceeding has been initiated.

32. Learned counsel for the appellant referring to the reply of the corporate debtor filed in Section 7 application submits that the corporate debtor pleaded in the reply that at best the default is an amount of only Rs. 83 crores. It is submitted that default having been admitted by the corporate debtor, twin test for admission of Section 7 application were clearly fulfilled. Learned counsel for the appellant has relied on the judgment of the Hon'ble Supreme Court in '*Innoventive Industries Limited v. ICICI Bank*', [(2018) 1 SCC 407] and in '*E.S. Krishnamurthy v. Bharath Hi-Tecch Builders (P) Ltd.*', [(2022) 3 SCC 161] as well as the judgment of the Hon'ble Supreme Court in '*M. Suresh Kumar Reddy v. Canara Bank*', [(2023) 8 SCC 387]. Learned counsel for the IL&FS submits that the CIRP Regulations, 2016 has been amended under which now the resolution for Real Estate Projects, RP with the concurrence of the Committee was entitled to call for

resolution plan project wise. It is submitted that statutory regulation provides for mode and manner of project wise resolution of Real Estate Company and the question of project wise resolution is a question which has to be considered and gone into subsequent to the admission of CIRP. It is submitted that admission of CIRP is in no manner can be faulted on the ground that corporate debtor has large number of projects. It is submitted that Competent Authority i.e., RERA who is regulatory authority for regulating the projects can be invited to attend the meeting of the CoC for overseeing the development. It is submitted that as per the terms and conditions for both the Rupee Term Loan Facility dated 16.02.2016 and 26.10.2016, the loan was taken by the corporate debtor for all the projects and Term Loan Facility extended by IL&FS was not for any specific project. It is submitted that mortgage of land by the corporate debtor in favour of the IL&FS was earlier in point of time to the mortgage executed in favour of the LDA by the corporate debtor. It is submitted that all relevant documents pertaining to mortgage and security created by the corporate debtor were on the record and were part of the Section 7 application. It is submitted that Development Authorities and other regulatory authorities who have filed intervention applications are free to approach the adjudicating authority for the grievances which are sought to be raised in these appeals. The prayer for excluding the particular project from CIRP can always be made before the adjudicating authority who seized of the entire matter.

33. Learned Sr. counsel Mr. Gopal Jain in the end submits that this Appellate Tribunal being exercising the same powers which adjudicating authority has exercised, it may issue necessary direction with regard to mode and manner in which resolution of different Real Estate Project has to be undertaken by the adjudicating authority, however, those are steps which need to be taken consequent to initiation of CIRP and has no effect on the initiation of CIRP which was validly made by the adjudicating authority.

34. We after hearing the learned counsel for the parties and the intervenors has noted their respective submissions in order dated 25.04.2025 including the submission regarding project wise resolution/reverse CIRP mechanism. We passed an interim order directing that till the next date of hearing, no 'Form-G' shall be issued in CIRP of the corporate debtor and we had allowed the intervention applications. In paragraphs 22 & 23, following order was passed:

"22. Intervention Application(s) filed by Development Authorities/UPRERA/UP Awas Evam Vikas Parishad and the Homebuyers, as noted above are allowed. Intervenors are also allowed two weeks time to file affidavit in support of their case.

23. As noted above, keeping in view the issue pertaining to mode

and manner of the resolution of CD and enormity of Projects, which are situated in different cities being involved, we need to hear the parties before issuing any direction with regard to manner in which Resolution of the CD shall proceed as per the provisions of the IBC. At this stage, we issue following directions:

- (1) Lucknow Development Authority and other Development Authorities are given liberty to file an Application with regard to categorisation of their claims before the Adjudicating Authority, which may be considered and decided at an early date by the Adjudicating Authority.
- (2) The IRP/RP shall proceed to collate and verify the claims of Creditors in accordance with the CIRP Regulations, 2016.

Till the next date of hearing, CIRP may go on, however, no Form-G shall be issued in the CIRP of the CD.

Parties may complete the pleadings before the next date."

35. In Comp. App. (AT) (Ins.) No. 502/2025, we had passed an order on 01.07.2025 noticing the submission of the appellant in Comp. App. (AT) (Ins.) No. 502/2025 to bring on affidavit details of all projects along with the current status and other relevant fact. On 01.07.2025, we passed following orders:

"Learned Counsel for the Lucknow Development Authority, Bulandshahr, Agra and Ghaziabad submits that they have filed the Applications and the affidavit as per earlier order of the Court and they have received the Reply in June, 2025 in all four matters by the IL & FS Financial Services Ltd. and they pray for a weeks' time to file Rejoinder.

Mr. Sumant Batra, Learned Counsel appearing in Company Appeal (AT) (Insolvency) No. 502 of 2025 submits that the Appellant be also allowed a weeks' time to bring on affidavit the details of all projects along with the current status and any other relevant facts with regard to said projects, the said affidavit be filed after serving it on the Respondent within a week.

In so far as the other applications which have been filed by Interveners, it is open for the parties i.e. the Appellant as well as the Respondent to respond before the next date.

List these Appeals on **07.07.2025 at 02 : 00 PM.**

Interim Order to continue."

36. In compliance of the order dated 01.07.2025, appellant in Comp. App. (AT) (Ins.) No. 502/2025 has filed an affidavit bringing on record the project wise details as Annexure A-1 to the affidavit. Project wise Report, Annexure A-1 indicate that the corporate debtor has listed 26 projects in different cities of the state of Uttar Pradesh, state of Haryana, state of Punjab and state of Rajasthan. With regard to

Sushant Golf City, Lucknow, Uttar Pradesh was mentioned as High-Tech Township Development Project spread over approximately over 4,465 acres. The project comprises RERA registered sub-Projects, some of which had already been completed Occupancy Certificate obtained. Details of some of the sub-Projects of Sushant Golf City, Lucknow are listed at Item No. 1 to 93, with average status of completion. Annexure A-1 brought on the record by the Suspended Director of the corporate debtor by means of an affidavit is made part of this judgment as Schedule I.

37. From the materials brought on record and submissions made by counsel for the parties and intervenors reflects large scale projects of the corporate debtor spread over different states of the country. In the state of Uttar Pradesh itself several High-Tech Township/Integrated Township Projects have been launched with corporate debtor as developer. In the different project spread over several states, thousands of allottees are involved. The appeals before us raise complex questions which arise in resolution of Real Estate Projects.

38. Learned counsel for the parties have also relied on various judgments of the Hon'ble Supreme Court and this Tribunal, where mechanism for resolution of Real Estate Project was laid down.

39. From the materials on the record and submissions advanced by the counsel for the parties, following are the issues which arose for consideration in the present appeals:

- I. Whether the IL&FS has brought sufficient materials to prove that corporate debtor has committed default in payment to debt due in respect of Loan Agreements dated 18.03.20216 and 25.11.2016 and there was sufficient ground to initiate CIRP against the corporate debtor?
- II. What are the purpose and extent of two loans and securities given by corporate debtor in two loans and whether securities extend to all the projects of corporate debtor or were confined to only few of projects?
- III. Whether moratorium imposed by order dated 25.02.2025 to extend all the projects of corporate debtor situated in state of Uttar Pradesh and other states or need to be confined to only those projects where corporate debtor has given securities for two loans taken by IL&FS?
- IV. Whether the adjudicating authority ought to have considered in the CIRP project wise resolution/reverse CIRP to protect the interest of all stakeholders?
- V. Whether in the facts of the present case, the CIRP needed to be confined at Lucknow Project i.e., Sushant Golf Project at first instance or any other specific project wise resolution?

VI. Whether the facts of the present case have made out the case for issuing direction for project wise resolution of the corporate debtor/reverse CIRP in the interest of all stakeholders?

VII. What are the way forward and further directions needed in facts of the present case?

Question No. I

40. We have noticed the background facts, which led the Financial Creditor to file Section 7 application against the CD on 06.08.2024. The basis of Section 7 application is two Loan Facilities extended by the IL&FS to the CD. The first Loan Facility of Rs. 50 crores was extended by Loan Agreement dated 18.03.2016 and second Loan Facility of Rs. 100 crores extended by Loan Agreement dated 26.10.2016. The CD having committed default, the Financial Creditor has initiated proceedings under Section 7 (earlier proceedings) being CP(IB) No. 1649/ND/2019, which was withdrawn on 27.04.2021 on statements made by the parties before the Adjudicating Authority that CD is making settlement offer. A Settlement Agreement was executed on 03.03.2022. The CD has given a settlement offer for Rs. 109,66,00,000/-, under which settlement offer, an amount of Rs. 5 crores was paid. Revised settlement offer of Rs. 104,66,00,000/- was submitted by the CD, which was accepted by the IL&FS on 22.11.2023. In pursuance of settlement an amount of Rs. 28.36 crores was paid by the CD as on 31.03.2024. The CD asked for extension of time for making payment till 30.09.2024, which was declined by IL&FS. The IL&FS by letter dated 13.05.2024 terminated the Settlement Agreement and demanded the entire amount of Rs. 2,574,312,692/-. Due to non-payment of the amount demanded, Section 7 application was filed on 06.08.2024. In Part-IV of Section 7 application, Financial Creditor has given details of its facilities, Sanctioned Letter dated 16.02.2016 and a subsequent Sanction Letter dated 26.10.2016 and the Agreements entered thereon. Part-IV of Section 7 application is as follows:

"Part-IV

Particulars of Financial Debt		
1.	Total amount of Debt granted date(s) of disbursement	The Applicant has granted a total sum of Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores) ("Entire Loan Amount") to the Corporate Debtor on the dates and in the manner as detailed out in Annexure-A-4. The details of the transactions pursuant to which the said

amounts were disbursed are as follows:

A. Facility I:

a. Pursuant to the request of the Corporate Debtor towards inter alia, requirement of funds for the development of a project (residential and commercial) at Lucknow ("Project"), the Applicant granted a term loan facility of upto Rs. 50,00,00,000/- (Rupees Fifty Crores only) ("Facility I") vide its Offer/Sanction Letter bearing no. D/OTL/16/89 dated February 16, 2016 ("Sanction Letter I"). A copy of the Sanction Letter I is annexed herewith as Annexure-A-5.

b. In furtherance of the same, the Applicant executed a Loan Agreement dated March 18, 2016 ("Loan Agreement I") with the Corporate Debtor. A copy of the First Loan Agreement is annexed herewith as Annexure-A-6.

c. Pursuant to the Loan Agreement I, the Applicant disbursed a total amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) on the dates and in the manner as detailed out in Part A of Annexure-A-4.

d. Subsequently, the Loan Agreement I was amended vide a Supplemental Agreement dated June 28, 2018 whereby repayment schedule as provided under Clause 14 of the Sanction Letter I was revised. A copy of the Supplemental Agreement dated June 28, 2018, is annexed herewith as Annexure-A-7.

		B. Facility II: a. Upon subsequent request of the Corporate Debtor, the Applicant granted another term loan facility of upto Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) ("Facility II") vide another Offer/Sanction Letter bearing no. DEL/OTL/17/100 dated October 26, 2016 ("Sanction Letter II"). A copy of the Second Sanction Letter is annexed herewith as Annexure-A-8. b. In furtherance to the Sanction Letter II, the Applicant executed another Loan Agreement dated November 25, 2016 ("Loan Agreement II"). A copy of the Loan Agreement II is annexed herewith as Annexure-A-9. c. Pursuant to the Loan Agreement II, the Applicant disbursed a total amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on the dates and in the manner as detailed out in Part B of Annexure-A-4. [Facility I and Facility I/are collectively referred to as "Facilities'1 (Loan Agreement I and Loan Agreement I/are collectively referred to as "Loan Agreements']
2.	Amount claimed to be in default and the date on which the default occurred (attach the workings for computation of amount and dates of default in Tabular Form	The total amount claimed to be default is Rs. 257,43,12,692/- (Rupees Two Hundred Fifty-Seven Crore Forty-Three Lakh Twelve Thousand Six Hundred Ninety-Two Only) - (outstanding as on April 30, 2024). The date of default, as detailed

hereinafter, is May 21, 2024.

....”

41. In Part-IV details of the events subsequent to two Loan Agreements including OTS proposal and revised OTS proposal, which were mentioned under the heading A to FF. The Settlement Agreement entered between the partis on 03.03.2022 had also approval of the NCLT, Mumbai vide its order dated 14.10.2022. In Section 7 application, notices were issued by the Adjudicating Authority and reply has been filed by the CD, which reply has been brought on the record of the Company Appeal (AT) (Ins.) No. 502 of 2025. In the reply, which was filed to Section 7 application, the CD has not disputed the default, which has been committed by the CD in repayment of the loan. In Paragraph 5 of the reply, the CD pleaded that amount outstanding is only Rs. 83 crores as per revised settlement amount. Paragraph 5 of the reply is as follows:

“**5.** The alleged default, as claimed by the Applicant, is Rs. 257.43 crores. The Applicant is not entitled to the alleged debt claimed to be in default. The alleged default does not reflect the true situation as the Respondent had entered into a Settlement Agreement dated 03.03.2022 with the Applicant, which was subsequently amended by Applicant's Letter dated 22.11.2023, whereby the Applicant sanctioned Rs. 111.36 crores (“Revised Settlement Amount”) as the settled amount. The Respondent has already repaid Rs. 28.36 crores by 31st March 2024, and only a sum of Rs. 83 crores are outstanding of out the Revised Settlement Amount.

42. The CD, thus, in the proceedings under Section 7, did not dispute that there is amount outstanding against the CD, payable to the Financial Creditor.

43. We need to first notice the essential requirement, which needs to be proved by a Financial Creditor for an application under Section 7. The celebrated judgment on the subject, which is often referred to and relied is judgment of the Hon'ble Supreme Court in (2018) 1 SCC 407 - *Innovative Industries Ltd. v. ICICI Bank* The Hon'ble Supreme Court in Paragraph 28 of the judgment laid down that Adjudicating Authority is to be satisfied that default has occurred and the CD is entitled to point out that default has not occurred. In Paragraph 28 of the judgment, following has been laid down:

“**28.** When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1), a default is in respect of a financial debt owed to *any* financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is

prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be."

44. The next judgment to be noticed is the judgment of the Hon'ble Supreme Court in *E.S. Krishnamurthy v. Bharath Hi-Tech Builders Pvt. Ltd.*, (2022) 3 SCC 161, where the Hon'ble Supreme Court held that the Adjudicating Authority is empowered only to verify whether default has occurred or if a default has not occurred and based on which decision, the Adjudicating Authority must either admit or reject the application. In Paragraph 34 of the judgment, following has been laid down:

"34. The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to

the proceedings before it to settle a dispute.”

45. The next judgment which needs to be noticed is the judgment of the Hon'ble Supreme Court in *M. Suresh Kumar Reddy v. Canara Bank*, (2023) 8 SCC 387, where Hon'ble Supreme Court in Paragraph 13-14 laid down following:

“**13.** A review petition was filed by Axis Bank Ltd. seeking a review of the decision of *Vidarbha Industries [Vidarbha Industries Power Ltd. v. Axis Bank Ltd.]*, (2022) 8 SCC 352 : (2022) 4 SCC (Civ) 329] on the ground that the attention of the Court was not invited to the case of *E.S. Krishnamurthy [E.S. Krishnamurthy v. Bharath Hi-Tecch Builders (P) Ltd.]*, (2022) 3 SCC 161 : (2022) 2 SCC (Civ) 129]. While disposing of review petition by order dated 22-9-2022 [*Axis Bank Ltd. v. Vidarbha Industries Power Ltd.*, (2023) 7 SCC 321 : (2023) 3 SCC (Civ) 773], this Court held thus : (*Vidarbha Industries Power case [Axis Bank Ltd. v. Vidarbha Industries Power Ltd.]*, (2023) 7 SCC 321 : (2023) 3 SCC (Civ) 773], SCC p. 323, paras 6-7)

“6. The elucidation in para 90 and other paragraphs [of the judgment under review] [*Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, (2022) 8 SCC 352 : (2022) 4 SCC (Civ) 329] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case.

7. To interpret words and provisions of a statute, it may become necessary for the Judges to embark upon lengthy discussions. The words of Judges interpreting statutes are not to be interpreted as statutes.”

14. Thus, it was clarified by the order in review that the decision in *Vidarbha Industries [Vidarbha Industries Power Ltd. v. Axis Bank Ltd.]*, (2022) 8 SCC 352 : (2022) 4 SCC (Civ) 329] was in the setting of facts of the case before this Court. Hence, the decision in *Vidarbha Industries [Vidarbha Industries Power Ltd. v. Axis Bank Ltd.]*, (2022) 8 SCC 352 : (2022) 4 SCC (Civ) 329] cannot be read and understood as taking a view which is contrary to the view taken in *Innoventive Industries [Innoventive Industries Ltd. v. ICICI Bank]*, (2018) 1 SCC 407 : (2018) 1 SCC (Civ) 356] and *E.S. Krishnamurthy [E.S. Krishnamurthy v. Bharath Hi-Tecch Builders (P) Ltd.]*, (2022) 3 SCC 161 : (2022) 2 SCC (Civ) 129]. The view taken in *Innoventive Industries [Innoventive Industries Ltd. v. ICICI Bank]*, (2018) 1 SCC 407 : (2018) 1 SCC (Civ) 356] still holds good.”

46. In the reply, which was filed by the CD before the Adjudicating Authority, the CD placed reliance on judgment of the Hon'ble Supreme Court in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, (2022) 8 SCC

352, in which case the Hon'ble Supreme Court was of the view that in the facts of the said case, where CD was possessed with decree in arbitration of decretal amount, which was more than the debt and default, it held that initiation of CIRP in such cases is not mandatory. In the facts of the present case, there are no such facts or pleadings on which it can be held that initiation of CIRP was uncalled for. It is true that in the reply, the CD has pleaded that it is executing multiple projects across diverse location and initiation of CIRP would paralyze these projects and result in destruction of value for creditors and other stakeholders.

47. We have considered the facts brought in the present case and all materials, which have been brought by the Financial Creditor in Section 7 application filed against the CD. We are of the view that Adjudicating Authority has rightly returned the finding that debt and default on the part of the CD in repayment of dues of the Financial Creditor are fully proved. In Paragraphs 12 and 13 of the impugned order, the Adjudicating Authority has observed following:

"12. In light of these facts, it is evident that the Corporate Debtor has repeatedly failed to honor its financial commitments and has not adhered to the timelines set out in the Settlement Agreement. The Corporate Debtor's request for additional time to settle the case is not a legitimate defence against the admission of the application, as it is based on the same pattern of non-payment and delays.

13. In conclusion, the Corporate Debtor has admitted the existence of the debt and the default, and the default amount exceeds the statutory threshold of Rs. 1 crore. The dispute over the quantum of the debt does not affect the admissibility of the application at this stage, as it is a matter for the IRP to resolve post-admission. The Corporate Debtor's repeated defaults, failure to comply with settlement terms, and inability to provide a satisfactory justification for its non-payment further reinforce the need for admission of this application. Therefore, we find that the application under Section 7 of the IBC is complete in all respects, and we hereby admit the application."

48. We fully concur with the findings and conclusions drawn by the Adjudicating Authority that CD has admitted the existence of the debt and the default, and the default amount exceeds the statutory threshold of Rs. 1 crore. We, thus, are satisfied that order of Adjudicating Authority initiating CIRP against the CD cannot be faulted. However, in view of the fact that CD is carrying various projects situated in different locations of the country, what would be the manner and procedure for conducting the CIRP against the CD, shall be considered and examined by us in foregoing paragraphs of this judgment.

49. In view of the aforesaid, we answer Question No. I to following effect:

The IL&FS (Financial Creditor) has brought sufficient material to prove that the CD has committed default in payment of its debt, due in respect of Loan Agreements dated 18.03.2016 and 25.11.2016 and there was sufficient ground to initiate CIRP against the CD.

Question No. II

50. By virtue of order dated 01.07.2025 in these Appeal(s), the CD has filed an additional affidavit dated 04.07.2025 in Company Appeal (AT) (Ins.) No. 502 of 2025 bringing on record project-wise report regarding the Projects undertaken by the CD from the year 2000. Annexure A-1 contains project wise report and details of 93 projects registered with UP RERA, which Annexure A-1 is appended as Schedule -1 to this judgment. Schedule-1 of the Annexure A-1, captures the extent of various projects, which have been undertaken by the CD in different States of this country and number of projects, which are being taken at mother City at Lucknow.

51. Section-7 application has been filed by the IL&FS with respect to two Rupee Term Loan Facility extended by the IL&FS to the CD. First Loan was sanctioned of Rs. 50 crores by letter dated 16.02.2016 and the second loan was sanctioned by Sanction Letter dated 26.10.2016. The first Loan Agreement is dated 18.03.2016 and the second Loan Agreement is dated 25.11.2016. The loan was sanctioned by IL&FS to the CD on the terms and conditions, which were part of the Sanction Letter and Loan Agreements were also executed. As per the terms and conditions, which were offered to the CD, two relevant facts have been noticed in the Loan Agreements are that the CD has already been sanctioned Rs. 3930 million (Rs. 39.30 crores) funding facility by Consortium of Bankers under Pooled Municipal Debt Obligation ("**PMDO**") and PMDO Facility of Rs. 3210 million is proposed to the CD. The second Loan Agreement also notices that projects of the CD are throughout in India. The Sanction Letters and Loan Agreements thus provided for securities, which were to be given by the CD for repayment of the two loans.

52. The CD has undertaken projects in different cities of UP under HiTech Township Policy of 2003 and apart from Lucknow, the CD entered in agreement with Development Authorities and has been carrying out different projects in different cities of the State of UP. The CD has also Projects in other States including the State of Rajasthan, Haryana and Punjab.

53. One of the major problem which is encountered with respect to insolvency of real estate project, which are undertaken by a real estate

Company, are as to extent of the CIRP, which has been initiated by a Financial Creditor of one particular Project of real estate Company when the real estate Company is carrying on more than one Projects, several difficulties arises. Few of which are:

- (1) When Financial Creditor relying on one project, files an application under Section 7 of the IBC against a real estate Company, whether CIRP should confine to the Project in question or it should take into its fold all the projects being run by the real estate Company.
- (2) When a Financial Creditor initiate the CIRP with respect to a project situated in a particular City or a particular State, whether the projects of the CD situated in different cities or States, are also to be undertaken in the fold of the CIRP.
- (3) When the Financial Creditor is a Financial Institution and it has extended facilities to the CD and has taken security from the CD for ensuring repayment of the loan, which security may include one or more projects of the CD, whether the CIRP should confine only to the projects and assets of the CD, which are part of the securities mentioned in the Loan Agreement.
- (4) When a CIRP against one project is being undertaken, whether the CoC should confine to the claims with respect to the said project only or it should extend to claims in various other projects.

54. For answering some of the issues, which arose with respect to insolvency resolution of the real estate project, we first need to notice the Rupee Term Loan Facilities, which were the basis for initiation of Section 7 application by the CD. Part-IV of Section 7 application refers to two Facilities. Facility-I of Rs. 50 crores and Facility-II of Rs. 100 crores and total amount claimed is Rs. 257,43,12,692. We have also extracted the relevant portions of Part-IV in the above part of this judgment. Now we need to notice the details of Facility-I and Facility-II. We also need to notice the securities, which were contemplated in the Facility-I and Facility-II and the securities, which have been mentioned in Section 7 application. The Financial Institutions when extend the loan facilities to a CD for its repayment, securities are created and thus security interest of the Financial Institutions is created in the asset. Facility-I was sanctioned by letter dated 16.02.2016 and along with Sanction Letter, terms and conditions for Term Loan Facility was also mentioned. We need to notice few Clause of terms and conditions. In Clause-6 PMDO Facility has been defined in following manner:

"6.	PMDO Facility	:	Rs. 3210 mn (proposed) and Rs. 3930 mn funding
-----	---------------	---	---

		facilities extended by Consortium of Bankers under "Pooled Municipal Debt Obligation" to Ansal API Infrastructure Ltd. (AAIL) towards development of infrastructure at Lucknow Township"
--	--	--

55. Clause-7 contains definition of Hypothecated Identified Receivables and other terms, which Clause-7 is as follows:

"7.	(a) Hypothecated : Identified Receivables (b) Escrow FSI : Receivables (c) Balance FSI : Receivables (d) IFIN Escrow : FSI Receivables (e) Segregated : Escrow FSI Receivables	(a) "Hypothecated Identified Receivables" shall mean receivables aggregating to a minimum ~Rs. 5.64 Bn from FSI of Mother City/sold by APIL to various Buyers under DA I/II/III/(Details of Hypothecated Identified Receivables are attached as Annexure A) (b) "Escrow FSI Receivables" shall mean identified receivables from out of the Hypothecated Identified Receivables aggregating to Rs. 1.35 Bn or such amount as may be agreed (the "Escrow FSI Receivables") and which shall be deposited by the FSI Buyers directly into a designated account acceptable to IFIN (the "FSI Escrow Account") APIL/Promoters will confirm & undertake & ensure that the entire Escrow FSI Receivables are deposited directly into the FSI Escrow Account by the FSI
-----	--	---

		Buyers Details of Escrow FSI Receivables to be provided by the Borrower prior to disbursement (c) "Balance FSI Receivables" shall mean the Hypothecated Identified Receivables less the Escrowed FSI Receivables (d) "IFIN Escrow FSI Receivables" shall mean 75% of the Escrow FSI Receivables which shall be forthwith transferred from the FSI Escrow Account into a sub-account of the FSI Escrow Account ("IFIN FSI Sub-Account") (e) "Segregated Escrow FSI Receivables" shall mean 25% of the Escrow FSI Receivables which shall be forthwith transferred from the FSI Escrow Account into a sub-account of the FSI Escrow Account "Segregated FSI Sub-Account"
--	--	--

56. Clause-10 deals with the 'Purpose of the Facility', which provided that Facility would be utilized for any of the specific purpose as mentioned therein. Clause-10 is as follows:

"10.	Purpose of the Facility	:	The funds provided under the Facility would be utilized for any of the below specified purposes: (a) Project Development Expenses in APIL's various under construction real estate projects (b) Long Term Working Capital (c) Extending loan & advance to subsidiaries/associates including loan & advance to AAIL(PMDO borrower) towards implementation of trunk infrastructure at Lucknow township (Phase II) as envisaged by PMDO pending disbursement of proposed PMDO loan of Rs. 3210 mn
------	-------------------------	---	--

			(d) General Corporate purposes The Borrower shall provide a Statutory Auditor's Certificate confirming the end-use of funds within 30 days of disbursement (s)."
--	--	--	---

57. Clause-15 delas with 'Sources of Repayment', which is as follows:

"15.	Sources of Repayment :	The Facility shall be repaid from the below mentioned illustrative sources: (a) Receivables from Hypothecated Identified Receivables (b) Cash flows from sale from the properties mortgaged with IFIN (c) Disbursement under sanction of Rs. 3,210 Mn from PMDO/PNB to the extent the Facility is utilised towards extending loan & advance to PMDO borrower (AAIL) towards implementation of trunk infrastructure at Lucknow township (Phase II) as envisaged by PMDO/PNB (d) Revenues/operating cash flows of the Borrower (e) Promoter's Equity outright sale proceeds (f) Refinancing (g) Fresh infusion of equity/quasi equity into the Borrower/divestment proceeds"
------	------------------------	---

58. Clause-21 deals with 'Security'. Clause-21 specifically refers to exclusive mortgage of fully developed plots situated at Mother City, Lucknow; Hypothecated receivables of Lucknow plots and first exclusive mortgage built up properties located at Lucknow/Jaipur/Jodhpur/Ajmer. Clause-21 is as follows:

"21.	Security :	The Facility shall be secured by the following: (a) (1) First exclusive mortgage of fully developed Plots (ready to construct plots by the prospective buyers) situated at Mother city,
------	------------	--

Lucknow (the "Lucknow Plots")
Valuation/Title Investigation to
IFIN satisfaction by IFIN
appointed Valuer/s & Legal
Counsel. Details/Title Deeds to be
provided immediately for
expeditious processing
(2) First exclusive hypothecation
of receivables from the Lucknow
Plots ("Hypothecated Receivables
of Lucknow Plots"). Irrevocable
POA from Borrower for the
Hypothecated Receivables of the
Lucknow Plots
(b) First exclusive hypothecation
of Hypothecated Identified
Receivables Irrevocable POA from
Borrower for the Hypothecated
Identified Receivables
(c) (1) First exclusive mortgage
built up properties (ready to
move in status) (located at
Lucknow/Jaipur/Jodhpur/Ajmer)
("Built Up Properties")
(2) First exclusive hypothecation
of recievables from Built Up
Properties ("Hypothecated Built
Up Properties Receivables").
Irrevocable POA from Borrower for
the Hypothecated Built Up
Properties Receivables
(d) Corporate Guarantee of all
land owning companies other
than the Borrower, if any,
providing immovable property as
security
(e) Personal Guarantee of Mr.
Sushil Ansal and Mr. Pranav Ansal
(f) Demand Promissory note in
favour of the Lender. The
Promissory note shall bear the
common seal of the Borrower duly
supported by a resolution of the
Board of Directors of the Borrower

			(g) ECS mandate for Principal & Interest (including PDC for one month interest and Principal)"
--	--	--	--

59. Along with terms and conditions, Annexure-A was also annexed, which was "Details of Hypothecated Identified Receivables" in two parts, which included residential and commercial assets noted therein. Total balance receivables against CD as contained in Annexure-A is Rs. 564.33 crores.

60. The various terms and conditions in the Loan Agreement being repetition of terms and conditions as noted above, it needs no repetition.

61. Similarly, second Loan Facility dated 26.10.2016 of Rs. 100 crores was issued, which also contained the terms and conditions. Clause 6 of the PMDO Facility is in following manner:

"6.	PMDO Facility	:	PMDO I : Rs. 3930 mn funding facilities extended by Consortium of Bankers under "Pooled Municipal Debt Obligation" ("PMDO") to Ansal API Infrastructure Ltd. ("AAIL") towards development of trunk infrastructure at Mother City, being part of township located at Lucknow ("Mother City, Lucknow") which is being developed pursuant to the terms of the [development agreements for the Mother City, Lucknow project] ("DA I/II/III") PMDO II : Proposed term loan of up to Rs. 1,500 mn to AAIL from PMDO lenders towards development of trunk infrastructure for Phase II of the township located at Lucknow ("Mother City Extension, Lucknow"), which is being developed pursuant to the terms of the [development agreements for the said the Mother City Extension, Lucknow project] ("DA IV/V") of the Lucknow Township"
-----	---------------	---	--

62. Clause-7 refers to 'Hypothecated & Escrowed Identified Receivables - Mother City, Lucknow and Hypothecated & Escrowed

Identified Receivables-Mother City Extension, which is as follows:

"7.	(A) Hypothecated & Escrowed Identified Receivables — Mother City	:	(a) "Hypothecated & Escrowed Identified Receivables — Mother City" shall mean entire receivables (present and future) from FSI/Group Housing/Commercial/Plots/Villas/any other development (unless specifically excluded by IFIN) at Mother City, Lucknow proposed to be sold/already sold by APIL to various buyers, which Mother City, Lucknow is being developed pursuant to the terms of DA I/II/III along with residual cashflows from the said Mother City, Lucknow project, for part construction of which funding has also been availed from cert3.1 tie, 1er lenders (to be specified by the Borrower in writing with details, which lenders may be excluded upfront by IFIN). A summary of the Hypothecated & Escrowed Identified Receivables-Mother City is provided below:																																														
<table> <tr> <th>Category</th><th colspan="2">Balance</th><th>Total</th></tr> <tr> <th rowspan="2">(Rs.mn)</th><th colspan="2">Receivables</th><th rowspan="2"></th></tr> <tr> <th>Sold</th><th>Unsold</th></tr> <tr> <td>FSI</td><td></td><td></td><td></td></tr> <tr> <td>--Group Housing</td><td>3,790</td><td>4,320</td><td>8,110</td></tr> <tr> <td>-- Commercial</td><td>1,870</td><td>7,320</td><td>9,190</td></tr> <tr> <td>Plots</td><td>640</td><td>2,370</td><td>3,010</td></tr> <tr> <td>Villas/Floors</td><td>820</td><td>3,310</td><td>4,120</td></tr> <tr> <td>Group Housing</td><td>1,310</td><td>4,210</td><td>5,520</td></tr> <tr> <td>Commercial</td><td>290</td><td>1,470</td><td>1,760</td></tr> <tr> <td>Other (Public, recreation, etc.)</td><td>660</td><td>2,950</td><td>3,610</td></tr> <tr> <td>Total</td><td>9,370</td><td>25,950</td><td>35,220</td></tr> </table>				Category	Balance		Total	(Rs.mn)	Receivables			Sold	Unsold	FSI				--Group Housing	3,790	4,320	8,110	-- Commercial	1,870	7,320	9,190	Plots	640	2,370	3,010	Villas/Floors	820	3,310	4,120	Group Housing	1,310	4,210	5,520	Commercial	290	1,470	1,760	Other (Public, recreation, etc.)	660	2,950	3,610	Total	9,370	25,950	35,220
Category	Balance		Total																																														
(Rs.mn)	Receivables																																																
	Sold	Unsold																																															
FSI																																																	
--Group Housing	3,790	4,320	8,110																																														
-- Commercial	1,870	7,320	9,190																																														
Plots	640	2,370	3,010																																														
Villas/Floors	820	3,310	4,120																																														
Group Housing	1,310	4,210	5,520																																														
Commercial	290	1,470	1,760																																														
Other (Public, recreation, etc.)	660	2,950	3,610																																														
Total	9,370	25,950	35,220																																														

(B)
Hypothecated
& Escrowed
Identified
Receivables-
Mother City
Extension

(b) "Hypothecated & Escrowed Identified Receivables - Mother City Extension" shall mean entire receivables (present and future) from FSI/Group Housing/Commercial/Plots/Villas/any other development (unless specifically excluded by IFIN) at Mother City Extension, Lucknow proposed to be sold/already sold by APIL to various buyers which are being developed pursuant to the terms of DA wry along with residual cashflows from the said Mother City Extension, Lucknow project, for which part of construction funding is availed from certain other lenders (to be specified by the Borrower in writing with details, who may be excluded upfront by IFIN). A summary of Hypothecated & Escrowed Identified Receivables - Mother City Extension is provided below:

Category (Rs.mn)	Balance Receivables		Total
	Sold	Unsold	
FSI			
--Group Housing	1,910	10,400	12,310
-- Commercial	120	2,730	2,850
Plots	2,420	4,220	6,640
Villas/Floors	2,430	6,350	8,780
Group Housing	1,680	5,160	6,840
Commercial	30	80	110
Other (Public, recreation, etc.)	90	6,010	6,100
Total	8,690	34,940	43,630

The Borrower shall provide all the

			details including the basis of assessment of future receivables, name of the scheme/FSI buyers, approved plan including FSI/Total Sqft, lenders details, as applicable, to the satisfaction of IFIN.
--	--	--	--

63. It is relevant to notice that above Loan Agreement refers to Development Agreement I, II and III and with regard to Mother City Extension. The Loan Agreement, thus, has clearly noticed the Development Agreement, which was entered with Lucknow Development Authority and the CD. With regard to receivables from Mother City, total amount of Rs. 35,220 million and for Mother City Extension Rs. 43,630 million have been mentioned. The security, which was provided in Clause-21 of the second Agreement clearly mentions for security of plots and Mother City Extension, Lucknow; Golf Plots etc. The second Loan Agreement, thus mentions security situated at City of Lucknow only.

64. In pursuance of the Sanction Letter dated 26.10.2016, the Loan Agreement dated 25.11.2016 was entered with terms and conditions as noted in the Sanction Letter. The details of securities were mentioned in the Agreement as noted above.

65. Section 7 application filed by the Financial Institution in Part-V has given details of security, certificate of registration of charge and other details. It is useful to notice Part-V Sl. No. 1, which is as follows:

1.	Particulars of security held, if any, the date of its creation, its estimated value as per the creditor. [attach a copy of a certificate of registration of charge issued by the registrar of companies (if the corporate debtor is a company)]	Under the terms of the Sanction Letters read with the Loan Agreements, the Corporate Debtor had offered the following as security for securing the repayment of the Facility Amount: A. First exclusive charge in the form of mortgage by deposit of title deeds over various properties owned/held by the Corporate Debtor as per details given in Annexure-A-27(Colly) B. First exclusive charge in the form of hypothecation over receivables generated from various properties as per details given in Annexure-A-28 (Colly). C. Corporate Guarantees of the landowning companies
----	--	--

		associated with the Corporate Debtor as detailed out in Annexure-A-29 (Colly) D. Personal Guarantees of Mr. Sushil Ansal and Mr. Pranav Ansal, Chairmen of the Corporate Debtor as detailed out in Annexure-A-30 (Colly). E. Demand Promissory Note for: a. the amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) with interest at the rate of 17.5% per annum executed by the Corporate Debtor under the hand of Mr. Ashok Dang and Mr. Kapil Arora. b. the amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with interest at the rate of 17.5% per annum executed by the Corporate Debtor under the hand of Mr. Ashok Dang and Mr. Kapil Arora. Copies of the above-mentioned Demand Promissory Notes are annexed herewith as Annexure-A-31 (Colly). F. Copies of the certificates of registration of the said charges are annexed herewith as Annexure-A-32 (Colly)"
--	--	--

66. Above pleadings in Part-V Section 7 application mentions in Annexure A-27, first exclusive charge in the form of mortgage by deposit of title deeds and first exclusive charge in the form of hypothecation over receivable generated from various properties as per details given in Annexure-28, and copies of certificates of registration of the charges as per details given in Annexure-32. Section-7 application itself provides details of security and charges created by the parties.

67. It is relevant to notice that a Settlement Agreement was entered between the CD and IL&FS dated 03.03.2022, under which the CD had agreed to make total payment of Rs. 109,66,00,000/- to the IL&FS. The Settlement Agreement in Schedule-B mentions "List of Existing Securities and Security Documents". The securities mentioned at Sl.

No. 1, 2, 3 and 4 relates to assets at Lucknow and security mentioned at Sl. No. 5 mention 27 units in building known as Ansal Royal Plaza, Jodhpur; 54 units in Orchid Plaza and 14 units in Tulip Plaza at Jaipur; Sl. No. 6 mentions 59 built up units at Ajmer, Rajasthan; Sl. No. 7 mentions property at Jodhpur, Jaipur, Lucknow and Ajmer; and Sl. No. 8 deals with hypothecation.

68. The relevant terms and conditions of the Sanction Letter and the Loan Agreements, thus, clearly provided for immovable securities for repayment of both the loans, in addition to the projects of the CD at City of Lucknow, U.P., the security was also created with respect to three cities in the State of Rajasthan i.e. Ajmer, Jodhpur and Jaipur. From Annexure-A, which has been brought on the record by the CD, as noted above, it is clear that apart from different projects at City Lucknow, State U.P., the CD had projects in the State of Haryana, Mohali (Punjab), Rajasthan - Ajmer, Jodhpur and Jaipur. There are 93 registered projects in the City of Lucknow alone. The question, which needs to be answered is as to whether securities, which have been taken by Financial Institutions, i.e. IL&FS in the present case has any relevance with respect to CIRP of a real estate Company. The securities obviously have been taken by the Financial Institutions to ensure repayment of its loan and when the CD commits default as per the Loan Agreement, the Financial Institutions are entitled to take remedy as per the Agreement and recover its dues by realization as per the insolvency process contemplated under the IBC. The IBC and CIRP Regulations, do not contain any provision so as to specify if Financial Institutions has receivable or securities of one or more projects of the CD in the CIRP, whether the CIRP should confine to one project of the CD or all projects or to the projects, in which lenders have receivables and securities.

69. We in the order dated 25.04.2025 passed in these Appeal(s) have noticed that with respect to the CD, the CIRP has also earlier commenced at two occasions with respect to projects namely - Fernhill Project, Gurgaon State of Haryana and Serene Residency Group Housing Project in the State of UP.

70. With respect of Fernhill Project of the CD, a Section 7 application was filed by the allottees of Fernhill Project, on which CIRP commenced against the CD on 16.11.2022, against which order Company Appeal (AT) (Ins.) Nos. 41, 65 and 77 of 2023 were filed in this Tribunal. This Tribunal passed an order on 13.01.2023 confining the order of the Adjudicating Authority admitting Section 7 application to 'Fernhill Project' situated at District Gurgaon, which has been noticed in the order dated 04.03.2024 in the above Company Appeal(s). Paragraph 2 of the order dated 04.03.2024 is as follows:

"2. These appeals have been filed against the order dated 16.11.2022 passed in Section 7 Application by which on an

Application filed by 125 allottees (Financial Creditors), the Adjudicating Authority admitted Section 7 Application. The allottees, who filed the Application, were allottees of one Projects the 'Fernhill Project'. This Tribunal entertained the appeal and passed following interim order dated 13.01.2023:

"ORDER

13.01.2023 : Learned counsel for the Appellant submits that the Adjudicating Authority had on an application under Section 7 by the allottees of one project Fernhill situated in Section-91, Gurgaon, Manesar, Haryana has initiated CIRP process against the Corporate Debtor. It is submitted that the Corporate Debtor has several projects and the Appellants are allottees in two projects situated at Lucknow, State of Uttar Pradesh. It is submitted that the Applicant allottees being only concerned with Fernhill project CIRP ought to have been confined to Fernhill project only and projects in other States ought not to have been included. Submission needs scrutiny.

Issue notice. Requisites alongwith process fee be filed within three days. Respondents may file Reply within two weeks. Rejoinder be filed within two weeks thereafter.

List this Appeal on 28.02.2023.

We provide that the order of Adjudicating Authority admitting Section 7 application shall confine to 'Fernhill project' situated at District Gurgaon."

71. The Appeal(s) were filed challenging the order dated 16.11.2022 by the allottees of different projects of the CD, which projects were situated in different Cities. The allottees who had initiated the CIRP against the CD, relating to Fernhill Project, also had agreed that CIRP initiated vide order dated 16.11.2022 be confined to only Fernhill Project. The order of the Adjudicating Authority was modified by this Tribunal by directing that the same be confined to only one project, i.e. Fernhill. In Paragraph-3, following was directed:

"3. All these appeals by the allottees, who have different projects of the Corporate Debtor and by initiation of CIRP they have been aggrieved. The Projects of the Appellants are situated at different cities and the 'Fernhill' project is situated at Manesar, Haryana. Learned Counsel for the Appellants as well as the learned Counsel for the allottees, who are Applicant, are agreeable that the CIRP should be confined only to 'Fernhill Project'. There being no dispute between the parties that CIRP should be confined to Fernhill Project, we modify the impugned order dated 16.11.2022 only to the extent that the CIRP admitted against the Corporate Debtor shall confine only to one project i.e. "The Fernhill" situated at "Revenue Estate of Village Mewka, TehsilManesar, Sector-91, District-Gurgaon, Haryana"

72. The Appeal was disposed of by this Tribunal accordingly.

73. Another CIRP commenced against the CD with respect to 'Serene Residency Group Housing' Project, situated at Greater Noida, U.P. and that CIRP was also confined to the said Project only, not affecting the other Projects.

74. The above facts indicate that there are two instances with respect to CIRP against the CD, where the CIRP was confined to the respective projects only and the CIRP was not directed to be proceeded with respect to all projects of the CD.

75. We have noticed in detail the securities, which have been provided for in the Loan Agreements between the CD and IL&FS. For the purpose of consideration as to whether the CIRP, which has been initiated by the impugned order dated 25.02.2025 should be confined to the assets which are included in the securities provided by the CD or it should engulf all Projects of the CD, the same shall be considered hereinafter.

Question Nos. III to VI

All the above questions being inter-related, are being taken together.

76. We have noticed above that on two occasions, where the CIRP commenced against the CD, i.e. Ansal Properties and Infrastructure Ltd., the CIRP was confined to two projects respectively, since the CIRP was initiated by the Financial Creditors in a class relating to concerned projects. We have noticed above the securities and receivables, which are contemplated in Loan Agreements between the parties relate to only projects of the CD situated at City of Lucknow in the State of U.P. and three Cities in the State of Rajasthan, i.e. Ajmer, Jodhpur and Jaipur. The details of assets on all securities and mortgages created in the above Cities have been noticed above. The present is a case where the CD was implementing the Hi-Tech Township Project under the Policy promulgated by the State of U.P. in different cities of the State of U.P. Lucknow is one of the City, which is referred in the Loan Agreement as Mother City, where the CD was carrying out development work as per Development Agreements-I to V, when Loan Facility was extended by IL&FS, the IL&FS was well aware that CD has been proposed under PMDO-I Rs. 3930 million and under PMDO-II Rs. 3210 million. The Financial Creditors, thus, was fully conscious of earlier facilities extended by Consortium of Bankers to the CD and have provided in detail the securities, which include the mortgaged assets, receivables, hypothecated and identifiable receivables. It is further relevant to notice that the Sanction Letter dated 16.02.2016 in Annexure-A notices the hypothecated, identified and receivables from residential and commercial units and total balance amount receivable from the CD was mentioned at Rs. 564.33 crores. In second Loan

Facility the receivables and assets in the Mother City Lucknow and Mother City Extension Lucknow were also noticed. Thus, Financial Institution had taken care of repayment of dues.

77. We are conscious that CIRP proceedings are not proceedings of repayment of dues or recovery of dues by the Financial Institutions and the object is to revive and rehabilitate the CD. When CIRP has commenced against a real estate project, the resolution, rehabilitation and revival of the project become necessary to safeguard interest of stakeholders, specially the allottees, who have been allotted residential/commercial plots by the CD. In the present case, the CD, who has been developing different projects at the City of Lucknow and other cities, has allotted units to different Homebuyers and allottees of residential and commercial assets. For resolution of a real estate project, the interest of the Homebuyers has to be taken care and the Courts have always taken steps to protect the interests of Homebuyers. We in this context refer to a recent judgment of the Hon'ble Supreme Court in *Mansi Brar Fernandes v. Shubha Sharma* - Civil Appeal No. 3826 of 2020 and other Appeals decided on 12.09.2025. The Hon'ble Supreme Court in the above case was also considering an Appeal arising out of CIRP of a real estate project. In Paragraph 15.2, the Hon'ble Supreme Court has reiterated certain principles, which notices that IBC is a Forum of last resort, intended to secure revival and completion of viable projects, not to serve as a debt recovery mechanism. In Paragraph-15.2, the Hon'ble Supreme Court laid down following:

"15.2. In this necessary in this backdrop to reiterate certain settled principles:

- RERA remains the primary forum for redressal of homebuyers' grievances;
- The IBC is a forum of last resort, intended to secure revival and completion of viable projects, not to serve as a debt recovery mechanism; and
- Consumer forums should confine themselves to adjudicating individual service deficiencies, thereby avoiding conflicting or overlapping orders across multiple fora."

78. In paragraph 15.5, the Hon'ble Supreme Court further observed that a balance judicial approach will have far-reaching benefits. In Paragraph-15.5, following was observed:

"15.5. A balanced judicial approach in this regard will have far-reaching benefits : protecting homebuyers, restoring confidence in the real estate market, and encouraging reputed business houses and conglomerates to participate in residential development. In taking this approach, this Court seeks to contribute towards

cleansing and strengthening a core economic sector that sustains millions of livelihoods in both the organised and unorganised economy and touches the lives of people at their most fundamental level.”

79. The Hon'ble Supreme Court in the above case has also observed that right to shelter is an integral part of the right to life under Article 21 of the Constitution. In Paragraph-20, 20.1 to 20.5 following have been laid down:

“RIGHT TO SHELTER AS A FUNDAMENTAL RIGHT:

CONSTITUTIONAL OBLIGATION OF THE STATE TO PROTECT HOMEBUYERS

20. This Court has, in a catena of decisions, consistently held and reaffirmed that the Right to Shelter is an integral part of the right to life under Article 21 of the Constitution. This recognition casts a corresponding duty on the State to ensure access to adequate housing, particularly for weaker sections. Indeed, various welfare schemes such as the Pradhan Mantri Awas Yojana (PMAY) have been initiated by the Government to provide affordable housing.

20.1. A home is not merely a roof over one's head; it is a reflection of one's hopes and dreams - a safe space for a family, a refuge from the worries of the world. With India rapidly industrialising and the rural-to-urban mobility proceeding at lightening pace, the demand for housing has risen sharply.

20.2. Yet, the plight of tax-paying middle-class citizens paints a disheartening picture. Having invested their lifelong savings in pursuit of a home, many are compelled to shoulder a double burden - servicing EMIs on one hand, and paying rent on the other - only to find their “dream home” reduced to an unfinished building. In some cases, construction has not even commenced despite full or substantial payment. An average homebuyer may be a teacher, lawyer, doctor, IT professional, or a government employee, who has poured his or her hard-earned money into the pockets of a developer. For such individuals, a stable roof over their family's head is all they desire. The anxiety of not having a home despite paying a fortune is bound to take a serious toll on health, productivity, and dignity.

20.3. It is therefore imperative that the life savings of a common person culminate in timely possession of their promised home. Article 21 would mandate nothing less. In *Samatha v. State of A.P.*²¹, this Court reiterated that the right to social and economic justice as well as the right to shelter are fundamental rights encompassed within the ambit of the right to life. Similarly, in *Chameli Singh v. State of U.P.*²², this Court observed:

"Shelter for a human being, therefore, is not a mere protection of his life and limb. It is home where he has opportunities to grow physically, mentally, intellectually and spiritually. Right to shelter, therefore, includes adequate living space, safe and decent structure, clean and decent surroundings, sufficient light, pure air and water, electricity, sanitation and other civic amenities like roads etc. so as to have easy access to his daily avocation. The right to shelter, therefore, does not mean a mere right to a roof over one's head but right to all the infrastructure necessary to enable them to live and develop as a human being. Right to shelter when used as an essential requisite to the right to live should be deemed to have been guaranteed as a fundamental right. As is enjoined in the Directive Principles, the State should be deemed to be under an obligation to secure it for its citizens, of course subject to its economic budgeting. In a democratic society as a member of the organised civic community one should have permanent shelter so as to physically, mentally and intellectually equip oneself to improve his excellence as a useful citizen as enjoined in the Fundamental Duties and to be a useful citizen and equal participant in democracy. The ultimate object of making a man equipped with a right to dignity of person and equality of status is to enable him to develop himself into a cultured being. Want of decent residence, therefore, frustrates the very object of the constitutional animation of right to equality, economic justice, fundamental right to residence, dignity of person and right to live itself."

20.4. Thus, it would be thoroughly erroneous to treat home-buying as a mere commercial transaction, or worse, to reduce housing to the status of speculative instruments such as stocks, debentures, futures, or options through creative contractual devices. Housing is neither a luxury nor a commodity for speculation - it is a fundamental human need. The right to secure, peaceful, and timely possession of one's home is therefore a facet of the fundamental right to shelter enshrined under Article 21(3).

20.5. The State carries a constitutional obligation to create and strictly enforce a framework wherein no developer is permitted to defraud or exploit homebuyers. Ensuring timely project completion must be a cornerstone of India's urban policy. Equally, the State must proactively address the menace of a parallel cash economy and speculative practices in the real estate market, which artificially inflate housing costs and enable "trigger-happy" investors seeking easy exits to jeopardize the interests of genuine end-users"

80. The Hon'ble Supreme Court in its conclusion issued various directions. The directions issued at Paragraph-21.2(5) and (6), which

are relevant in the present case, are as follows:

“21.2(5) Since real estate is the second largest sector in IBC proceedings, IBBI24, in consultation with RERA authorities, shall constitute a council to frame specific guidelines for insolvency proceedings in real estate, including timelines for project-wise CIRP, and safeguards for allottees.

(6) Resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire corporate debtor, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice. IBBI shall also devise a mechanism to enable handover of possession to willing allottees where substantial units in a project are complete.”

81. What Hon'ble Supreme Court has held in the above case is that resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire CD, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice.

82. We also need to notice certain provisions of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (**“CIRP Regulations”**), which deals with the process for resolution of a CD, with respect to resolution of a real estate company, which has several real estate projects, few amendments have been made in the CIRP Regulations, which need to be noticed. The CIRP Regulations as originally framed did not envisage any real estate project resolution. In Regulation 36A for the first time by amendment in Regulation 36A(1), a clarification has been added with effect from 15.02.2024. Regulation 36A, sub-regulation (1) with clarification provides as follows:

“36A(1) The resolution professional shall publish brief particulars of the invitation for expression of interest in Form G of the 123 [Schedule-I] at the earliest, 124[not later than sixtieth day]from the insolvency commencement date, from interested and eligible prospective resolution applicants to submit resolution plans.

[Clarification : The resolution professional after the approval of the committee may invite a resolution plan for each real estate project or group of projects of the corporate debtor.]

83. The above provision is an enabling provision that empowers the RP after approval of CoC, to invite Resolution Plans for each real estate project or projects of the CD. The above Regulation thus, clearly contemplates the steps to be undertaken by the RP when there is more than one real estate project of the CD. Certain further amendments have been made in the Regulation with effect from 03.02.2025, which also needs to be noticed. Regulation 4E has been added with effect from 03.02.2025, which is as follows:

"4E. Handing over the possession. After obtaining the approval of the committee with not less than sixty-six percent of total votes, the resolution professional shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project and facilitate registration, where the allottee has requested for the same and has performed his part under the agreement."

84. In Regulation 18, sub-regulation (4) has been inserted vide Notification dated 03.02.2025, which empowers the CoC to invite the competent authority, i.e. Real Estate (Regulation and Development) Act, 2016. Sub-regulation (4) of Regulation 18 is as follows:

"18(4) Where the corporate debtor has any real estate project, the committee may direct the resolution professional to invite the 'competent authority' as defined in clause (p) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) related to such project to attend such meeting(s) of the committee, as the committee may decide, without voting rights, for providing inputs on matters associated with the development of such project."

85. The above Regulations, even after amendments as noted above, throw very little light over the complexities and difficulties, which arise in the resolution of the real estate project, undertaken by a real estate Company. There have been several precedences of this Tribunal, where this Tribunal had occasion to consider the resolution of a real estate project. The judgment of this Tribunal in Company Appeal (AT) (Ins.) No. 926 of 2019 - *Flat Buyers Association Winter Hills - 77, Gurgaon v. Umang Realtech Pvt. Ltd. through IRP* is one of such cases, where this Tribunal has noticed the problems in following certain process in the cases of infrastructure companies (for allottees). In Paragraphs 9 and 10 of the judgment, following observations have been made:

"9. In terms of the 'I&B Code' and the decisions of the Hon'ble Supreme Court, the 'Resolution Plan' must maximise the assets of the Corporate Debtor and balance the stakeholders (secured and unsecured creditors-Financial Creditors/Operational Creditors).

10. The Infrastructure which is constructed for the allottees by Corporate Debtor (Infrastructure Company) is an asset of the Corporate Debtor. The assets of the Corporate Debtor as per the Code cannot be distributed, which are secured for 'Secured Creditors'. On the contrary, allottees (Homebuyers) who are 'Unsecured Creditors', the assets of the Corporate Debtor which is the Infrastructure, is to be transferred in their favour ('Unsecured Creditors') and not to the 'Secured Creditors' such as Financial Institutions/Banks/NBFCs."

86. The Hon'ble Supreme Court in the above case has also noticed

the concept of "reverse corporate insolvency resolution process". This Tribunal in the above judgment, which was delivered on 04.02.2020 had observed that in the CIRP against a real estate, if allottees (Financial Creditors) or Financial Institutions are of one project initiated CIRP against the CD, it be confined to the particular project and it cannot affect other projects of the real estate company in other places. In Paragraph 21 of the judgment, following was laid down:

"21. In Corporate Insolvency Resolution Process against a real estate, if allottees (Financial Creditors) or Financial Institutions/Banks (Other Financial Creditors) or Operational Creditors of one project initiated Corporate Insolvency Resolution Process against the Corporate Debtor (real estate company), it is confined to the particular project, it cannot affect any other project (s) of the same real estate company (Corporate Debtor) in other places where separate plan(s) are approved by different authorities, land and its owner may be different and mainly the allottees (financial creditors), financial institutions (financial creditors, operational creditors are different for such separate project. Therefore, all the asset of the company (Corporate Debtor) are not to be maximized. The asset of the company (Corporate Debtor - real estate) of that particular project is to be maximized for balancing the creditors such as allottees, financial institutions and operational creditors of that particular project. Corporate Insolvency Resolution Process should be project basis, as per approved plan by the Competent Authority. Any other allottees (financial creditors) or financial institutions/banks (other financial creditors) or operational creditors of other project cannot file a claim before the Interim Resolution Professional of other project and such claim cannot be entertained.

So, we hold that Corporate Insolvency Resolution Process against a real estate company (Corporate Debtor) is limited to a project as per approved plan by the Competent Authority and not other projects which are separate at other places for which separate plans approved. For example - in this case the Winter Hill - 77 Gurgaon Project of the 'Corporate Debtor' has been place of Corporate Insolvency Resolution Process. If the same real estate company (Corporate Debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the Corporate Debtor (Company) for such other projects can be maximised."

87. This Tribunal in the above case has held that *"if the same real estate company (Corporate Debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the Corporate Debtor (Company) for*

such other projects can be maximized". The above judgment of this Tribunal, thus, has clearly observed that when the CIRP by allottees or Financial Institutions relates to one project, it should be confined to that project. The above proposition, thus, is fully supported by precedence of this Tribunal, hence, we have no hesitation to hold that when CIRP initiated by allottees or Financial Institutions, under Section 7 relates to one project, the CIRP has to be confined to the said project and cannot take into its fold, the other real estate projects, situated in other cities or other States.

88. We have noticed above that two Loan Facilities extended by the IL&FS to the CD. The purpose of the Loan Facilities as noted above provided that it would be utilized for any of the specific purpose as mentioned therein from (a) to (d). Clause (a) provided for project development expenses in APIL's various under construction real estate projects and Clause (c) provides for expanding loan & advances to subsidiaries/associates including loan and advances to CD towards implementation of trunk infrastructure at Lucknow township and general corporate purpose. The Facility, thus specifically did not limit the utilization for any one project. When source of repayment as provided in the Sanctioned Letter and the Loan Agreement confine to specific assets mortgaged and charge, we are of the view that in the CIRP, only those assets/projects, which had charge, had to be resolved. It is the CD's case that majority of funds received from IL&FS were utilized for project Hi-Tech Township project at Lucknow. Be that as it may, when the securities and receivables are specified in the Loan Agreement, we are of the view that the CIRP has to be confined to only those projects, which form part of securities/receivables and extending the CIRP to projects, which are not contemplated or referred to in the Loan Agreements, is uncalled for. The CD and IL&Fs are well aware about all the Hi-Tech Township projects and PMDO Facilities, which were undertaken. We have noticed Clause 21 of the terms and conditions of Sanctioned Letter dated 16.02.2016, which was the clause dealing with security. Security was clearly provided for Lucknow Plots; hypothecated receivables of Lucknow Plots, hypothecated identified receivables and first exclusive mortgage built up properties at Lucknow, Ajmer, Jodhpur and Jaipur. For ready reference, we may refer to Clause 21 of Sanctioned Letter dated 16.02.2016, which is as follows:

"21.	Security	:	The Facility shall be secured by the following: (a) (1) First exclusive mortgage of fully developed Plots (ready to construct plots by the prospective buyers) situated at Mother city, Lucknow (the "Lucknow Plots")
------	----------	---	--

			Valuation/Title Investigation to IFIN satisfaction by IFIN appointed Valuer/s & Legal Counsel. Details/Title Deeds to be provided immediately for expeditious processing (2) First exclusive hypothecation of receivables from the Lucknow Plots ("Hypothecated Receivables of Lucknow Plots"). Irrevocable POA from Borrower for the Hypothecated Receivables of the Lucknow Plots (b) First exclusive hypothecation of Hypothecated Identified Receivables Irrevocable POA from Borrower for the Hypothecated Identified Receivables (c) (1) First exclusive mortgage built up properties (ready to move in status) (located at Lucknow/Jaipur/Jodhpur/Ajmer) ("Built Up Properties") (2) First exclusive hypothecation of receivables from Built Up Properties ("Hypothecated Built Up Properties Receivables"). Irrevocable POA from Borrower for the Hypothecated Built Up Properties Receivables (d) Corporate Guarantee of all land owning companies other than the Borrower, if any, providing immovable property as security (e) Personal Guarantee of Mr. Sushil Ansal and Mr. Pranav Ansal (f) Demand Promissory note in favour of the Lender. The Promissory note shall bear the common seal of the Borrower duly supported by a resolution of the Board of Directors of the Borrower (g) ECS mandate for Principal &
--	--	--	--

			Interest (including PDC for one month interest and Principal)"
--	--	--	--

89. We have also noticed subsequent Sanction Letter dated 26.10.2016 by which Term Loan Facility of Rs. 100 crores was advanced. The security under the said Sanction Letter was provided under Clause 21, which is to the following effect:

"21.	Security	:	The Facility and all amounts due or payable in relation thereto shall be secured by the following: 1. (a) First exclusive mortgage of the identified FSI Plots (commercial as well as residential) situated at Mother City, Lucknow as well as Mother City Extension, Lucknow (the "Lucknow FSI Plots"). A security cover of 2.5 × (being the net security cover after deducting 25% cash flows to be set aside towards PMDO repayment in case of cash flows from Lucknow FSI Plots forming part of Mother City, Lucknow), to be maintained from mortgage of "Lucknow FSI Plots" (b) First exclusive hypothecation of receivables from the Lucknow FSI Plots ("Hypothecated Receivables of Lucknow FSI Plots"). Irrevocable POA shall be provided by the Borrower for the Hypothecated Receivables of the Lucknow FSI Plots 2. (a) First exclusive mortgage over identified Golf Plots at Mother City, Lucknow ("Lucknow Golf Plots"). A security cover of 0.5 × (being the net security cover after deducting 25% cash flows to be set aside towards PMDO repayment) to be maintained from mortgaged of Lucknow Golf Plots. (b) First exclusive hypothecation of receivables from sale of
------	----------	---	---

mortgaged Lucknow Golf Plots ("Hypothecated Lucknow Golf Plots Receivables"). Irrevocable POA shall be provided by Borrower for the Hypothecated Lucknow Gold Plots Registration Valuation/Title Investigation shall be carried out to IFIN satisfaction by IFIN appointed Valuer/s & Legal Counsel. The Borrower shall provide all required details/documents immediately for Title investigation and valuation.

3. First Exclusive Hypothecation and escrow of 75% of Hypothecated & Escrowed Identified Receivables — Mother City and 100% Hypothecated & Escrowed Identified Receivables — Mother City Extension, as specified in Clause 7. Provided that in relation to the 75% of Hypothecated & Escrowed Identified Receivables — Mother City received/receivable from the commercial and group housing units forming part of Mother City, Lucknow, the aforesaid charge shall be shared on a pari passu basis with charge created in favour of IFIN for securing the existing facility of Rs. 500 mn (Rupees Five Hundred Million) ("IFIN Existing Facility") provided by IFIN to APIL pursuant to a Facility Agreement dated Mar 18, 2016

4. Corporate Guarantee of all land -owning companies other than the Borrower, if any, providing immovable property as security

5. Personal Guarantee of Mr. Sushil Ansal and Mr. Pranav Ansal

			6. Demand Promissory note in favour of the Lender. The Promissory note shall bear the common seal of the Borrower duly supported by a resolution of the Board of Directors of the Borrower 7. ECS/NACH mandate for Principal & Interest (including PDC for one month interest and Principal)"
--	--	--	---

90. The above security indicate that securities were only with respect to Mother City and Mother City Extension, Lucknow and mortgage of Plots and hypothecated & escrowed identified receivables from Mother City and Mother City Extension. The above security did not cover any other projects, except the projects situated at Lucknow.

91. We may at this juncture also notice another order of this Tribunal dated 10.06.2022 in Company Appeal (AT) (Ins.) No. 406 of 2022 - *Ram Kishor Arora Suspended Director of Supertech Ltd. v. Union Bank of India* In the above case, CIRP commenced against M/s Supertech Ltd., a real estate company by an order dated 25.03.2022. Supertech has large number of real estate projects. In the Appeal filed by Promoters, this Tribunal vide order dated 10.06.2022 issued various directions regarding project wise insolvency resolution of the CD. A direction was issued to constitute a Committee with respect to only one project Eco Village II and with respect to other projects, direction was issued for project wise resolution. Challenging the order dated 10.06.2022 passed by this Tribunal, Civil Appeal No. 1925 of 2023 was filed by Financial Institution namely - Indiabulls Asset Reconstruction Company Ltd. The Hon'ble Supreme Court in the above case examined the challenge and at that stage did not interfere with the directions to proceed with the project-wise resolution. Paragraphs 21 to 24 of the order of this Tribunal dated 10.06.2022 are as follows:

"21. We are conscious of the fact that 'CIRP' has been initiated against the Corporate Debtor. 'CIRP' has commenced against all the projects of the Corporate Debtor. 'CIRP' encompasses all the assets of the Corporate Debtor including all Bank Accounts. The IRP has already been appointed and has taken steps by informing all concerned including Banks to add the name of IRP for operation of the Account. The Learned Counsel for the Appellant made submissions and also filed an I.A. No. 1468 of 2022 by which Resolution cum Settlement Proposal has been submitted by the Management with an object to carry out the construction of all the projects.

22. As noted above, the consequence of 'CIRP' is that all assets of

the Corporate Debtor come in the control and management of the IRP. All bank accounts are to be operated with the counter signature of the IRP. No amount from any account can be withdrawn without the counter signature and permission of the IRP. IRP under the IBC has responsibility to run the Corporate Debtor as a going concern. Further when Promoters are ready to extend all cooperation with all its staffs and employees to the IRP, we see no reason for not to direct the IRP to proceed with construction of all the projects under the overall supervision and control of the IRP. We by an Interim Order dated 12th April, 2022 directed not to constitute the 'CoC' which Interim Order is continuing as on date.

23. In the facts of the present case and keeping in view the submissions raised by the Learned Counsel for the parties, we are of the view that in 'CIRP' Process, Project-Wise Resolution to be started as a test to find out the success of such Resolution. Keeping an eye regarding construction and completion of the projects, we at present, are of the view that Interim Order dated 12th April, 2022 staying the constitution of CoC be modified to the extent that CoC be constituted for the Eco Village II Project only with all Financial Creditors including Financial Creditors/Banks/Home Buyers. The Committee of Creditors of Eco Village II Project shall start process for Resolution of Eco Village II Project. The IRP shall separate the claims received with regard to the Eco Village II Project and prepare an 'Information Memorandum' accordingly and proceed for meeting of the CoC as per the Code. It is further directed that even for Eco Village II Project, the IRP shall carry the Project and continue the project as ongoing project by taking all assistance from the ex-management, employees, workmen etc. We however make it clear that other projects apart from the Eco Village II Project shall proceed as ongoing project basis under the overall supervision of the IRP. IRP in his report stated that with regard to the projects, there are separate accounts as per 'RERA' Guidelines. Detail account of all the inflow and outflow with regard to each project shall be separately maintained as per the 'RERA' Guidelines. 70% of the amount received with regard to the project shall be utilized for construction purpose only with regard to the disbursement of rest 30 % amount, we shall issue appropriate direction after receiving further Status Report and after hearing all concern subsequently.

24. The Promoters of the Corporate Debtor has submitted that they shall arrange for Interim Finance to support the ongoing construction of the different projects by arranging finances as submitted in their Settlement cum Resolution Plan. Annexure 3 to the I.A. No. 1468 of 2022, with an object to complete the projects

and clear the outstanding of all Financial Institutions including the Financial Creditors on the basis of 100% ledger balance and also payment to the Operational Creditor. The pendency of this proceeding shall in no manner hinder the Appellant to approach the Financial Creditors for entering into Settlement with the Financial Creditors. With regard to the disbursement to the Financial Creditors, out of 30% of the amount, we shall issue necessary direction after receiving the status report and receiving the progress of the projects.”

92. This Tribunal in the above case by subsequent order dated 12.12.2024 directed for handing over several projects of the CD to NBCC for completing the construction, against which Appeal was again filed in the Hon'ble Supreme Court, where the Hon'ble Supreme Court has entertained the Appeal and the Appeal(s) are still pending.

93. We are of the view that when securities, which were given by the CD for repayment of the term loan given by the IL&FS are confined to only few projects, the CIRP initiated by the impugned order, cannot engulf all the projects of the CD, which are in no manner affected by financial facilities extended by the IL&FS to the CD.

94. The other projects apart from projects, which were noticed and dealt with in the Loan Agreements between the parties, cannot be affected at the instance of the IL&FS in the CIRP against the CD. As noted above, the Loan Agreements itself have noticed that projects of the CD, which are in different parts of the country. The securities as noticed above are confined to assets of the CD at Mother City Lucknow and three Cities in the State of Rajasthan. The Financial Institution and the CD having noticed in the Agreements that projects of the CD spread over entire country and assets of only few projects having been referred to and relied on by the Financial Institutions for its repayment and securities, we are of the view that CIRP initiated by the impugned order should be confined to the projects, which are referred to as securities and repayment. Including other projects will cause hardship to the stakeholders of different projects, which are not connected or concerned with the CIRP projects of the CD, which are subject matter of the Loan Agreements.

95. In view of our foregoing discussions and conclusions, we answer Question Nos. III to VI in following manner:

95.1 The purpose of the Loan Facility of Rs. 50 crores and Rs. 100 crores extended by the IL&FS was for utilizing the funds for any of the specified purpose [(a) to (d)] as noted in the Sanction Letter. The securities given by the CD in two loans, are securities of the projects of the CD at Mother City and Mother City Extension at Lucknow and the three assets situated at Ajmer, Jodhpur and Jaipur in the State of Rajasthan, as noted in the Sanction Letter dated 16.02.2016 and the

securities, thus were confined to only few of the projects of the CD and not all the projects of the CD as noted above.

95.2 Answer to Question No. III - The CIRP initiated and the moratorium imposed vide order dated 25.02.2025 is to extend to only the projects of the CD, which are referred to and relied in the Loan Agreements in both the Loan Facilities, as noted above and the moratorium cannot extend to other projects of the CD situated in different cities of the State of UP (except Mother City Lucknow Projects) and other States, i.e. States of Haryana and Punjab (except assets mentioned in City of Ajmer, Jaipur and Jodhpur in the State of Rajasthan).

95.3 Answer to Question No. IV - The Adjudicating Authority ought to have adverted to the fact that CD is running several real estate projects in different Cities of the U.P. and other States of the country. Before the Adjudicating Authority, the above facts were brought and clearly mentioned in the reply filed by the CD in Section 7 application. In Paragraph 18 of the reply, the CD has pleaded following:

"18. That the Respondent is executing multiple projects across diverse locations. The initiation of CIRP would paralyze these projects and result in destruction of value for creditors and other stakeholders. It is respectfully submitted that the Respondent's operations are integral to ensuring that creditor value is preserved, and that CIRP, in this instance, would be counterproductive to the interests of all stakeholders."

95.4 We may further notice that Homebuyer - Gagan Tandon and others filed an Intervention Application before the Adjudicating Authority, which Intervention Application was rejected by the order passed on the same date, i.e. 25.02.2025. In the order rejecting the Intervention Application, the Adjudicating Authority has noticed the plea raised by the Homebuyers regarding several projects of the CD. Thus, before the Adjudicating Authority, the different projects of the CD had been noticed by the Adjudicating Authority itself. It is useful to notice Paragraphs 3 to 7 of the order dated 25.02.2025, rejecting the Intervention Petition:

"3. We have heard the Learned Counsel appearing for the Applicants and perused the documents on record. In adjudicating upon the matter at hand, we are of the view that the Applicants, claiming to be homebuyers in the real estate project developed by the Corporate Debtor, seek intervention in the present proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). It is well settled that in proceedings initiated under Section 7, the primary concern is to ascertain the existence of a financial debt and default by the Corporate Debtor. The Applicants, being homebuyers, may have a financial interest in the project; however,

their claims are already safeguarded under the provisions of IBC, particularly under Section 21(6A), which grants representation to allottees in the Committee of Creditors (CoC) through an authorized representative. Thus, their intervention at this stage is neither necessary nor legally tenable.

4. The Applicants have contended that the real estate project is a government-backed township and that the Corporate Debtor is merely a license holder. However, mere regulatory oversight or developmental agreements with the State Government and the Lucknow Development Authority do not alter the ownership and financial liabilities of the Corporate Debtor. The Corporate Debtor remains the principal entity responsible for the execution and completion of the project, and its financial obligations, including debts owed to the Financial Creditor, remain independent of any regulatory framework governing the project. The Applicants have failed to demonstrate any statutory or contractual immunity that would exempt the project from insolvency proceedings under the IBC.

5. The Applicants have sought to highlight the disparity between the total investment in the project (Rs. 26,000 crores) and the default amount claimed by the Financial Creditor (Rs. 83 crores). However, under the scheme of IBC, the quantum of debt is not a determinative factor in admitting a Section 7 petition. The only requirement is to establish the existence of a financial debt and default, as prescribed under Section 7(5). Once these conditions are satisfied, the Adjudicating Authority is bound to admit the petition. The Applicants' arguments regarding the scale of the project or the potential inconvenience to homebuyers cannot override the statutory mandate of IBC.

6. The concerns raised by the Applicants regarding potential disruptions in project completion and property registrations due to CIRP, while understandable, cannot justify an exemption of the project from insolvency proceedings. The IBC framework itself ensures that the interests of homebuyers are protected through the CoC mechanism, wherein they are recognized as financial creditors. Additionally, CIRP is intended to facilitate resolution and revival of the Corporate Debtor rather than its liquidation. In the absence of any specific legal provisions supporting the exclusion of a particular project from CIRP, the relief sought by the Applicants is untenable.

7. In light of the above findings, this Adjudicating Authority is of the considered opinion that the present application lacks merit. The Applicants have failed to establish any legal or factual basis for their intervention in the ongoing proceedings under Section 7 of IBC. The relief sought, particularly the exclusion of the real estate project

from CIRP, is not supported by any statutory provision or judicial precedent.

Accordingly, the intervention petition Inv P. 43/ND/2024 in CP No. : IB 558(ND)/2024 is dismissed.”

95.5 At the time of initiation of CIRP, the Adjudicating Authority also should have adverted to this aspect of the matter to issue necessary directions to clear any uncertainty regarding the extent of the CIRP and the manner in which the resolution of the CD could proceed.

95.6 Answer to Question No. V : In the facts of the present case, the CIRP needs to be confined at Lucknow project Mother City Lucknow and Mother City Extension Lucknow, including Sushant Golf City Project as well as three Projects of the CD situated in the State of Rajasthan - Ajmer, Jodhpur and Jaipur as referred to in the Sanction Letter dated 16.02.2016. The Adjudicating Authority needs to consider mode and manner of resolution of the above projects of the CD. At the first instance, the resolution of the projects situated at Lucknow need to be undertaken.

95.7 Answer to Question No. VI : The CD has 93 projects at Lucknow, which are registered with UP RERA. The project wise resolution of the CD needs to be proceeded with as required by law. The Adjudicating Authority may also issue necessary direction regarding mode and manner of resolution of above Projects.

Question No. VII

96. We have noted above, the judgment of the Hon'ble Supreme Court in **Mansi Brar Fernandes** where the Hon'ble Supreme Court directed that resolution of a CD of real estate project should be projects. We have further noticed above that CIRP should be confined to projects and assets of the CD, which are referred to and provided as security in the Loan Agreement I & II. The CIRP need not extend to the projects, which are situated in the States of Haryana and Punjab. Further, the CIRP of the CD also need not extend to other projects in different cities of U.P., since in the security of both the Loan Agreements, only the assets of the CD in project at Mother City Lucknow and Mother City Extension Lucknow have been provided. Thus, it needs to be clarified that other projects of the CD, situated in other cities of U.P. like Bulandshahr, Ghaziabad, Kanpur & Agra etc., are not to be affected by order dated 25.02.2025. It is necessary to clarify, so that other projects of the CD may proceed in accordance with their own terms and conditions.

97. We have noticed above the projects in Lucknow have been entrusted to the CD to be developed under the Hi-Tech Township Policy promulgated by the State in the year 2003 under different Development Agreements noted above. The CD has to develop the

projects at Lucknow. One of the terms and conditions of the Development Agreement, which was executed between the CD and the Lucknow Development Authority with respect to projects at Lucknow is that in event the CD fails to develop the project, the Lucknow Development Authority, will complete the project. The Adjudicating Authority need to consider the above aspect of the matter while issuing directions for resolution of the projects at Lucknow. We may refer to the MoU dated 26.11.2005 between the Lucknow Development Authority and the CD, wherein Clause 22, following has been provided:

"22. That to ensure timely completion of the project as per the provisions of the approved DPR, the first party shall retain the transferable rights on 25 percent of total saleable land which shall be released in proportion to the second party on successful completion of various services to the functional stage. If the second party leaves any development, work incomplete, the same shall be completed by the first party through sale of the land so retained."

98. The Development Agreement dated 18.11.2006 was executed between the Lucknow Development Authority and the CD, where Clause 8 provides as follows:

"8.	Performance Guarantee	To ensure timely completion of the project as per the provisions of approved DPR, the First Party shall retain the transferable rights on 25 percent of total saleable land, which shall be released in proportion to the Second Party! on successful completion of various services to the functional stage. If the Second Party leaves any development work incomplete, the same shall be completed by. the First Party through sale of the land so retained."
-----	-----------------------	--

99. The projects at Lucknow City being projects under Hi-Tech Township, the Adjudicating Authority has also to advert to all relevant facts to take a decision as to whether under the Agreement between the CD and the Lucknow Development Authority, the projects need to be completed by the Lucknow Development Authority.

100. In view of the foregoing facts, we dispose of both the Appeal(s) in following manner:

- (1) The order dated 25.02.2025 passed by National Company Law Tribunal, New Delhi Bench Court-IV admitting Section 7 application is upheld, subject to following directions:

- (a) The CIRP against the CD is confined to CD's projects at Lucknow Mother City and Mother City Extension at Lucknow, Golf Plots at Lucknow and the assets of the CD in the State of Rajasthan and built-up properties at Ajmer, Jodhpur and Jaipur in the State of Rajasthan (as detailed in Schedule-B of Settlement Agreement dated 03.03.2022 at Sl. No. 5, 6 & 7).
 - (b) The Adjudicating Authority to consider the mode and manner to proceed with project wise resolution of the CD as per initiation of CIRP against a real estate company to the extent as indicated above.
 - (c) Further steps in the CIRP of the CD shall be taken as per directions of the Adjudicating Authority indicated above. The Adjudicating Authority shall also consider with respect to resolution of the CD's project at Lucknow, as to whether as per MoU and Development Agreements entered between the CD and Lucknow Development Authority, the Lucknow Development Authority is to be directed to complete the projects of the CD.
 - (d) UP Awas Evam Vikas Parishad shall be entitled to pursue its application before the Adjudicating Authority for excluding the assets claimed by it, from the CIRP of the CD, which may be considered and decided in accordance with law.
 - (e) The date of commencement of the CIRP of the CD has to be treated as 25.02.2025 and further steps in the CIRP be taken as per the directions of the Adjudicating Authority to be made hereinafter.
 - (f) The Lucknow Development Authority be made party to the CIRP process and it be given opportunity to file its affidavit.
 - (g) The Homebuyers and other Applicants, who have filed IAs in these Appeal(s) are at liberty to file Intervention Petitions before the Adjudicating Authority in C.P.(IB) 558(ND)/2024.
- Parties shall bear their own costs.

* Principal Bench at New Delhi

† Arising out of Order dated 25.02.2025 passed by the Adjudicating Authority (National Company Law Tribunal), New Delhi, Court-IV in CP. : (IB) 558(ND)/2024

* Arising out of Order dated 25.02.2025 passed by the Adjudicating Authority (National Company Law Tribunal), New Delhi, Court-IV in CP. : (IB) 558(ND)/2024

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of

this text must be verified from the original source.

2026 SCC OnLine NCLAT 346

In the National Company Law Appellate Tribunal[±]

(BEFORE ASHOK BHUSHAN, CHAIRPERSON AND BARUN MITRA, MEMBER (TECHNICAL))

Surender Singh ... Appellant;

Versus

IDBI Trusteeship Services Ltd. and Another ...
Respondents.

Company Appeal (AT) (Insolvency) No. 266 of 2026[±]

Decided on March 27, 2026

Advocates who appeared in this case :

Mr. Kapil Sibbal, Mr. Virender Ganda & Mr. Arun Kathpalia, Sr. Advocates with Mr. Vishal Ganda, Mr. Ayandeb Mitra, Ms. Manisha Singh, Ms. Diksha and Ms. Riya Palnitkar, Advocates for Appellant;

Mr. Gopal Jain, Mr. Nalin Kohli & Mr. Abhijeet Sinha, Sr. Advocates with Ms. Meghna Mishra, Mr. Nikhil Ratti Kapoor, Yashodhara Gupta, Mr. Kevin Chadha and Mr. Saikat Sarkar, Advocates for R-1.

Mr. Gaurav Mitra and Mr. Adhish Srivastava, Advocates for RP.

Mr. Rudreshwar Singh Sr. Advocate with Mr. Eklavya Dwivedi, Advocates for Omkara Assets.

Mr. Akshay Srivastava, Mr. Vivek Kumar and Ms. Raveena Paniker, Advocates for Interveners.

Mr. Aditya Rathi, Advocate.

Mr. Sumesh Dhawan, Mr. Kartik Nayar and Mr. Divyansh Rai, Advocates for Intervener for Respondent.

The Judgment of the Court was delivered by

ASHOK BHUSHAN, CHAIRPERSON:— This appeal has been filed by a suspended Director of the corporate debtor, Vatika Limited challenging the order dated 3-2-2026 passed by the adjudicating authority (National Company Law Tribunal, Chandigarh Bench, Court I, Chandigarh) admitting a Section 7 application filed by the IDBI Trusteeship Services Limited, Respondent 1 herein. Aggrieved by the order of the adjudicating authority initiating Corporate Insolvency resolution Process (CIRP) against the corporate debtor appointing an Interim resolution Professional (IRP) and imposing moratorium, this appeal has been filed.

2. Brief background facts of the case necessary to be noticed for deciding the appeal are:

(i) The corporate debtor, Vatika Limited is a company engaged in the business of Real Estate Development. The corporate debtor is

developing multiple residential and commercial projects across the state of Haryana and National Capital Territory Region.

- (ii) On 30-6-2017, corporate debtor entered into Debenture Trust Deed (DTD) with IDBI Trusteeship Limited (Debenture Trustee) acting as a Debenture Trustee on behalf of the Indiabulls India Opportunities Fund and Indiabulls High Yield Fund for the issuance of 1,460 fully secured renewable and Non-Convertible Debentures having a value aggregating to total of Rs 146 crore.
- (iii) The issuance of debenture was protected by various securities provided by the corporate debtor, including mortgage over the project land, assignment of receivables, Escrow Account for project, revenue and other securities. Term of the debenture was for 48 months from the investment date until 30-6-2021.
- (iv) By first Amendment of DTD dated 28-6-2021 term of the debenture was extended till 30-6-2022. On corporate debtor's last request being on 26-6-2023, respondent vide letter dated 27-6-2023, granted extension of redemption date till 30-6-2024.
- (v) On 1-9-2023, IDBI Trusteeship issued a notice seeking payment of Rs 24,26,61,821 along with an additional coupon @ 5% per annum within 15 days from the receipt of the notice.
- (vi) On 9-10-2023, the corporate debtor prayed for no-objection certificate (NoC) for sale of various units in the 'Project Aspirations'. The IDBI Trusteeship vide letter dated 30-10-2023, granted no objection to sale of various plots in 'Project Aspirations', Gurgaon.
- (vii) On 29-12-2023, another notice was issued by Debenture Trustee seeking payment of Rs 29,72,29,959 along with the additional coupon @ 5% per annum within 15 days from the receipt of the said notice. No payment having been received from the corporate debtor that Debenture Trustee filed an application on 24-1-2024 under Section 7, claiming amount of default of Rs 274,13,45,241.
- (viii) Date of default was mentioned as 15-6-2022. Notice was issued under Section 7 application. Reply was filed by the corporate debtor raising various objections to the Section 7 application. It was pleaded that by consent extension for repayment of debenture was on 30-6-2024, whereas application under Section 7 has been filed on 24-1-2024, which is prior to date of redemption to debentures.
- (ix) It was pleaded that request for 57 NoC was made on 22-5-2024, but not a single NoC was received which resulted in loss of revenue. After filing of Section 7 application and up to the date of filing of reply an amount of Rs 37.2 crore have been paid. The claim of alleged amount Rs 274 crore in Section 7 application is denied which amount is not due.
- (x) It was pleaded that proceedings initiated by IDBI Trusteeship is a

recovery proceeding.

- (xi) Adjudicating authority heard the parties and by impugned order dated 3-2-2026 has admitted Section 7 application.
- (xii) Adjudicating authority in the impugned order held that default has been committed by the corporate debtor. Non-issuance of NoC by financial creditor cannot dilute or extinguish the statutory consequences flowing from the default. It was held that failure to pay interest due from 15-6-2022 onwards constitute a contractually recognised event of default under Clause 19 of the Trust Deed and extension of final maturity date for the principal does not *ipso facto* grant a moratorium on accrued and future interest obligations.
- (xiii) The pleas raised by the corporate debtor to confine the CIRP project-wise was rejected, holding that Insolvency & Bankruptcy Code recognises insolvency of the corporate debtor and not of an individual project. It was held that Code provides for project-wise resolution and not for project-wise insolvency. Adjudicating authority admitted Section 7 application, imposed moratorium and appointed IRP.

3. We have heard, learned Sr. counsels Mr Kapil Sibbal, Mr Virender Ganda and Mr Arun Kathpalia appearing for the appellants and learned Sr. counsels, Mr Gopal Jain, Mr Nalin Kohli and Mr Abhijeet Sinha appearing for the R-1. The learned counsel, Mr Gaurav Mitra has appeared for the resolution Professional (RP). We have also heard learned Sr. counsel. Mr Sanjeev Sen appearing for the respondent/homebuyers as well as learned counsel for the interveners.

4. The learned counsel for the appellant in support of the appeal submitted that alleged default of Rs 29.72 crore which amount was claimed in the notice dated 29-12-2023 was cured during pendency of Section 7 application. The corporate debtor has made a payment of Rs 37.70 crore to the financial creditor, hence it effectively cleared all dues. The adjudicating authority ought not to have admitted Section 7 application. It is submitted that the payment of debentures was due only on 30-6-2024, by virtue of extension granted by R-1 vide letter dated 27-6-2023. Thus, principal amount on debenture was not due. In the notice issued by R-1 amount claimed was only Rs 29,72,29,957 and no other amount was claimed in the notice, even if event of default was committed in not making payment within 15 days as per notice dated 29-12-2029. Only amount due on date when Section 7 application was filed was the amount of Rs 29,72,29,959. The principal amount under the debentures was no due, it being payable only on 30-6-2024 and no notice within meaning of Clause 19.2 of the Debenture Trust Deed was issued recalling the payment under debentures. The amount claimed in default under Part IV of Section 7 application i.e. amount of Rs 274,13,45,241 was wholly incorrect and baseless. Amount claimed in Part IV being not due, the application under Section 7 deserves to be rejected on this ground alone. It is submitted by learned counsel for

the appellant that DTD dated 30-6-2017, by which amount of Rs 146 crore was raised by the corporate debtor was with respect to specified project and identified property, which are detailed in the DTD. Debenture security under the DTD were pertained to the project and the property. Sale proceeds from the project were to be deposited in the Escrow Account. DTD specified that prior to sale of any unit in the project, the no objection from the Debenture Trustee were required. Under DTD, the Debenture Holder had right to appoint the Project Management Consultant as well as an internal auditor. Various clauses of DTD clearly provided that amount disbursed was in relation to the project and the property. In event CIRP, if initiated ought to have been confined to the project in question, which project was subsequently registered with RERA as aspirations in 2022. At the time when amount was raised by debentures, property was specified, project was neither registered nor named which project came to be registered as aspirations, all details of registration project, issuance of license by Department of Town and Country Planning (DTCP) of Haryana were shared with the financial creditor. Financial creditor has issued NoC for sale of units in "Project Aspirations" thus was also well aware it is of "Project Aspirations" which is subject matter of the debentures. Adjudicating authority committed error in holding that IBC does not contemplate project-wise insolvency. Judgment of the Supreme Court in *"Mansi Brar Fernandes v. Shubha Sharma"* reported in [(2025) 259 Comp Cas 769 : 2025 SCC OnLine SC 1972], and 2 judgments of this Tribunal in *"Flat Buyers Association Winter Hills - 77, Gurgaon v. Umang Realtech P. Ltd."* reported in [(2020) 12 Comp Cas-OL 174 : 2020 SCC OnLine NCLAT 1199], and *"Amit Jain (Suspended Directors of Mahagun (India) Pvt. Ltd.) v. IDBI Trusteeship Services Ltd."* reported in [2025 SCC OnLine NCLAT 1753], were relied to support the submission of project-wise resolution, without even advertent to the said judgments, the Tribunal came to conclusion that project-wise insolvency is not contemplated and statutory scheme under IBC is only for project-wise resolution. Certain clauses of the Trust Deed were also referred to by the adjudicating authority for rejecting the plea of project-wise resolution. The view of the adjudicating authority that no project-wise insolvency is permissible is contrary to the judgments of this Tribunal. The learned counsel for the appellant has relied on the recent judgment of this Tribunal in *"Gagan Tandon v. IL&FS Financial Services Ltd."* reported in [2026 SCC OnLine NCLAT 16], where this Tribunal has reiterated the law pertaining to Real Estate Company with regard to project-wise resolution, which judgment fully covers the issues raised in the present appeal. It is submitted that had the Section 7 application initiated for correct amount due against the corporate debtor, corporate debtor would have discharged the said debt but due to incorrect and inflated amount claimed in Section 7 application, the corporate debtor was put to prejudice and great loss. The corporate debtor is carrying various projects in state of Haryana and National Capital Region,

the respondent is only lender of the project in question. There are 58 projects spanning over various cities, in Northern India and 50 ongoing projects at Gurgaon itself, putting all the projects in insolvency, with respect to which lender has no concern will cause great prejudice to stakeholders of different projects, including the homebuyers. It is further submitted that in pursuance of liberty granted by this Tribunal on 6-2-2026, on 25-2-2026, the appellant has submitted a proposal to the financial creditor to liquidate the entire amount claimed under Part IV, which offer was rejected by the financial creditor, which clearly indicates its intention to endeavour to misuse the IBC and take control of entire corporate debtor, which included 58 projects and assets worth Rs 18,000 crores. It is submitted that this Tribunal may exercise its jurisdiction under Rule 11 of the NCLAT Rules, 2016 and close the CIRP in the facts of the present case and permit the appellant to liquidate the entire amount in fazed manner as suggested by the appellant.

5. The learned counsel for the respondent refuting the submissions of the counsel for the appellant submits that in the present case, debt and default has been fully proved. With effect from 15-3-2022, the corporate debtor has failed to make quarterly payments of coupon interest. Notice dated 29-12-2023 was issued demanding the payment of Rs 29,72,29,959 towards interest payment within 15 days. Amount having not been paid an event of default has been committed under Clause 19 of the DTD, which lead the financial creditor to file Section 7 application on 24-1-2024. The submission of the appellant that amount of Rs 274,13,45,241 was not due is incorrect. By virtue of Clause 19.2(b) of the DTD, the entire amount under the debenture becomes due, hence financial creditor has rightly claimed the amount in default as Rs 274,13,45,241. The submission of the appellant that by payment of Rs 37.2 crore during pendency of the Section 7 application, entire default has extinguished is incorrect. The amount paid during pendency of Section 7 application was not even able to clear the quarterly interest default. The default continues and adjudicating authority has rightly admitted Section 7 application. Supporting the order of the adjudicating authority, rejecting the plea of project-wise resolution, it is submitted that law does not contemplate project-wise insolvency, but only project-wise resolution, which question need to be considered by RP and the Committee of Creditors (CoC) in the CIRP. It is falsely portrayed that project defined in DTD is "Project Aspirations". "Project Aspirations" came to be registered only in the year 2022, hence it cannot be accepted that funds were extended to the corporate debtor in 2017 for the project in question. It is submitted that RERA registration of "Project Aspirations" has also expired. It is submitted that Clause 8.3 of DTD contemplate that corporate debtor shall utilise the subscription amount to meet on going requirement of funds for business activities and general corporate purpose, hence the amount of debenture was for corporate purpose and not confined to any project.

Judgment of this Tribunal in *Gagan Tandon* (supra), is not applicable. There are various distinguishing features in the present case from the case of *Gagan Tandon*. It is submitted that there was no obligation on the financial creditor to issue NoC. It is submitted that it was an obligation of the corporate debtor to make the payment of coupon interest, irrespective of the availability of the cash flow in the Escrow Account. The requirement seeking prior permission before sale of project unit is the covenant binding on the corporate debtor is with intention to protect the debenture security created in favour of the Debenture Holders. Issuance of NoC was contingent upon servicing of interest payment, when corporate debtor defaulted in payment of interest, there was no obligation to issue NoC for sale of units. Debt and default having been proved, as per the law laid down by the Supreme Court, the adjudicating authority had no option except to admit Section 7 application. Appellants are not entitled for any relief in this appeal.

6. The learned counsel appearing for the homebuyers/Respondents 3 to 6 submits that they have already filed a Section 65 application for seeking a declaration that Section 7 proceedings have been initiated fraudulently and with malicious intent, which application has been rejected, which is separately challenged. An I.A. No. 1162/2026 has been filed by M/s. Omkara Asset Reconstruction Private Ltd. praying for impleadment and dismissal of company petition, applicant is also creditor of the corporate debtor vide Assignment agreement dated 28-12-2024. I.A. No. 1134/2026 has been filed by Scaler Ventures Business Solutions (P) Ltd. praying for intervention in the appeal. Appellant claimed to be financial creditor in a class, corporate debtor entered into an agreement to Sell dated 17-1-2024, for sale of 165 plots situated in Project Vatika Limited next to.

7. From the submissions of counsel for the parties and materials on the record, following are the questions which arise for consideration:

- I. Whether the default by the corporate debtor was for the amount of Rs 29,72,29,959 as claimed in notice dated 29-12-2023 or financial creditor was entitled to claim the entire amount, including principal amount of debentures in Part IV i.e. of Rs 274 crore?
- II. Whether financial creditor has been able to prove debt and default on part of corporate debtor?
- III. Whether due to payment of Rs 37.2 crore during pendency of Section 7 application before the NCLT, default by corporate debtor stood cured?
- IV. Whether view of the adjudicating authority that insolvency cannot be project-wise in case of *Real Estate Company* and only resolution can be done project-wise is correct in law?
- V. Whether DTD dated 30-6-2017, contemplated payment of amount for a project against a property and what were the security under the DTD?
- VI. Whether in the facts of the case, CIRP is liable to continue against the

corporate debtor as a whole or confine to the project contemplated under the DTD?

VII. Relief, if any to which, appellant is entitled?

Question Nos. (I) (II) & (III):

8. All these questions being interconnected are taken together.

9. The DTD dated 30-6-2017 contemplated as per Schedule IX of the DTD dealing with terms and debentures, the Debenture Holders were entitled to receive an interest at a coupon rate of 11.30% per annum, compounded monthly and payable quarterly. The term of debenture was 48 months i.e. 30-6-2021. Paras 2 & 3.1 of the Schedule IX is as follows:

"2. Term

The term of the Debentures shall be 48 (forty eight) months from the Investment Date until 30-6-2021 ("Outer Date").

3.1 From and including the date of disbursement (the 'Investment Date'), the Debenture Holders shall be entitled to receive an interest at a coupon rate of 11.39% (Eleven point three nine percent) per annum compounded monthly ("Coupon") which shall be payable quarterly and shall accrue as per dates mentioned in the Repayment Schedule ("Interest Due Date"), provided however that:

(a) The interest shall be payable Irrespective of the availability of cash flows in the Escrow Accounts, provided however the unpaid interest shall accrue and be payable per para 3.2 below.

(b) In the event the Company pays the interest prior to any Interest Due Date ("Interest Payment Date"), such interest will be deemed to have been accrued on the date of such payment."

10. The period of debenture was extended by first amendment to the debenture on 28-6-2021 and thereafter further extension were granted in the tenure of the debenture, last extension was granted on 27-6-2023 issued by R-1 under which the principal amount of debenture of Rs 146 crore was payable on 30-6-2024. Letter dated 27-6-2023 issued by R-1 to the corporate debtor, which letter was part of Section 7 application filed as Annexure A-20 to the Section 7 application. Thus, the principal amount was payable only on 30-6-2024. Letter dated 27-6-2023, issued by R-1 is as follows:

"Date: 27-6-2023

To,

IDBI Trusteeship Services Ltd.

Asian Building GF 17 Kamani Marg.

Ballard Estate, Mumbai 400001.

Dear Sir,

Subject; Non-convertible debentures aggregating to Rs 146,00,00,000 (Rupees One Hundred Forty Six Crore only) issued by Vatika Limited

("Company")

We refer to Non-convertible debentures aggregating to Rs 146,00,00,000 (Rupees One Hundred Forty Six Crore only) issued by Vatika Limited ("Company") issued by Vatika Limited and subscribed aggregating to Rs 146,00,00,000 (Rupees One Hundred Forty Six Crore only) by India bulls High Yield Fund and Indiabulls India Opportunities Fund.

In connection to the request received from the Company Vide letter dated 26-6-2023 and various discussions with their officials regarding extension of redemption date of debentures to 30-6-2024, we hereby confirm to grant our approval for extension of the redemption date to 30-6-2024 and further amend the necessary document in this regard.

The Parties hereby agree to delete and replace Clause 5.3 of Schedule IX (Interest Payment Dates/Repayment Schedule) of the Original OTD with the following:

Date	Coupon	Fixed RP	Variable RP	principal Repayment
15-Sep-17	3,54,15,009	-	-	-
15-Dec-17	4,18,54,101	-	-	-
15-Mar-18	4,13,94,166	-	-	-
15-Jun-18	4,23,14,036	-	-	-
15-Sep-18	4,23,14,036	-	-	-
15-Dec-18	4,18,54,101	-	-	-
15-Mar-19	4,13,94,166	-	-	-
15-Jun-19	4,23,14,036	-	-	-
15-Sep-19	4,23,14,036	-	-	-
15-Dec-19	4,18,54,101	-	-	-
15-Mar-20	4,18,54,101	-	-	-
15-Jun-20	4,23,14,036	-	-	-
15-Sep-20	4,23,14,036	-	-	-
15-Dec-20	4,18,54,101	-	-	-
15-Mar-21	4,13,94,166	-	-	-
15-Jun-21	4,23,14,036	-	-	-
15-Sep-21	4,23,14,036	-	-	-
15-Dec-21	4,18,54,101	-	-	-
15-Mar-22	4,13,94,166	-	-	-
15-Jun-22	4,23,14,036	-	-	-
15-Sep-22	4,23,14,036	-	-	-
15-Dec-22	4,18,54,101	-	-	-
15-Mar-23	4,13,94,166	-	-	-
15-Jun-23	4,23,14,036	-	-	-

15-Sep-23	4,23,14,036	-	-	-
15-Dec-23	4,18,54,101	-	-	-
15-Mar-24	4,18,54,101	-	-	-
15-Jun-24	4,23,14,036	-	-	-
30-Jun-24	68,99,028	46,71,70,000	As per Para 5.1 (b) of Original DTD	1,46,00,00,000

We confirm that all other terms of the DTD shall remain unchanged and will continue in full force and effect and shall not be amended without following the procedure for amendment as set out in the DTD. We further confirm that except as expressly stated, nothing contained herein is intended to or shall be construed as waiver of any rights or remedies that a Debenture Holder may have against the Issuer pursuant to the DTD or any other Debenture documents.

Terms capitalized but not defined herein shall have the meaning ascribed to them under the DTD.

Yours sincerely

For Indiabulls Investment Management Limited"

11. The corporate debtor was, however obliged to make the payment of interest as per DTD. On 1-9-2023, notice was issued by the Debenture Trustee calling for payment of Rs 24,26,61,821 within 15 days. The Debenture Trustee issued another notice dated 29-12-2023, demanding payment of Rs 29,72,29,959 within 15 days from receipt of notice, which notice was basis for Section 7 application. The notice dated 29-12-2023 referred to outstanding interest and the notice directed the corporate debtor to pay the amount within 15 days from the date of receipt of the notice. The notice reads as follows:

"COURIER/E-MAIL

Ref. No.: 61453/ITSL/OPR/2023-24

Date: 29-12-2023

1. VATIKA LIMITED

VATIKA TRIANGLE, 4TH FLOOR

SUSHANT LOK, PHASE-1, BLOCK-A

MG ROAD, GURUGRAM-122002, HARYANA

2. APLIN DEVELOPERS PVT. LTD.

FLAT No. 621-A, 6TH FLOOR, DEVIKA TOWERS 6, NEHRU PLACE, NEW DELHI-110019

3. MR. ANIL BHALLA

FARM NO 4 HYDE PARK SULTANPUR FARM MEHRAULI, NEW DELHI-110030

4. MR. GAUTAM BHALLA

FARM NO 4 HYDE PARK SULTANPUR FARM MEHRAULI, NEW DELHI-110030

EMAIL: anilbhalla@vaticagroup.com

gautambhalla@vaticagroup.com

nikkhilbhatia@vaticagroup.com

surendersingh@vaticagroup.com

SUBJECT: Notice under the Debenture Trust Deed and/or the applicable laws for, inter alia (a) payment of amount(s) under the Debenture Trust Deed and/or (b) sale/transfer/assignment, etc. of the Security/Securities provided under the Security documents.

Dear Sir(s),

We, IDBI Trusteeship Services Limited, a company incorporated in terms of the Companies Act, 1956 and acting as Debenture Trustee (hereinafter Trustee) for debenture holders of the non-convertible debenture aggregating Rs 146 Crore (Debentures) issued by you, the addressee No. 1 in terms of the Debenture Trust Deed dated 30-6-2017 executed between the Addressees No. 1, 2 and the Trustee issue the following notice to you:

Please note that in terms of the Debenture Trust Deed, quarterly interest amounts (coupons) became due and payable to Indiabulls High Yield Fund and Indiabulls India Opportunities Fund, the debenture holders as per beneficiary position list in the relation to the Debentures as under:

Due Date	Outstanding Interest (INR)
15-Mar-2022	28,71,445
15-Jun-2022	4,23,14,036
15-Sep-2022	4,23,14,036
15-Dec-2022	4,18,54,102
15-Mar-2023	4,13,94,1667-
15-Jun-2023	4,23,14,036
15-Sep-2023	4,23,14,036
15-Dec-2023	4,18,54,102
Total	29,72,29,959

However, you have failed to pay the interest amounts which have become due and payable under Clause 3.1 of the Schedule IX of the Debenture Trust Deed. This entails payment of additional coupon @ 5.00% per annum compounded monthly on the outstanding interest amount from the date of default till the company makes payment of the interest amount in terms of Clause 3.2 read with Clause 7.1 of Schedule DX of the Debenture Trust Deed. Accordingly, an event of default has occurred in terms of Clause 19.1 of the Debenture Trust Deed.

As per the terms and conditions of the Debenture Trust Deed, you have

15 calendar dates from the respective due dates to cure the default and make the payment of the interest amounts along with additional and/or default interest to the Debenture Holders.

Accordingly, you are called upon to pay above mentioned amounts aggregating INR 29,72,29,959 (Rupees Twenty Nine Crores Seventy Two Lakhs Twenty Nine Thousand Nine Hundred Fifty Nine). In addition to the said amount, you are also liable to pay additional coupon @ 5.00% per annum on a monthly basis over and above documented interest rate, penalty charges and all applicable charges in terms of the Debenture Trust Deed, computed on the entire outstanding secured obligations with effect from respective dates of default (alongwith further interest till date of payment) within 15 days from the date of receipt of this notice failing which the Debenture Trustee shall be constrained to inter alia enforce the securities (or any part thereof) that have been created to secure the Debentures and enforce all such rights that are available to them under applicable laws.

Please note that this notice is without prejudice to and/or without impairing/affecting any of our rights as a Debenture Trustee and/or rights of the Debenture Holder under the Debenture Trust Deed, the Transaction documents or otherwise.

Any capitalized terms used and not defined herein shall have the same meaning as ascribed to such terms under the Trust Deed and the other Transaction documents.

Yours sincerely,
AUTHORIZED SIGNATORY
IDBI TRUSTEESHIP SERVICES LIMITED
DEBENTURE TRUSTEE
CC: Debenture Holders"

12. Along with the Section 7 application, the Debenture Trustee has also placed reliance on NeSL certificate, which certificate mentions, date of submission as 29-12-2023 and default amount as Rs 29,72,29,959. Part B of the NeSL certificate contained following information:

"NATIONAL E-GOVERNANCE SERVICES LIMITED
PART B

(History of all filing of information received by IU for the same UDI, whether regular debt or default, and the status of authentication by the party)
History of submission and Authentication in respect of M/s VATIKA LIMITED
(Debtor)

Unique Debt Identifier: TRUST0460D_INE790J07073

Date of Submission	29-12-2023 12:00:43
Type of Submission	Default Submission
Submission ID	1

<i>Submitted by (CREDITOR)</i>	<i>M/s CREDITOR FRP REP. BY IDBI TRUSTEESHIP SERVICES Ltd.</i>
<i>Debtor</i>	<i>M/s VATIKA LIMITED</i>
<i>Default Amount</i>	<i>297229959.00</i>
<i>Status of Authentication by Debtor</i>	<i>DEEMED TO BE AUTHENTICATED</i>
<i>Authentication Completed on</i>	<i>14-1-2024 00:06:46"</i>

13. The application was filed under Section 7 by the Debenture Trustee on 24-1-2024 i.e. immediately after authentication of the above amount of default of Rs 29,72,29,959. As noted above, quarterly interest payment was contemplated by the DTD, the notice dated 29-12-2023 clearly mentions the details of default of the interest accumulating the amount of Rs 29,72,29,959, which amount was also authenticated by NeSL certificate as relied by the financial creditor itself. Now we come to the Section 7 application filed by the financial creditor to notice the pleadings and basis of Section 7 application. In Part IV of the application, at column No. 1 under the heading "**Particulars of Financial Debt**" after giving details of DTD, various securities referring to various clauses of DTD as well as Schedule IX (3) of Trust Deed, financial creditor has referred to the notice dated 29-12-2023 and referring to the above notice, the financial creditor pleaded that corporate debtor is in default of Rs 274,13,45,241. para U of Part IV, Column 1 is as follows:

"Part - IV

PARTICULARS OF FINANCIAL DEBT		
1.	TOTAL AMOUNT OF DEBT, DETAILS OF TRANSACTIONS ON ACCOUNT OF WHICH DEBT FELL DUE, AND THE DATE FROM WHICH SUCH DEBT FELL DUE	 u) Subsequently, owing to the continuous failure of the corporate debtor, Corporate Guarantor and Personal Guarantors to pay outstanding amounts, the Applicant issued another Demand notice dated 29-12-2023 demanding payment of Rs 29,72,29,959 (Rupees Twenty Nine Crores Seventy Two Lakhs Twenty Nine Thousand Nine Hundred and Fifty Nine only) along with.

		<i>additional coupon@ 5% per annum on a monthly basis over and above documented interest rate, penalty charges and all applicable charges in terms of the Trust Deed, within 15 days from the date of receipt of this notice. However, yet again the corporate debtor along with the Corporate Guarantor and Personal Guarantors failed to pay the outstanding amounts. True Copy of the Demand Notice dated 29-12-2023, is annexed herewith and marked as Annexure - A/22.</i>
--	--	---

14. Part IV, Item 2, which gives a detail of amount claim to be in default is as follows:

"Part - IV

PARTICULARS OF FINANCIAL DEBT		
2.	<i>AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)</i>	<i>Amount in Default: Rs 274,13,45,241 (Rupees Two Hundred Seventy-Four Crores Thirteen Lakhs Forty-Five Thousand Two Hundred Forty only) which comprises of the principal Amount, Interest, Other Charges (Fixed Redemption Premium) and Default Interest.</i> <i>A tabulated computation of the amounts due and payable is annexed</i>

	herewith and marked as Annexure - A/23. The defaults committed by the corporate debtor are of a continuing nature. Date of Default: The date of default is 15-6-2022.
--	--

15. When we look into Part V, documents annexed with the application were referred to prove the existence of debt of Rs 274,13,45,241. As noted above, Part IV last notice which is referred to in Part IV is notice dated 29-12-2023. The DTD provides for event of default, in Clause 19.2. Clause 19.2 provides for issuing the notice on occurring the event of default. Clause 19.2 on which reliance is placed by learned counsel for both the parties, provides as follows:

"19.2 Upon the occurrence of an Event of Default which is capable of being cured, the Debenture Holders may cause the Debenture Trustee to Immediately. Issue a written notice ("Default Notice") requiring the Promoters, the Land Owning Companies and the Company to remedy the Event of Default within the Cure Period. If the Event of Default remains un-remedied after the expiry of the Cure Period the Debenture Holders may, at their sole discretion and option, exercise through the Debenture Trustee, any or all of, or a combination of, the following remedies, notwithstanding the other rights of the Debenture Holders under this Deed:

- (a) Terminate the Definitive Agreements in accordance with the terms thereof;*
- (b) Require the Company to redeem all the outstanding Debentures, within 10 (ten) days of the expiry of the Cure Period such that the Debenture Holders achieve the Default Redemption Price:*
- (c) Require the Promoters to purchase all the outstanding Debentures, within 10 (ten) days of the expiry of the Cure Period, such that the Debenture Holders achieve the Default Redemption Price:*
- (d) Appoint such numbers of Director's on the Board of the Company and the Land Owning Companies as the Investors deem appropriate (Debenture Director(s)):*

Provided that. subject to Applicable Law, the Company, the Land Owning Companies and the Promoters expressly agree and undertake that:

- (A) The Debenture Director shall not be liable for any default or failure of the Company or the Land Owning Companies in*

- complying with the provisions of any applicable Law, Including but not limited to, defaults under the Companies Act, taxation and labour Laws of India;*
- (B) *The Debenture Director shall not be identified as an officer in default of the Company or the Land Owning Companies, or occupiers of any premises used by the Company or the Land Owning Companies or employers under applicable Law; and*
- (C) *The articles of association of the Company and the Land Owning Companies shall provide for indemnification of the all Directors including the Debenture Director. up to the extent permitted under Law. All Directors shall be indemnified, out of the Assets and capital of the Company or the Land Owning Companies against any liability Incurred by the Directors in defending any proceedings, whether civil or criminal, against the Company or the Land Owning Companies.*
- (e) *Exercise their rights under any of the Definitive Agreements including in relation to enforcement of security created under the Definitive Agreements;*
- (f) *Direct the Escrow Agent to:*
- (I) *recognise the Escrow Nominee as the exclusive authorized signatories with respect to the Escrow Accounts;*
- (II) *Cease making payments of any amounts payable to the Promoters under the Definitive Agreements until the Debentures are rendered in terms thereof, and*
- (III) *Cease making payments of any amounts payable in the Company/Land Owning Companies under the Definitive Agreements until the Debentures are redeemed in terms hereof.*
- (g) *Require the Promoters, the Land Owning Companies and the Company to undertake all actions necessary for the Escrow Nominee to be solely authorized to operate the Escrow Accounts;*
- (h) *Direct the Escrow Nominee to deliver written Instructions to the Escrow Agent to deal with the monies lying or to be received in the Escrow Accounts (Including, if necessary as attorney for and in the name of the Company Land Owning Companies), generally in such manner, and upon such terms whatever as the Debenture Holders may consider fit. Including deliver to the Escrow Agent a written notice instructing the Escrow Agent to make payment of all the amounts received to be received in the Escrow Accounts in the Debenture Holders including to create, break, premature break, liquidate, and appropriate the proceeds of any fixed deposits created out of such amounts in terms of the Escrow agreement), till such time that the aggregate amounts outstanding to the Debenture Holders in terms of the Definitive Agreements have been*

fully recovered by the Debenture Holders:

- (i) Require the Debenture Trustee to exercise rights under this Deed, including (illegible) not limited to enter and take possession of the Property, appoint a new developer to develop the Project via joint venture/joint development/development management model, disposition/sale of the entire Project. bulk sale of Project units, sale of FAR/development rights: and/or to enforce any or all of, or combination of the Security Interest created pursuant to the Definitive Agreements; and/or*
- (j) Assign all or any of the Debentures and/or any of the respective rights under this Deed, without the prior consent of any Person."*

16. Clause 19.3 provides that upon the occurrence of event and default, which is not capable of being cured, Debenture Holder may cause the Debenture Trustee to immediately issue the default notice and their sole discretion and option exercised through the Debenture Trustee any or all of the combination of all the remedies set out in Clause 19.2. Clause 19.3 is as follows:

"19.3 Upon the occurrence of an Event of Default which is not capable of being cured, the Debenture Holders may cause the Debenture Trustee to immediately Issue the Default Notice and at their sole discretion and option, exercise through the Debenture Trustee, any or all of or a combination of, the remedies set out at Clause 19.2, notwithstanding the other rights of the Debenture Holders under this Deed."

17. The above clauses thus require cure notice to be issued by Debenture Trustee to company on event of default. In the present case notice dated 29-12-2020 which gives 15 days period for making the period is as per Clause 19.2 and is a notice providing cure period of 15 days for payment of amount of Rs 29,72,29,959. We have already extracted the relevant part of the notice dated 29-12-2023. The notice is clearly called upon the corporate debtor to pay amount aggregating to Rs 29,72,29,959 along with the additional coupon @ 5% per annum on monthly basis over and above documented interest rate, penalty charges and all applicable charges in the terms of DTD. As noted above on 29-12-2023, the principal payment of Rs 146 crore was not due. The R-1 itself having extended the date for payment of principal amount as 30-6-2024 vide letter dated 27-6-2023, as extracted above. The notice required the corporate debtor to pay the amount "within 15 days from the date of receipt of this notice, failing with the debenture trust shall be constrained to *inter alia* enforce the securities for any part thereof that have been created to secure the debenture and enforce all such rights that are available to them under applicable laws". Notice further mentioned that it is without prejudice to and or without impairing affecting any of rights or rights of the Debenture Holder under DTD. As noted above account of default committed by corporate debtor and after expiry of the cure period Debenture Holders may at their sole discretion and option

exercise through Debenture Trustee **any or all of or a combination, the following remedies:**

- "(a) Terminate the Definitive Agreements in accordance with the terms thereof;*
- (b) Require the Company to redeem all the outstanding Debentures, within 10 (ten) days of the expiry of the Cure Period such that the Debenture Holders achieve the Default Redemption Price:*
- (c) Require the Promoters to purchase all the outstanding Debentures, within 10 (ten) days of the expiry of the Cure Period, such that the Debenture Holders achieve the Default Redemption Price:*
- (d) Appoint such numbers of Director's on the Board of the Company and the Land Owning Companies as the Investors deem appropriate (Debenture Director(s))":*

Provided that. subject to Applicable Law, the Company, the Land Owning Companies and the Promoters expressly agree and undertake that:

- (A) The Debenture Director shall not be liable for any default or failure of the Company or the Land Owning Companies in complying with the provisions of any applicable Law, Including but not limited to, defaults under the Companies Act, taxation and labour Laws of India;*
- (B) The Debenture Director shall not be identified as an officer in default of the Company or the Land Owning Companies, or occupiers of any premises used by the Company or the Land Owning Companies or employers under applicable Law; and*
- (C) The articles of association of the Company and the Land Owning Companies shall provide for indemnification of the all Directors including the Debenture Director. up to the extent permitted under Law. All Directors shall be indemnified, out of the Assets and capital of the Company or the Land Owning Companies against any liability Incurred by the Directors in defending any proceedings, whether civil or criminal, against the Company or the Land Owning Companies."*

18. Admittedly, the payment was not made in pursuance of the cure notice 29-12-2023, hence the default of payment of Rs 29,72,29,959 is fully established, but there is no further action taken by the Debenture Holders or Debenture Trustee nor any notice issued after 29-12-2023 requiring the company to redeem all the outstanding debentures within 10 days of expiry of the cure period. As noted above Debenture Trustee having already extended the period for payment of principal amount of Rs 146 crore till 30-6-2020 probably due to the above reason, no notice was even issued for requiring the payment of Rs 146 crore by the company.

19. We, thus find substance in the submission of the appellant that the

financial creditor has failed to show any basis in Section 7 application when they claim the entire amount in default of Rs 274,13,45,241. As noted above, while calculating the amount of Rs 274,13,45,241 under Item 1 of Part IV, they have been added the principal amount of Rs 146 crore. The principal amount never became due nor there was any notice requiring the company to pay the principal amount. The claim of Rs 274,13,45,241 in so far it adds the principal amount of debenture is not in accordance with the DTD and the Debenture Trustees were not entitled to claim default of principal amount on date when the file Section 7 application i.e. 24-1-2024. However, the records clearly indicate that there was clear default on the part of the company for non-payment of amount of Rs 29,72,29,959 with regard to which notice on 29-12-2023 was issued and even after accepting the submission of the appellant that principal amount of Rs 146 crore was not due. Amount defaulted on the date of filing of Section 7 application was well within threshold of Rs 1 crore.

20. We may further notice the submission of the appellant that during pendency of Section 7 application, they have paid the amount of Rs 37.2 crore which fact is not disputed. The R-2, however, had contained that the payment of Rs 37.2 crore cannot absolve the company from default and that the amount of Rs 37.2 crore was not sufficient even to cover the defaulted amount of interest. It is submitted that further amount of interest, appellant claims payment of Rs 37.2 crore between the period 16-1-2024 to 13-9-2024, and further payment of Rs 50 lakhs are claimed on 14-4-2024. On the date when Section 7 application was filed, there was default on the part of the corporate debtor which fully entitled the Debenture Trustee to initiate proceedings under Section 7. Payment of Rs 37.2 crore during pendency of Section 7 application cannot be held to liquidate the amount defaulted by the company.

21. In view of the above discussions and our conclusions, we answer Question Nos. (I) (II) & (III) in following manner:

- I. There was default on the part of the company to pay the amount of Rs 29,72,29,959 on the date when Section 7 application was filed, the amount claimed in the Part IV of Section 7 application of Rs 274 crore and odd was not correct amount which incorrectly has included the amount of principal payment of debentures of Rs 146 crore which was due only on 30-6-2024, and there was no action taken by trustee after the notice dated 29-12-2023, even requiring the payment of principal amount of debenture.
- II. The financial creditor in Section 7 application has fully proved the debt and default on the part of the corporate debtor, the corporate debtor having not paid the amount due payment of quarterly interest amount from 15-3-2022, default was thus clearly established.
- III. By payment of Rs 37.2 crore during pendency of Section 7 application by the company to the financial creditor, it cannot be held that default

by the company has been liquidated and the default stood cured.

Question No. (IV):

22. Before the adjudicating authority, the corporate debtor has raised the plea of project-wise insolvency. It was further pleaded that present debt of company of the financial creditor is project specific in nature, hence the insolvency ought to be initiated only on the project-wise basis and not against the corporate debtor as a whole, which has been noticed in para 16 of the judgment, which is as follows:

"Project-wise Insolvency:

16. *The Respondent has vehemently contended that the present debt is project specific in nature and, therefore, insolvency, if any, ought to be initiated only on a project-wise basis and not against the corporate debtor as a whole. This submission, though elaborately argued, is neither borne out from the factual matrix nor sustainable in law and deserves to be rejected for the reasons recorded hereinafter."*

23. The adjudicating authority has observed that Insolvency & Bankruptcy Code recognises insolvency as of a corporate debtor and not of the individual project. The said observations have been made in para 16.1 which are as follows:

"16.1. Statutory Scheme under the IBC

At the outset, it is pertinent to note that the Insolvency and Bankruptcy Code, 2016 recognises insolvency of a "corporate debtor" and not of an individual project. Section 3(8) of the Code defines 'corporate debtor' as a corporate person who owes a debt to any person. The Code does not envisage a real estate project as an independent juridical entity capable of being subjected to initiation of CIRP. Further, Section 7(5)(a) mandates admission of an application once debt and default are established against the corporate debtor. The present petition has been filed against Vatika Limited as a corporate debtor and not against any specific project, and the statutory mandate cannot be diluted at the threshold by importing a project-wise filter at the admission stage."

24. Further in para 16.5, the adjudicating authority has noted provisions of Code providing for project-wise resolution. In paras 16.5, 16.6 and 16.7 adjudicating authority made following observations while rejecting the plea of the corporate debtor, seeking project-wise insolvency:

"16.5. Code provides for Project wise resolution and not for Project-wise Insolvency

At this stage, it is relevant to refer Regulations 4D and 36A to the Insolvency and Bankruptcy Board of India (resolution Process for Corporate Persons) Regulations, 2016, as inserted in the said Regulations, 2016 by the Insolvency and Bankruptcy Board of India (resolution Process for Corporate Persons) (Amendment) Regulations, 2024. Regulation 4D, of the Regulations, 2016, reads as under:

"4D. Operating separate bank account for each real estate project. Where the corporate debtor has any real estate project, the interim resolution professional or the resolution professional, as the case may be, shall operate a separate bank account for each real estate project."

Further, Regulation 36A, of the Regulations, 2016 provides as follows:

"36A. Invitation for expression of interest.

(1) The resolution professional shall publish brief particulars of the invitation for expression of interest in Form G of the Schedule I at the earliest, not later than sixtieth day from the insolvency commencement date, from interested and eligible prospective resolution applicants to submit resolution plans. **[Clarification: The resolution professional after the approval of the committee may invite a resolution plan for each real estate project or group of projects of the corporate debtor.]"**

A conjoint reading of the aforesaid provisions makes it abundantly clear that the statutory scheme under the Code and the Regulations provides only for project wise resolution after admission of the application, subject to approval of the Committee of Creditors, and does not contemplate initiation of insolvency proceedings on a project wise basis. The role of the resolution Professional to invite resolution plans for individual projects arises only after commencement of CIRP and cannot be invoked to defeat admission of an application under Section 7 of the Code.

16.6. It is also apposite to note, that the very concept of "project-wise insolvency" has been viewed as inherently inconsistent with the foundational structure of the Insolvency and Bankruptcy Code, 2016. In this context, it is necessary to understand the legislative intent behind the framework as was also explained by Sri Baijayant Panda, Chairperson of the parliamentary Select Committee on the Insolvency and Bankruptcy Code (Amendment) Bill, 2025. It has been observed that insolvency under the Code is necessarily of a company and not of a project. The distinction drawn is between project-wise resolution, which may be operationally undertaken within CIRP, and insolvency itself, which statutorily attaches only to the corporate person. It is to be noted that permitting insolvency to remain confined to a project would dilute the core principle of the Code that default results in displacement of control of the corporate debtor and replacement of the promoter. Allowing promoters to retain control of the corporate entity while carving out isolated projects for insolvency would defeat the deterrent and disciplinary architecture embedded in the Code. This reinforces the position that while project-wise resolution mechanisms may be employed post admission within the CIRP framework, the initiation of insolvency proceedings itself cannot be restricted to a project alone.

16.7. Accordingly, the contention of the corporate debtor seeking project wise insolvency at admission stage is untenable and deserves to be rejected."

25. It is further relevant to notice that in para 5 of the judgment adjudicating authority itself has noticed the case of the appellant for project-wise insolvency in a tabular form. Para 2 under the heading **"Reply of the corporate debtor"** is as follows:

Reply of the corporate debtor

"2. Project-wise Insolvency

The corporate debtor contends that the debenture financing was intrinsically linked to a specific real estate project and therefore insolvency, if any, can only be project wise and not against the corporate debtor as a whole. It is submitted that corporate wide CIRP would adversely affect other ongoing projects and stakeholders. Reliance is placed on Mansi Brar Fernandez v. Shubha Sharma, (2025) 259 Comp Cas 769 : 2025 SCC OnLine SC 1972, Flat Buyers Association Winter Hills 77 v. Umang Realtech Pvt. Ltd., (2020) 12 Comp Cas-OL 174 : 2020 SCC OnLine NCLAT 1199 and Amit Jain v. IDBI Trusteeship Services Ltd., 2025 SCC OnLine NCLAT 1753."

26. In the above plea of the corporate debtor as noticed by the adjudicating authority itself, reliance was placed on three judgments. First judgment relied was judgment of the Supreme Court in *Mansi Brar Fernandes* (supra), and second judgment relied was judgment of this Tribunal in *Flat Buyers Association Winter Hills - 77, Gurgaon* (supra), and third judgment relied was judgment of this Tribunal in *Amit Jain (Suspended Directors of Mahagun (India) Pvt. Ltd.)* (supra).

27. The learned counsel for the appellant has also relied on the recent judgment of this Tribunal in *Gagan Tandon* (supra). It shall be sufficient to notice the judgment of this Tribunal in *Gagan Tandon* (supra), where this Tribunal has noted earlier judgments on the subject. This Tribunal in the above judgment has first noted the judgment of the Supreme Court in *Mansi Brar Fernandes* (supra) and relevant paragraph of the Supreme Court. We need to refer to the judgment of the Supreme Court in *Mansi Brar Fernandes* (supra). The above appeal arose out of insolvency resolution process of Real Estate Project. In para 15.5 of the judgment Supreme Court has laid down that a balanced judicial approach had to be adopted. In para 15.5 following has been held:

"15.5. A balanced judicial approach in this regard will have far-reaching benefits: protecting homebuyers, restoring confidence in the real estate market, and encouraging reputed business houses and conglomerates to participate in residential development. In taking this approach, this court seeks to contribute towards cleansing and strengthening a core economic sector that sustains millions of livelihoods

in both the organised and unorganised economy and touches the lives of people at their most fundamental level."

28. Supreme Court in the above judgment has also held that right of shelter is a fundamental right. Various directions were issued by the Supreme Court in the above judgment. The directions issued in paras 21.2 (5) & 21.2(6), which are relevant reads as follows:

"21.2. *In exercise of this court's jurisdiction, and to advance the constitutional and statutory objectives, the following directions are issued to the concerned authorities, in the larger interests of bona fide homebuyers and the stability of the real estate sector, which demand coordinated action by all stakeholders:*

(5) Since real estate is the second largest sector in the Insolvency and Bankruptcy Code proceedings, IBBI [Insolvency and Bankruptcy Board of India.], in consultation with the RERA, authorities, shall constitute a council to frame specific guidelines for insolvency proceedings in real estate, including timelines for project-wise the corporate insolvency resolution process, and safeguards for allottees.

(6) resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire corporate debtor, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice. The Insolvency and Bankruptcy Board of India shall also devise a mechanism to enable handover of possession to willing allottees where substantial units in a project are complete."

29. This Tribunal in *Gagan Tandon* (supra) has noticed the judgment of Supreme Court in paras 77 to 80 and in para 81, this Tribunal in *Gagan Tandon* (supra) held as follows:

"81. *What Hon'ble Supreme Court has held in the above case is that resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire CD, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice."*

30. In *Gagan Tandon* (supra), this Tribunal has noted relevant provisions of the Insolvency and Bankruptcy Board of India (Insolvency resolution Process for Corporate Persons) Regulations, 2016 (for short the "CIRP Regulations, 2016"), which has also been noticed by the adjudicating authority. In paras 82, 83 and 84, following was observed:

"82. *We also need to notice certain provisions of Insolvency and Bankruptcy Board of India (Insolvency resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"), which deals with the process for resolution of a CD, with respect to resolution of a real estate company, which has several real estate projects, few amendments have been made in the CIRP Regulations, which need to be noticed. The CIRP*

Regulations as originally framed did not envisage any real estate project resolution. In Regulation 36A for the first time by amendment in Regulation 36A(1), a clarification has been added with effect from 15-2-2024. Regulation 36A, sub-regulation (1) with clarification provides as follows:

"36A(1) The resolution professional shall publish brief particulars of the invitation for expression of interest in Form G of the 123[Schedule-I] at the earliest, 124[not later than sixtieth day]from the insolvency commencement date, from interested and eligible prospective resolution applicants to submit resolution plans.

[Clarification: The resolution professional after the approval of the committee may invite a resolution plan for each real estate project or group of projects of the corporate debtor.]

83. *The above provision is an enabling provision that empowers the RP after approval of CoC, to invite resolution Plans for each real estate project or projects of the CD. The above regulation thus, clearly contemplates the steps to be undertaken by the RP when there is more than one real estate project of the CD. Certain further amendments have been made in the regulation with effect from 3-2-2025, which also needs to be noticed. Regulation 4E has been added with effect from 3-2-2025, which is as follows:*

"4E. *Handing over the possession. After obtaining the approval of the committee with not less than sixty-six percent of total votes, the resolution professional shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project and facilitate registration, where the allottee has requested for the same and has performed his part under the agreement."*

84. *In Regulation 18, sub-regulation (4) has been inserted vide notification dated 3-2-2025, which empowers the CoC to invite the competent authority i.e. Real Estate (regulation and Development) Act, 2016. Sub-regulation (4) of Regulation 18 is as follows:*

"18(4) *Where the corporate debtor has any real estate project, the committee may direct the resolution professional to invite the 'competent authority' as defined in clause (p) of Section 2 of the Real Estate (regulation and Development) Act, 2016 (16 of 2016) related to such project to attend such meeting(s) of the committee, as the committee may decide, without voting rights, for providing inputs on matters associated with the development of such project."*

31. This Tribunal, even after noticing the above Regulations as amended had observed that the said amendments throw very little lights over the complexities and difficulties which arise in the resolution of Real Estate Project. This Tribunal in *Gagan Tandon* (supra), has relied on earlier judgment of *Flat Buyers Association Winter Hills - 77, Gurgaon* (supra), and

has quoted the relevant paragraph. Para 85 of the judgment of this Tribunal in *Gagan Tandon* (supra) reads as follows:

"85. *The above Regulations, even after amendments as noted above, throw very little light over the complexities and difficulties, which arise in the resolution of the real estate project, undertaken by a real estate Company. There have been several precedences of this Tribunal, where this Tribunal had occasion to consider the resolution of a real estate project. The judgment of this Tribunal in Company Appeal (AT) (Ins.) No. 926 of 2019 - Flat Buyers Association Winter Hills - 77, Gurgaon v. Umang Realtech Pvt. Ltd. through IRP is one of such cases, where this Tribunal has noticed the problems in following certain process in the cases of infrastructure companies (for allottees). In Paras 9 and 10 of the judgment, following observations have been made:*

"9. *In terms of the 'I&B Code' and the decisions of the Hon'ble Supreme Court, the 'resolution Plan' must maximise the assets of the corporate debtor and balance the stakeholders (secured and unsecured creditors-Financial Creditors/Operational Creditors).*

10. *The Infrastructure which is constructed for the allottees by corporate debtor (Infrastructure Company) is an asset of the corporate debtor. The assets of the corporate debtor as per the Code cannot be distributed, which are secured for 'Secured Creditors'. On the contrary, allottees (Homebuyers) who are 'Unsecured Creditors', the assets of the corporate debtor which is the Infrastructure, is to be transferred in their favour ('Unsecured Creditors') and not to the 'Secured Creditors' such as Financial Institutions/Banks/NBFCs."*

32. Para 86 further notices the para 21 of the judgment of the *Flat Buyers Association Winter Hills - 77, Gurgaon* (supra). Para 86 of the judgment is as follows:

"86. *The Hon'ble Supreme Court in the above case has also noticed the concept of "reverse corporate insolvency resolution process". This Tribunal in the above judgment, which was delivered on 4-2-2020 had observed that in the CIRP against a real estate, if allottees (Financial Creditors) or Financial Institutions are of one project initiated CIRP against the CD, it be confined to the particular project and it cannot affect other projects of the real estate company in other places. In Para 21 of the judgment, following was laid down:*

"21. *In Corporate Insolvency resolution Process against a real estate, if allottees (Financial Creditors) or Financial Institutions/Banks (Other Financial Creditors) or Operational Creditors of one project initiated Corporate Insolvency resolution Process against the corporate debtor (real estate company), it is confined to the particular project, it cannot affect any other project(s) of the same real estate company (corporate debtor) in other places where separate plan(s) are approved*

by different authorities, land and its owner may be different and mainly the allottees (financial creditors), financial institutions (financial creditors, operational creditors are different for such separate project. Therefore, all the asset of the company (corporate debtor) are not to be maximized. The asset of the company (corporate debtor - real estate) of that particular project is to be maximized for balancing the creditors such as allottees, financial institutions and operational creditors of that particular project. Corporate Insolvency resolution Process should be project basis, as per approved plan by the competent authority. Any other allottees (financial creditors) or financial institutions/banks (other financial creditors) or operational creditors of other project cannot file a claim before the Interim resolution Professional of other project and such claim cannot be entertained.

So, we hold that Corporate Insolvency resolution Process against a real estate company (corporate debtor) is limited to a project as per approved plan by the competent authority and not other projects which are separate at other places for which separate plans approved. For example - in this case the Winter Hill - 77 Gurgaon Project of the 'corporate debtor' has been place of Corporate Insolvency resolution Process. If the same real estate company (corporate debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the corporate debtor (Company) for such other projects can be maximised."

33. This Tribunal clearly laid down following in para 87 holding that **"we have no hesitation to hold that when CIRP initiated by allottees or Financial institutions, under Section 7 relates to one project, the CIRP has to be confined to the said project and cannot take into its fold, the other real estate projects, situated in other cities or other states"**.

34. The adjudicating authority in the impugned order, although has noticed the judgment of the Supreme Court in *Mansi Brar Fernandes* (supra) and this Tribunal in *Flat Buyers Association Winter Hills - 77, Gurgaon* (supra), and *Amit Jain (Suspended Directors of Mahagun (India) Pvt. Ltd.)* (supra), but has not even adverted to the said judgments, law laid down by this Tribunal and the Supreme Court is fully binding on the adjudicating authority without adverted to the said judgments which had clearly held that project-wise insolvency process can begin and where the CIRP initiated by allottees or a financial institution, with respect to one project, it cannot take in its fold in other cities or other states. The judgment of the *Gagan Tandon* (supra), was delivered by this Tribunal on 7-1-2026, where the impugned judgment has been passed by the adjudicating authority on 3-2-2026. The adjudicating authority has neither dealt the judgment of this Tribunal in *Gagan Tandon* (supra), nor those judgments of this Tribunal and

the Supreme Court which has been noticed by the adjudicating authority itself in para 5 as noticed above.

35. We thus of the view that view taken by the adjudicating authority that project-wise insolvency cannot be held is not in accordance with law and has to be disapproved. Adjudicating authority felled in error in taking the view, contrary to the view taken by this Tribunal, which was clearly binding on the adjudicating authority.

36. We thus answer Question No. (IV) in following manner:

IV. The view of the adjudicating authority that insolvency cannot be project-wise in case of *Real Estate Company* and only resolution can be project-wise, is not in accordance with law laid down by this Tribunal and the Hon'ble Supreme Court.

Question Nos. (V) & (VI):

37. We need to notice the DTD dated 30-6-2017, which is a document under which debentures were issued to the company amounting to Rs 146 crore. The DTD under Clause C indicated that the landowning company and the promoters are desirous of developing the project (as hereinafter defined) on the property (as hereinafter defined). Thus, Clauses C & D are as follows:

"(C) The Company, the Land Owning Companies and the Promoters are desirous of developing the Project (as hereinafter defined) on the Property (as hereinafter defined).

(D) The Company has availed a rupee term loan from Indiabulls Housing Finance Limited ("Lender") (such loan referred to as "Loan"), A loan agreement has been executed among, Inter alia, the Company and the Lender (the "Loan agreement"). In terms of the Loan agreement, the Company has mortgaged the Property (as defined hereafter) in favour of the Lender, created a first charge on the Receivables (as defined hereafter) In favour of the Lender, it is hereby clarified that. on or before the Closing Date, the Company shall have obtained a no objection certificate from the Lender, in Agreed Form, to the satisfaction of the Investors."

38. In Clause D, it was mentioned that company has obtained a loan on the property and created a first charge on the receivables and the company shall obtain a NoC from the lender. Clause 1 deals with the various definition. Definition Business Plan clearly refers to the project. Definition Business Plan is as follows:

"Business Plan" shall mean the half yearly business plan, as may be revised from time to time, governing the construction, development and commercial exploitation of the Project. In form and substance and content agreed to by the Investors and the Company. prepared by the Company and the Land Owning Companies (setting out half yearly targets for the Project), which shall be reviewed and updated at the start of every half year: In the manner set forth in Clause 15.1, which shall include without

limitation:

- i. Sales price and fixing of a minimum price of units in the Project, and sales volumes;*
- ii. Construction milestones, cost estimates and building specifications;*
- iii. Construction Costs, Sales Expenses. Project Taxes;*
- iv. Marketing and sales strategy;*
- v. Development mix, building massing and phasing;*
- vi. Appointment of contractors and consultants for the Project;*
- vii. Loans to be availed;*
- viii. Layout plan of the Project;*
- ix. Saleable area of the Project;*
- x. Drawdown schedule of any loans availed from any lenders for the purpose of the Project;*
- xi. Status and review of Government Approvals; and*
- xii. Any decision materially affecting or substantially changing the Project or the Property;*

The initial Business Plan as agreed to amongst the Parties is annexed hereto as Schedule XIII;"

39. Hypothecated Property is defined in following words:

"Hypothecated Property" shall mean a first charge. in favour of the Debenture Trustee (acting on behalf of and for the benefit of the Debenture Holders) on:

- (a) the Escrow Accounts of the Land Owning Companies and the Company;*
- (b) all the moneys, securities, instruments, Investments, and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of the Escrow Accounts of the Land Owning Companies and the Company or liable to be credited to such accounts including, without limitation due to any actions taken or right exercised by the Company and the Land Owning Companies, and all the moneys lying to the credit of such accounts or liable to be credited to such accounts, including any interest accruing in respect thereof;*
- (c) developed undeveloped portion of the Project along with proportionate share of the Property, including any current & future FSI and any additional development rights on the Property;*
- (d) All cash flow in relation to the Project and Receivables of the Company and the Land Owning Companies from the Project and Property Including any fixed deposits created out of such monies from time to time together with all and any Interest accruing in respect thereof: and*
- (e) all present and future book debts, outstandings, moneys*

receivable, claims and bills which are now due and owing or which may at any time during the continuance of the Debenture Security become due and owing to the Company/Land Owning Companies from any Person in relation to the Project and Property;"

40. The Project has also defined in following words:

"'Project" shall mean the development of a group housing project, comprising, inter-alia of residential apartments, to be developed on the Property in accordance with the Consents, Governmental Approval, applicable Law, Business Plan and/or Definitive Agreements:"

41. Property is defined as land to the extent of 12.212 acres situated in Sector 88 B, Village Harsaru, District Gurgaon, which is as follows:

"'Property" shall mean the land to the extent of 12.212 acres of land as located in Sector 88B, Village Harsaru, District Gurgaon. Haryana, owned by and held in the name of the Land Owning Companies, as more particularly described at Schedule XI. where the Project is proposed to be developed:"

42. The above clauses thus clearly indicate that project was contemplated on property to the extent of 12.212 acres situated in Sector 88 B, Village Harsaru, District Gurgaon. The above clauses thus clearly indicate that project was contemplated on the property to the extent of 12.212 acres situated in Sector 88, Village Harsaru. The subsequent clauses throw considerable light on the arrangement between the parties. Clause 14.2 which contains obligation of company which requires that company shall develop the project in accordance with the business plans and transfer the property and other assets in accordance with the commercial practice. Clause 14.2(b) is as follows:

"14.2 The Company shall:

(b) Develop the Project In accordance with the Business Plan and Transfer the Property and any other Assets using procedures in accordance with sound commercial practices and as contemplated in the Business Plan and in compliance with the terms of this Deed;"

43. Further, Clause 14.2(f) contemplate that prior to sale no objection certificate from the Debenture Trustee has to be obtained for release of charge. Clause 14.2(f) is as follows:

"14.2 The Company shall:

(f) Ensure that the Security Cover is least 2 (Two) times of the amount of Secured Obligations at all times:"

44. Thus, the above clauses clearly indicate the charge of the trustee on the project and on every part of land and for sale of any asset requirement of prior no objection from lender was contemplated. Business Plan is defined in Clause 15.1. Clause 15.3, which dealt with debt financing which permit construction finance upto Rs 50 crore. Clause 15.3.1 is as follows:

"15.3.1 The Promoters shall ensure that each of the Company and the

Land Owning Companies do not, the Company shall ensure that the Land Owning Companies do not, and each of the Company and the Land Owning Company undertake not to incur any Financial Indebtedness or any other liability except for an aggregate construction finance upto Rs 50,00,00,000 (Rupees Fifty Crores Only) for the sole purposes of the development of Project. Such construction licence shall rank pari-passu with Debentures. It is clarified that the restriction on the Company and the Land Owning Company under this Clause 15.3 is limited to Financial Indebtedness or other liability relating to the Project."

45. Clause 15.4 provides for appointment of Project Management Consultant, which was to be appointed by the Debenture Holders. Clause 15.4 is as follows:

"15.4 Appointment of Project Management Consultant

The Debenture Holders shall have the right to appoint a project management consultant at any time to review the Business Plan and the Cast of Development of the Project. Costs associated with the same shall be borne by the Company."

46. Clause 15.5 dealt with RERA and obliged the company to comply with the provisions of RERA at all times. Clause 15.5.1 is as follows:

"15.5.1 The Promoters and the Company shall ensure that the Company and the Land Owning Companies comply with the provisions of the RERA at all times and the Company shall on a quarterly basis, and at any time upon request from the Debenture Trustee. certify compliance with the provisions of the RERA."

47. Clause 17 also empowers the Debenture Holders to appoint the internal auditor solely for the purposes of reviewing records and documents relating to the project. Clause 17.1 is as follows:

"17.1 The Debenture Holders shall have the right to appoint an Internal auditor solely for the purpose of reviewing records, accounts. Documents, etc. relating to the Project. Without prejudice to the rights of the internal auditor under applicable Law or as per Its terms of engagement, such auditor shall be entitled to review inter alia the financial details of the Project including costs Incurred, sales, management Information system and other accounting details, whether on a quarterly basis or otherwise, and for this purpose shall be entitled to review the relevant books and records of the Company or the Land Owning Companies All costs associated with the same shall be borne by the Company."

48. The above clauses clearly indicate that what was contemplated was the development of a project on a specified land for which various provisions were made and clauses incorporated in the DTD, creating charge of the Debenture Holders on the project land and no unit was to be sold without

taking prior approval of no objection of the Debenture Trustee. Project Monitoring Committee was to be appointed by the Debenture Holders and they can appoint the internal auditors. The above provisions indicate full and complete control of the Debenture Holders on the project and the receivables in the project. Escrow Account was also opened with respect to project receivables and which was part of security.

49. Now we come to the relevant classes which provides for debenture security. Clause 9 deals with the terms of debenture and debenture security. Clause 9.7 deals with the debenture security. Clause 9.7 is as follows:

"9.7 In consideration of the Debenture Holders subscribing to the Debentures In terms hereof and for the purpose of securing the payment of the Secured Obligations and the due discharge of the Secured Obligations by the Obligors under the Definitive Agreements, the Obligors hereby agree to create the requisite Security Interest specified in column (2) of the table below (collectively the Debentures Security, which Security Interest is more fully described in the corresponding document, where applicable) within the timelines specified in column (4) of the table below by taking all requisite actions in this regard including providing/executing the corresponding document (including payment of requisite stamp duty and registration, if required) specified in column (3) of the table below:

(1)	(2)	(3)	(4)
S. No.	Debenture Security	Debenture Security documents	Timeline for Creation of Debenture Security
1.	Equitable mortgage by deposit of title deeds on the Project and the Property on a first charge basis to favour of the Debenture Trustee	Memorandum of Entry, Directors' Declarations and Tripartite Letter	Within 7 (Seven) days from the Closing Date
2.	First exclusive charge by way of hypothecation over the Hypothecated Property together with all and any interest	Deed of Hypothecation (including the power of attorney therein) contained	On or prior to the Closing Date

	<i>acquiring in respect thereof in accordance with the Deed of Hypothecation</i>		
3.	<i>Execution of the Power of Attorney by the Company in favour of the Debenture Trustee</i>	<i>Power of Attorney</i>	<i>On the Closing Date the</i>
4.	<i>Execution of the Escrow agreement and setting up of the Escrow Accounts in accordance with the Escrow Account agreement</i>	<i>Escrow agreement Account</i>	<i>Within 7 (Seven) days from the Closing Date</i>
5.	<i>Issuance of the Corporate Guarantees</i>	<i>Corporate Guarantees</i>	<i>On or prior to the Closing Date</i>
6.	<i>Issuance of the Personal Guarantees</i>	<i>Personal Guarantees</i>	<i>On or prior to the Closing Date</i>
7.	<i>Handover of the Post Dated Cheques</i>	<i>Post Dated Cheques</i>	<i>On or prior to the Closing Date</i>
8.	<i>Execution of the Shortfall Undertaking</i>	<i>Shortfall Undertaking</i>	<i>On or prior to the Closing Date</i>
9.	<i>Execution of Demand Promissory Note and the Letter of Continuity</i>	<i>Demand Promissory Note and the Letter of Continuity</i>	<i>On or prior to the: Closing Date</i>
10.	<i>Charge/lien over DSR</i>	<i>Debenture Trust Deed (as provided in terms of Clause 14.1 (d))</i>	<i>Within 1 (One) Business Day from the Allotment Date</i>

11.	Such other security as may be required to maintain the Security Cover in accordance with this Deed as may be required by the Debenture Holders	As may be required based on the Security Interest being created	As and when required by the Debenture Holders
-----	--	---	---

50. The above clearly contemplated equitable mortgage or deposit of title on the property and the property on first charge basis. The first exclusive charge by way of hypothecation over the hypothecated property was also contemplated. The securities also included execution of Power of Attorney, Escrow agreement, Corporate Guarantee, Personal Guarantee, Post-Dated Cheques, Letter of Shortfall Undertaking, and Promissory Note.

51. Thus, above clauses clearly indicate that the security was basically the mortgage of the project and the property as well as the hypothecation over the hypothecated property together with all any interest accruing in respect according to the deed of hypothecation. The above provision clearly indicate that debentures were obtained by the company and the various provisions indicate that the findings by debenture was for the purposes of the project on the project property that is land bearing 12.212 acres situated in Sector 88 B was contemplated.

52. At this juncture, we may notice one submission of the respondent. Respondent submits that the project has been registered by the company in the year 2022, hence there was no contemplation at the relevant time regarding the "Project Aspirations", hence the funding cannot be said to the "Project Aspirations" which was got registered in the year 2022. In the appeal, certain documents regarding registration of the HARERA and the license issued by DTCP, license have been brought on record. It is relevant to notice the license issued by DTCP as well as the RERA registration to consider the submission. License No. 13/2022 from DTCP has been brought on record. The License No. 13/2022, clearly mentions that license is granted for area admeasuring 12.212 acres for setting of group housing colony in the revenue state of Haryana, Harsaru, Sector 88 B, District Gurgaon:

"FORM LC-V

(See Rule 12)

HARYANA GOVERNMENT

TOWN AND COUNTRY PLANNING DEPARTMENT

Licence No. 13. of 2022

This License has been granted under the Haryana Development and regulation of Urban Areas Act, 1975 & the Rules, 1976, made thereunder

to Vatika Ltd., Aplin Developers Pvt. Ltd. in collaboration with Vatika Ltd. Unit No.-A-002, INXT City Centre, Ground Floor, Block-A, Sector-83, Vatika India Next, Gurugram-122012 for setting up of Affordable Plotted Colony under DDJAY over an area measuring 12.20 acres (after migration from license No. 90 of 2013 dated 26-10-2013 granted for an area measuring 12.212 for setting up of Group Housing Colony) in the revenue estate of village Harsaru, Sector-88B, Distt. Gurugram.

1. The particulars of the land, wherein the aforesaid Residential Plotted Colony is to be set up, are given in the Schedule annexed hereto and duly signed by the Director, Town & Country Planning, Haryana.

...

4. The license is valid up to 23-2-2027.

Dated: The 24-2-2022. (K. Makrand Pandurang, Chandigarh IAS)

Director, Town & Country

Planning Haryana, Chandigarh

Endst. No. LC-4560/Asstt(MS)/2022/5626

Dated: 24-2-2022

(S.K. Sehrawat)

District Town Planner (HQ) For Director, Town & Country Planning Haryana Chandigarh"

53. Another license with respect for area 7.50 acres in addition to License No. 13/2022 in Sector 88 B was granted, which is as follows:

"FORM LC-V

(See Rule 12)

HARYANA GOVERNMENT

TOWN AND COUNTRY PLANNING DEPARTMENT

Licence No. 152 of 2022

This Licence has been granted under the Haryana Development and regulation of Urban Areas Act, 1975 & the Rule, 1976, made there under to Haldis Developers Pvt. Ltd., Sahar Land and Housing Pvt. Ltd., Acklin Developers Pvt. Ltd., Vatika INXT 2 Pvt. Ltd. in collaboration with Vatika Ltd. Regd. Office Unit No. A-002, INXT City Centre, Ground Floor, Block-A, Sector-83, Vatika India Next, Gurugram-122012 for setting up of Affordable Residential Plotted Colony under Deen Dayal Jan Awas Yojna 2016 on the land additional area measuring 7.50 acres (in addition to Licence No. 13 of 2022 dated 24-2-2022) in the revenue estate of village Harsaru, Sector-88-B, Gurugram Manesar Urban Complex.

1 The particulars of the land, wherein the aforesaid Affordable Residential Plotted Colony is to be set up, are given in the Schedule annexed hereto and duly signed by the Director General, Town & Country Planning, Haryana.

...

6. The licence is valid up to 28-9-2027
Dated: 29-9-2022. (T.L. Satyaprakash, IAS)
Place: Director General,
Town & Country Planning
Haryana, Chandigarh
Endst. No. LC-4560-B/JE (SB)/2022/29597
Dated: 29-9-2022

A copy along with a copy of schedule of land is forwarded to the following for information and necessary action:-(Narender Kumar) District Town Planner (HQ) For: Director General, Town & Country Planning Haryana Chandigarh"

54. When we look into the RERA registration relied by the appellant being Registration Certificate, No. 130/2022, the said registration is with respect to Sector 88B, Gurgaon, area 19.70 acres, which refers to License No. 13/2022 and License No. 152/2022. It is useful to notice following part of the Registration Certificate:

"REGISTRATION No. 130 OF 2022

FORM REP-III [See rule 5(1)]

HARYANA REAL ESTATE REGULATORY AUTHORITY GURUGRAM		
HARERA GURUGRAM		
REGISTRATION No. 130 of 2022		
RC/REP/HARERA/GGM/655-387-2022/130	Date: 23-12-2022	
UNIQUE NO. GENERATED ONLINE	RERA-GRG-PROJ-1170-2022	
REGISTRATION CERTIFICATE		
REAL ESTATE PROJECT - AFFORDABLE RESIDENTIAL PLOTTED COLONY UNDER DDJAY		
ASPIRATION		
1. This registration is granted under Section 5 of the Real Estate (regulation & Development) Act, 2016 to the following project.		
(A) PARTICULARS OF THE PROJECT REGISTERED		
S.N.	Particulars	Details
(i)	Name of the project	Aspiration
(ii)	Location	Sector 88 B, Gurugram
(iii)	Licence no. and validity	13 of 2022 dated 24-2-2022 valid up to 23-2-2027 152 of 2022 dated 29-9-2022 valid up to 28-9-2027
(iv)	Total licensed area of the project	19.70 Acres
(v)	Area of project for registration	19.70 Acres

(vi)	Nature of the project	Affordable Residential Plotted Colony under DDJAY	
(vii)	Total saleable area of the project registered	41153.80 5 sq. m.	Residential = 38482.88 sq. m. Commercial = 2670.925 sq. m.
(viii)	Number of units	304 Residential Plots and 1 Commercial Block"	

55. The above clearly indicate that "Project Aspirations" has been registered on the project land which registration also include an extra additional land of 7.75 acre.

56. The project land is "Project Aspirations" is proved from other materials on records which we refer hereinafter. We have already noticed that under the DTD dated 30-6-2017, the company was obliged to comply the provisions of RERA. Provisions of the RERA was thus obligation of the company and the company after the DTD has obtained certificate. We have already noticed that the DTD refers to property as land of 12.212 acres situated in Sector 88 B, which land is now part of the project, which land project was contemplated, which project got subsequently registered in RERA in 2022. The fact that registration of RERA was obtained in 2022 was in accordance with the terms of DTCP which require the company to comply with the requirement of RERA. The fact is that IDBI Trusteeship itself was well aware and dealing with the "Project Aspirations" treating it to be a project which the Debenture Trustee has charge is apparent from other materials on record. We have already noticed that under the DTD, no objection was required for sale of any units from the Debenture Trustee by the company. Company has issued various letters to the IDBI Trusteeship seeking no objection. In response to the request from the company, no objection certificates were issued by the respondent with respect to different units in the Project "Aspirations". Various letters dated 30-10-2023 with respect to different units of project has brought on the record in the appeal. It is useful to notice one of the letters issued by the R-1 dated 30-10-2023 to the company the corporate debtor, which is as follows:

"IDBI Trusteeship Services Ltd.

CIN: U65991MH2001GO1131154

Ref: 59330/ITSL/2023-24 Date: 30-Oct-2023 Vatika Limited ("Vatika")

Unit No. A-002, INXT City Centre, Ground Floor, Block A, Sector 83, Vatika India Next, Gurugram 122012, Haryana

Subject: No Objection to the sale of Plot No. 16, A4, Aspiration, Gurgaon-122505 in favour of Anil Kumar Sehrawat

Dear Sir/Ma'am,

This is in relation to 1260 and 1200 number of [fully secured, unlisted, unrated, redeemable, optionally convertible debentures aggregating to INR 1,26,00,00,000 (Indian Rupees One Hundred Twenty Six Crores only) and INR 20,00,00,000 (Indian Rupees Twenty crores only) issued to Indiabulls High Yield Fund ("**IHYF**") & Indiabulls Opportunities India Fund ("**IOIF**"), respectively (the "**Debentures**") in accordance with the debenture trust deed dated 30-6-2017 executed between Vatika Limited. IHYF, IOIF and IDBI Trusteeship Services Limited and other related documents ("**Debenture documents**")

Pursuant to your email dated 9-10-2023 we have been informed about your intention for sale of the below mentioned unit ("**Unit**") to Anil Kumar Sehrawat (the "**Purchaser**"), and accordingly you have requested us for issuance of a no objection certificate ("**NOC**") for release of our charge on the Unit and subsequent sale of the Unit

Customer Name	New Flat/Plot No.	Saleable Area (Sqyd.)	Total Sale Consideration (INR)	Total Amount received (INR)	Balance receivable (INR)
Anil Kumar Sehrawat	16	131	71,15,039	46,92,800	24,22,239

Please note that IHYF and IOIF have perused your request and hereby conveys no objection to release its rights, claims, interest and charge over the Unit in Project Aspiration.

Subject to balance sales consideration (excluding TDS as applicable) i.e. an amount of INR 24,22,239 ("**Said Amount**") being transferred/deposited into the Escrow Account No. 57500001096352 held with HDFC Bank, immediately upon sale of the Unit. In the event the Said Amount is not deposited in the manner stated in this NOC then this NOC shall stand terminated/withdrawn automatically without any notice to you

All the cost, fees, stamp duty, penalty, expenses and charges for, inter alia, release of the charge(s) over the Unit shall be borne by Vatika. Please note that our aforesaid NOC is without prejudice to, and shall not affect (i) the rights, remedies, claims and/or interests of the IHYF and IOIF under the Debenture documents and/or the applicable laws and/or (ii) the obligations of the Obligor(s) under the Debenture documents.

Please note that the NOC for the abovementioned Unit will not affect the charge on any other plot/flat/shop/unit including the land and construction thereon or any other Security created in favour of IHYF and IOIF in relation to the Debentures

This no-objection shall form an integral part of the Debenture documents.

Capitalized terms used and not defined herein shall have the meaning as ascribed to such terms in the Debenture documents.

Yours sincerely,

For IDBI Trusteeship Services Limited Authorised Signatory

57. The above letter clearly mentions that no objection is being issued with regard to unit in the Project "**Aspirations**" Gurgaon. Thus, the party clearly understood that the charge of the Debenture Trustee is on the "Project Aspirations".

58. We may also notice submission of learned counsel for the respondent relying on certain clauses of the DTD. Reliance has been placed on Clause 8.3 under the heading "**Usage of Funds**". Clause 8.3 provides as follows:

"8.3 The Promoters shall cause the Company to and the Company shall utilize the Subscription Amount to meet the Company's on-going requirement of funds for business activities and general corporate purposes."

59. The learned counsel for the respondent submits that the usage of funds requires a company on going requirement of funds for business activities and general corporate purposes. He submits that the said is a very wide terms, hence the funding cannot be said to be only for the project. We have already noticed the other relevant clauses of the DTD, which clearly indicate that the project was charged with Debenture Holders and the project charge with the project units and other receivables were security for the Debenture Trustee. In the judgment of the *Gagan Tandon* (supra), noted above IL&FS has extended loan to the company where also there was a clause in similar terms, requiring utilisation of funds for corporate purpose. This Tribunal after noticing the relevant clauses of the DTD in above case has concluded that in view of the securities as mentioned in the deed, the lenders in the above case have rights to realise their debt from the securities. In the said case, this Tribunal has ultimately concluded that CIRP in the said case ought to have proceeded against the said project only. This Tribunal held that when securities are with respect to specific project, CIRP cannot engulf all other projects of corporate debtor which was held in para 93 as noted above. The learned counsel for the respondent has also relied on para 14.1(a), which is as follows:

"14. COVENANTS OF THE COMPANY. THE LAND OWNING COMPANIES AND THE PROMOTERS

14.1 *The Promoters shall ensure that the Company and the Land Owning Companies shall, and the Company and the Land Owning Companies shall:*

(a) Apply the Subscription Amount exclusively in accordance with Clauses 6.2 and 8.3:"

60. Clause 8.3 we have already noticed. Clause 6.2 of the DTD is as follows:

"6.2 Notwithstanding anything to the contrary contained in this Deed of the Definitive Agreements, if, after payment of the relevant Subscription Amount, the Debentures are not allotted to the Investors on the Closing Date, the Company shall immediately refund the Subscription Amount lying in the Subscription Account to the Investors: and the Company shall pay an additional coupon of 5.00% (Five percent) per annum in addition to the coupon rate as specified in para 3.1 of Schedule IX until the date of refund of the Subscription Amount."

61. The learned counsel for the respondent has also relied on the provisions under which the additional security can be asked by the lenders by the security trust deed. Clause 14.8(e)(1) has been referred. The above provision is the enabling provisions which can require the company to provide additional security.

62. The deposit of the title deed on 31-3-2023, which is also on the record indicate the mortgage of the project land.

63. In view of the above discussions and conclusions, we are of the view that the finance extended by the debentures was with respect to the project and property situated on the land in Sector 88 B admeasuring to 12.212 acres, which subsequently got registered as Project "Aspirations."

64. We thus answer Question Nos. (V) & (VI) in following manner:

V. The DTD dated 30-6-2017 contemplated payment of the amount of debenture amounting to Rs 146 crore for a project and project on a property identified in the DTD as land situated in Sector 88 B area admeasuring to 12.212 acres, and the securities provided to the Debenture Trustees were with respect to the project in question.

VI. In the facts of the present case, CIRP against the corporate debtor ought to have been confined only to the project in question 'Aspirations' and the CIRP cannot be extended to other projects of the corporate debtor, situated in state of Haryana and other places.

Question No. (VII)

65. In view of the foregoing discussions and our conclusions, we dispose of the appeal in following manner:

- (i) The Debenture Trustee having proved the debt and default, initiation of CIRP against the corporate debtor by order dated 3-2-2026 cannot be faulted. However, CIRP against the corporate debtor is to confine to only project situated in Sector 88 B, Gurgaon, 'Project Aspirations', the order dated 3-2-2026 is modified to that extent.
- (ii) The IRP who was permitted to collate the claims after issuance of publication may issue revise updated publication consequent to this order. However, date of commencement of the CIRP shall remain same i.e. 3-2-2026, requiring updation of the claim, along with proof of the claims by the stakeholders of the 'Project Aspirations'.
- (iii) The IRP to proceed in the CIRP process with respect to above project

in accordance with law.

(iv) The financial creditors in class, financial institutions and other creditors of other projects of the corporate debtor are at liberty to take such remedy as available in law including proceedings under Section 7 of the IBC.

Parties shall bear their own costs.

All IAs are disposed of accordingly.

† Principal Bench at New Delhi

* Arising out of Order dated 3-2-2026 passed by the Adjudicating Authority (National Company Law Tribunal, Chandigarh Bench, Court - I, Chandigarh), in C.P. (IB) No. 45/Chd/Hry/2024

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.

2026 SCC OnLine NCLAT 420

In the National Company Law Appellate Tribunal[±]

(BEFORE ASHOK BHUSHAN, CHAIRPERSON AND BARUN MITRA, MEMBER
(TECHNICAL))

Navin M. Raheja ... Appellant;

Versus

Shravan Minocha and Others ... Respondents.

Company Appeal (AT) (Insolvency) No. 1276 of 2025 and I.A. Nos.
5572, 5923, 5948, 5949, 6111, 6203, 6244, 6270, 6291, 6312,
6316, 6328, 6329, 6330, 6373, 6379, 6430, 6547, 6576, 6709,
6739, 6874, 6992, 6994, 6995, 7251, 7392, 7422, 7452, 7485,
7495, 7528, 7531, 7532, 7533, 7534, 7535, 7536, 7537, 7538,
7539, 7540, 7664, 7665, 7801, 7830, 7910, 7911, 7912, 7913,
8015, 8016 of 2025, I.A. Nos. 261, 321, 324, 325, 335, 340, 575,
823, 824, 976, 1076, 1083, 1120, 1311, 1312, 1316, 1494, 1583,
1606, 1662, 1813, 1874, 1956, 1964 of 2026[±]

Decided on April 10, 2026

Advocates who appeared in this case :

Mr. Abhinav Vashisth, Sr. Advocate with Mr. Atul Sharma, Mrs. Renuka Iyer, Mr. Anmol Bansal, Ms. Akshita and Mrs. Abilaasha, Advocates in I.A. Nos. 1316/2026 & 6992/2025.

Mr. Rohit Kumar Singh, Ms. Shweta Priyadarshini, Ms. Nishi Singh and Ms. Bhagwati, Advocates in I.A. Nos. 1120 & 1964/2026.

Mr. Kaushik Chatterjee and Ms. Samridhi, Advocates in I.A. No. 1494/2026.

Ms. Pranjal Mishra and Ms. Ishita Singh, Advocates in I.A. No. 1606/2026.

Mr. Sahil Sethi, Ms. Arushi Mann, Mr. Vikash Kumar and Mr. Samriddh Bindal, Advocates in I.A. Nos. 335 & 340/2026.

Mr. Aaditya Vijaykumar and Mr. Naman Garg, Advocates in I.A. No. 261/2026.

Mr. Sunil Fernandes, Ms. Nishi Chaudhary, Mr. Yashartha Gupta and Mr. Kamlesh Ram, Advocates in I.A. No. 6312/2025.

Mr. Gautam Pal, Advocate in I.A. No. 7495/2025.

Ms. Prerna Sharma and Mr. Sunny Vashisht, Advocates in I.A. No. 6773/2025.

Mr. Sahil Grewal, Advocate in I.A. No. 6316/2025.

Mr. Mani Bhushan Sinha, Advocate in I.A. No. 575/2026.

Mr. Shashak Pathak, Advocate in I.A. No. 1874/2026.
Mr. Siddhant Jaiswal, Advocate in I.A. No. 823/2026.
Mr. Ketan Madan, Advocate in I.A. Nos. 7528, 7531 to 7540, 7664 - 7665, 7801, 7910, 7911 - 7913/2025 & 1311, 1313 & 1586/2026
Mr. Priyam Kamra and Mrs. Pranjeet Kaur, Advocates in I.A. No. 976/2026.
Mr. Sajal Jain, Advocate in I.A. Nos. 5948/2025, 6203/2025, 6994/2025, 6995/2025, 8015/2025, 8016/2025 for Applicant;
Mr. Abhijeet Sinha & Mr. P. Nagesh, Sr. Advocates with Ms. Manmeet Kaur, Mr. Rohan Anand, Mr. Jai Dagra and Ms. Kholi B. and Mr. Akkshya Sharma, Advocates for Appellant;
Mr. Manu Chaturvedi, Advocate for R-1 to R-130.
Mr. Abhishek Anand, Mr. Karan Kohli, Ms. Palak Kalra, Advocates for IRP.
Mr. Aachit Sharma, Advocate for Respondents.
Mr. Chitranshul A. Sinha, Mr. Shivam Shorewala, Ms. Rakshita Bhargava and Ms. Archie Garg, Advocates.
Mr. Vivek Kumar and Mr. Akshay Srivastava, Advocates in I.A. Nos. 7422 & 7485/2025.
Mr. Himanshu Harbola, Advocate in I.A. No. 1956/2026.
Ms. Niharika Ahluwalia, Advocates in I.A. Nos. 1076 & 824/2026 for Interveners.

The Judgment of the Court was delivered by

ASHOK BHUSHAN, CHAIRPERSON:— This appeal be a suspended Director of the corporate debtor, namely, M/s. Raheja Developers Ltd. has been filed challenging the order dated 21-8-2025 passed by the adjudicating authority (National Company Law Tribunal, New Delhi Bench, Court - IV admitting a Section 7 application (C.P. (IB) No.-284/2025) filed by Respondent 1 to Respondents 130, the creditors in a class, homebuyers of Project, namely, Raheja Krishna Housing Scheme.

2. Brief facts of the case necessary to be noticed for deciding the appeal are:

- (i) M/s. Raheja Developers Ltd. is a Real Estate Company engaged in development of Real Estate Infrastructure in State of Haryana and other places.
- (ii) The corporate debtor for developing Krishna Housing Scheme obtained License No. 115/2014 by the Directorate of Town & Country Planning (DTCP), Haryana for setting of Group Housing Colony.
- (iii) The Project was granted a Registration Certificate by Haryana Real Estate Regulatory Authority (HRERA) vide Registration No.

21/2017. In the Project, the corporate debtor had made allotment to various homebuyers of different units. The Krishna Housing Scheme is an Affordable Group Housing Colony Project on land measuring 10 acres in Sector - 14, Sohna, Gurugram.

- (iv) The corporate debtor made allotment to the total 1644 units plus commercial units integrated with retail complex land with all basic amenities.
- (v) Builder Buyers agreement (BBA) was also entered by the corporate debtor with the allottees. The Project was required to be completed and possession handover by the corporate debtor on 10-6-2019.
- (vi) On default having been committed by the corporate debtor in handing over the possession, an application under Section 7 was filed by Shravan Minocha and 129 other unitholders, financial creditor in a class, Company Petition on 28-2-2025, alleging a default on the part of corporate debtor.
- (vii) Under Part IV of the application, total amount of debt was claimed giving details of each financial creditor having paid the amount, for example, Shravan Minocha - R-1, who was allotted Unit D 2 - 3005 had paid an amount of Rs 14,14,169. Total amount claimed was mentioned in Part IV.
- (viii) Financial creditor in a class has pleaded in their application that they were allotted units in a Project, namely, "Raheja Krishna Housing Scheme" situated in Sector 14 after obtaining license from DTCP which Project is also registered with the RERA as Registration No. 21/2017. Details of the amount paid by all the applicants was mentioned.
- (ix) It was pleaded that as per Clause 4.5 of the agreement to sell failure or delay in payment of instalment, corporate debtor was to charge 15% interest per annum. It was pleaded that corporate debtor was obliged to deliver possession of the units by 10-6-2019, in which corporate debtor miserably failed.
- (x) Adjudicating authority issued notice in Section 7 application. The corporate debtor appeared and filed its reply. Corporate debtor pleaded that the Project "Krishna Housing Scheme" is a Project which is under Affordable Housing Scheme qualifying under Pradhan Mantri Awas Yojna and Rinn Yojna which comprises 11 towers with of 1-2 BHK configurations aggregating to 1644 residential units along with the commercial units.
- (xi) The corporate debtor pleaded that constructions were adversely impacted by COVID - 19 pandemic. Residential project cost of Rs 183.36 crore has been inflated to Rs 204 crore. Corporate debtor has already incurred cost of Rs 107 crore. It was pleaded that the

corporate debtor has completed various Projects including Project with a Delhi Development Authority (DDA).

- (xii) Before the adjudicating authority, submission was made on behalf of the corporate debtor that corporate debtor is willing to settle the matter with the applicant and refund the entire amount of homebuyers, however, the corporate debtor submitted that corporate debtor shall settle with homebuyers individually.
- (xiii) Adjudicating authority heard the application and come to the finding that default has been committed by the corporate debtor, application is complete in all respect, order was passed for admitting Section 7 application. It is useful to notice para 13 of the order, where details of Project have been mentioned:

"13. *It is submitted that the project in question is, namely, "Krishna Housing Scheme", an Affordable Group Housing Colony Project on land admeasuring 10 acres in Sector-14, Sohna, Gurugram (Haryana) under Affordable Group Housing Scheme. The project qualifies under the **Pradhan Mantri Awas Yojna and Rinn Yojna**. It comprises of a total of 11 towers with flat configurations of 1-2 BHK consisting of a total of 1644 units plus commercial units integrated with retail complex and, all basic amenities, etc."*

- (xiv) The findings regarding debt and default were returned in para 18, which is as follows:

"18. *Thus, it is clear that when a default takes place i.e. the debt becomes due and is not paid, the Insolvency resolution Process shall begin against the corporate debtor. Therefore, on the basis of discussion in the aforesaid paragraphs, we are satisfied that the present application is complete in all respects. The Applicant/financial creditor is entitled to move the application against the corporate debtor in view of outstanding financial debt in default above the pecuniary threshold limit as provided under Section 4 of the Code, 2016. Further, there is no dispute with regard to debt and there has been clear acknowledgement with respect to debt due by the corporate debtor. As a sequel to the above discussion and in terms of Section 7 (5) (a) of the Code, the instant petition **I.B./284/2025 stands admitted and CIRP of M/s. Raheja Developers Ltd. shall be initiated.**"*

- (xv) Adjudicating authority further noticed in para 19 that on an application filed by Vipul Jain & Ors., the Corporate Insolvency resolution Process (CIRP) against the corporate debtor has commenced by order dated 19-11-2024, which order was challenged before this Tribunal and this Tribunal by order dated 21-11-2024 directed that insolvency proceedings shall be

confined to one Project, namely, Raheja Shilas (Low Rise). Para 19 of the judgment is as follows:

*"19. It is further placed on record that the adjudicating authority, in the matter of Vipul Jain v. Raheja Developers Limited, ((IB) No. 239(PB)/2023), admitted a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, vide order dated 19-11-2024. However, the **Hon'ble NCLAT**, by its order dated 21-11-2024, observed that, for the time being, the insolvency proceedings **shall be confined to one project, namely, "Raheja Shilas (Low Rise)".** The Interim resolution Professional (IRP) has been directed to collate the claims pertaining to the aforesaid project Raheja Shilas (Low Rise)."*

(xvi) The suspended Director of the corporate debtor filed this appeal challenging the above order. Appeal came for consideration before this Tribunal on 25-8-2025. The learned counsel for the appellant submitted that appellant is ready to refund the entire amount of the financial creditor in a class, respondent in the appeal within 6 months with 9% interest, which submission was accepted by counsel appearing for the financial creditor in a class. Consequently, after hearing both the parties, this Tribunal passed order on 25-8-2025:

- "1. Counsel for the Appellant submits that the Appellant is ready to accept the proposal by the Respondent for refund of the entire amount within six months with 9% interest.*
- 2. Counsel appearing for the Respondent-Financial Creditor who has initiated proceedings submits that it is acceptable to the Respondent to receive the entire amount in six equal monthly installments with 9% interest.*
- 3. Counsel for the Appellant prays that the matter be taken up after three days to file an Affidavit bringing the said statement on record along with the list of Financial Creditors with the amount to which each Financial Creditor is entitled and monthly installment.*
- 4. Counsel for the Appellant submits that the resolution Professional has already been appointed in Section 7 application which has been initiated and under challenge in Company Appeal (AT) (Insolvency) No. 2168 of 2024. The resolution Professional in the said appeal has already been appointed and has been permitted to collate the claims limited to one project.*
- 5. We will consider and pass further orders on next date with regard to role of the resolution Professional in the present case. In the meantime, no further steps shall be taken in pursuance*

of the impugned order. Appellant shall file an Affidavit after serving counsel for the Respondent.

6. List the appeal on 2-9-2025."

(xvii) Subsequently in the appeal, an affidavit was filed by the corporate debtor giving the details of amount to be refunded to the respondents herein.

(xviii) Appeal was again taken on 2-9-2025, where counsel for the respondent submitted that they are substantially in agreement with the amount given in the affidavit but the amount should be paid through resolution Professional (RP). On 2-9-2025, this Tribunal passed following order:

"1. In pursuance of the earlier order dated 21-8-2025 an affidavit has been filed on behalf of the appellants. The learned counsel appearing for the respondent Mr Manu Chaturvedi, submits that affidavit has been received and the respondents substantially are in an agreement with a amount given along with the affidavit. He submits that however the RP who has been appointed may be a tasked to ensure the payments as proposed by the appellant.

2. As far as the present respondent who have expressed their willingness to accept the offer by the appellant it shall be open for the RP to see that payments as contemplated by the that appellant are made. However, it is submitted that publications have already been made in pursuance of the impugned order the claim shall be collated but no Committee of Creditor may be constituted.

3. The learned counsels appearing for the various home buyers sought liberty to file application for intervention. We grant leave to all applicants to file intervention application.

4. We make it clear apart from collation of the claims no furthers steps be taken by the IRP.

5. We make it clear it shall be open for the appellant to make the payment to the respondent through by the RP.

List this appeal on 16-10-2025."

(xix) In the appeal, various learned counsels appeared for intervenors and sought liberty to file intervention application. This Tribunal granted permission to intervenors to file intervention application.

(xx) The learned counsel appearing for the Punjab National Bank (PNB), who prayed for intervention contended that no settlement with financial creditor in a class need to be recorded in this appeal. PNB claimed that they have already filed an application opposing the settlement with R-1 to R-130.

(xxi) The learned counsel appearing for the Edelweiss Asset Reconstruction Company also filed application claiming to be assignee from L&T Infrastructure Finance Limited. In the appeal, various other intervenors who had been allotted units in different Projects of the corporate debtor also filed the intervention application raising their grievances regarding default committed by corporate debtor and non-completion of the different other Projects of the corporate debtor.

(xxii) Appeal came for consideration before this Tribunal on 2-3-2026, on which date, this Court noted the submissions of the parties and noticed that one of the issues which has been raised and has come up for consideration is as to whether CIRP against the corporate debtor is to confine with regard to Project "Krishna Housing Scheme" for which, applications have been filed under Section 7 by financial creditor in a class. On 2-3-2026, following order has been passed:

"One of the issues which has been raised has come up for our consideration today is as to whether the CIRP against the CD is to confine project with regard to "Krishna Housing scheme" for which the Applicants have filed their applications under Section 7 alleging default in the said project. Ld. counsel appearing for the Financial Creditors who has filed the intervention in this appeal submits that there were claims of Financial Creditors apart from financial creditor in a class in the CIRP whose interest has also to be considered. Ld. counsel for the Appellant is permitted to make submissions and cite the relevant judgments on the subject.

*We make it clear that we need to first examine and decide the issue before proceeding with other intervention applications filed and pending with this appeal. List this appeal on **17-3-2026 at 02:00 PM.***

Ld. counsel for the Appellant, Applicants, Financial Creditors and other Intervenors are permitted to file their three pages short notes of submissions along with relevant judgments before the next date.

We permit Ld. counsel to file physical copy of intervention applications which has not yet been filed within a week.

Other pending applications in this appeal in which defects are cured shall also be listed on the next date.

Interim order to continue"

3. We have heard learned Sr. counsels Mr Abhijeet Sinha and Mr P. Nagesh appearing for the appellants, learned counsel Mr Manu Chaturvedi appearing for Respondents 1 to 130, learned counsel Mr

Abhishek Anand appearing for the Interim resolution Professional (IRP), learned Sr. counsel Mr Abhinav Vashisth appearing for the Edelweiss Asset Reconstruction Company as well as learned counsel Mr Sunil Fernandes along with Ms Nishi Chaudhary has appeared for PNB and various other learned counsels appearing for different intervenors.

4. The learned counsel for the appellant challenging the order impugned relies on the judgment of this Tribunal delivered on 20-3-2026 in [**Comp. App. (AT) (Ins.) No. 2168/2024**] in the matter of "*Navin M. Raheja v. Vipul Jain*", where this Tribunal has directed that CIRP against the corporate debtor initiated vide order dated 19-11-2024 shall confine to its Project "Raheja Shilas (Low Rise)" only. In the above case also Section 7 application was filed by creditor in a class belonging to only one Project i.e. "Raheja Shilas (Low Rise)". This Court confined the CIRP to the one Project only of which the applicants relying on the law laid down by this Tribunal as well as the Supreme Court in "*Mansi Brar Fernandes v. Shubha Sharma*" reported in [(2025) 259 Comp Cas 769 : 2025 SCC OnLine SC 1972]. It is submitted that appellants were ready to refund the entire amount to R-1 to R-130 as liberty granted by this Tribunal in these appeals and has also made part payments. It is submitted that when the appellants are ready to liquidate the claim of the R-1 to R-3, CIRP need not be allowed to continue. It is submitted in any view of the matter in view of the law of this Tribunal pertaining to corporate debtor's one Project itself decided on 20-3-2026, the CIRP by the impugned order should be confined only to Project "Krishna Housing Scheme". The learned counsel for the appellant submits that insofar as various applications filed by different financial institutions including Edelweiss Asset Reconstruction Company and PNB, they are free to take their own remedy. It is submitted that as far as the claim of the Edelweiss Asset Reconstruction Company is concerned that according to the application filed by Edelweiss Asset Reconstruction Company, no finance has been given by the Edelweiss Asset Reconstruction Company to the Project in question, hence Edelweiss Asset Reconstruction Company has not right to intervene in the matter. With respect to claim of PNB it is submitted it is submitted that PNB has already filed a proceeding before the DRT-III, Delhi, which is pending consideration, PNB can pursue its own proceedings.

5. The learned Sr. counsel, Mr Abhinav Vashisht appearing for the Edelweiss Asset Reconstruction Company relied on two applications being I.A. No. 6992/2025 and I.A. No. 1316/2026. Mr Vashisht submits that Edelweiss Asset Reconstruction Company has taken assignment from L&T Infrastructure Finance Limited. Appellant has filed its claim in "Form-C" before the IRP. Earlier proceeding under Section 7 were initiated which were withdrawn on 5-12-2023 by a settlement. It is submitted that several Term Loan and finances have been given by

financial creditor, being Term Loan I to Term Loan IX. It is submitted that although certain Term Loans is with respect to project specific but Term Loans also included working capital requirement. It is submitted that most of the projects launched by the corporate debtor are in bad shape and are not completed, hence it is appropriate that CIRP be continued against the corporate debtor to resolve the all projects of the corporate debtor.

6. The learned counsel for the PNB in support of the application submits that Bank is opposed to any settlement by the appellant with R -1 to R-130 who had initiated Section 7 application. It is submitted that PNB has extended different financial facilities to the corporate debtor. It is submitted that one of the corporate debtor insolvency resolution processes is admitted by adjudicating authority, only mechanism for withdrawal is recourse to Section 12A of the Code. The learned counsel for the Bank relied on the judgment of the Supreme Court in "*Glass Trust Company LLC v. BYJU Raveendran*" reported in [(2025) 3 SCC 625 : (2024) 247 Comp Cas 687], decided on 23-10-2024. It is pleaded that CIRP should continue against the corporate debtor.

7. The learned counsel appearing for the various other applicants which relates to other different projects of the corporate debtor, submitted that the corporate debtor has not completed the various other projects and is clearly in default. It is submitted that various other financial creditors in a class had initiated different proceedings against the corporate debtor relating to their projects, which due to order passed by this Court in Comp. App. (AT) (Ins.) No. 2168/2024, had not proceeded further and financial creditor in a class related to other projects are unable to obtain any redress before the adjudicating authority. In event, this Tribunal decide to confine the CIRP initiated by impugned order to one Project "Krishna Housing Scheme", it should be clarified that financial creditor in a class related to other projects are free to prosecute own proceedings against the corporate debtor.

8. The learned counsel for the interveners further pointed out that even if the Project is confined to Project "Krishna Housing Scheme", IRP should be free to carry out the transaction audit of the company so as to find out as to how far amount received in the Project "Krishna Housing Scheme" has been siphoned by the promoters.

9. We have considered the submissions of the counsel for the parties and perused the records.

10. The application which was filed by R-1 to R-130 before the adjudicating authority under Section 7 had clearly pleaded that the applicants relate to Residential Project, namely, "Raheja Krishna Housing Scheme" situated at Sector 14 and Allotment Letters and agreement to Sell was executed between the applicants and financial

creditor. Adjudicating authority in the impugned order has noticed the case of the applicant and in para 3 of the judgment, it has been noticed that Section 7 applicants were issued Allotment Letter in the Project "Raheja Krishna Housing Scheme". It was held by the adjudicating authority that Project falls under Affordable Housing Policy 2013, hence possession was to be given within 48 months i.e. by 10-6-2019. In paras 13 and 15 of the judgment, following has been held:

"13. *It is submitted that the project in question is, namely, "Krishna Housing Scheme", an Affordable Group Housing Colony Project on land admeasuring 10 acres in Sector-14, Sohna, Gurugram (Haryana) under Affordable Group Housing Scheme. The project qualifies under the **Pradhan Mantri Awas Yojna and Rinn Yojna**. It comprises of a total of 11 towers with flat configurations of 1-2 BHK consisting of a total of 1644 units plus commercial units integrated with retail complex and, all basic amenities, etc.*

15. *That since the Project falls under the Affordable Housing Policy, 2013, the corporate debtor was obligated to complete the Impugned Project and offer possession to the Applicants within 48 months, either from the date of environmental clearance dated 9-3-2015 or the date of sanction of building plans dated 10-6-2015. Accordingly, the corporate debtor was required to complete the Project and hand over possession by 10-6-2019, as mandated under the statutory framework and the Builder Buyer agreement (BBA). The corporate debtor has defaulted in completing the construction and delivering possession within the stipulated period. It is further clarified that, in the case of Financial Creditors/allottees who have booked units, the cause of action for filing a petition continues until actual possession is delivered."*

11. The first question which need to be considered as noted above is that whether the CIRP, which has been initiated against the corporate debtor ought to have been confined to the CIRP of the project in question i.e. "Krishna Housing Scheme" with respect to which Project, R-1 to R-130 have been allotted units only in the Project "Krishna Housing Scheme" situated at Sector 14.

12. The learned counsel for the appellant has relied on a recent judgment of this Tribunal dated 20-3-2026, in Comp. App. (AT) (Ins.) No. 2168/2024, which was an appeal filed against an order dated 19-11-2024 passed by the adjudicating authority in C.P. (IB) No.-239/PB/2023, which was filed by the financial creditor in a class of a Project "Raheja Shilas (Low Rise)" of the corporate debtor. The question whether the CIRP should have confined to only Project "Raheja Shilas (Low Rise)" was considered and answered. Question Nos. (I) & (II), which was framed in the above judgment in para 11 is as follows:

"11. *From the submissions of learned counsel for the parties and*

materials on record, following are the questions, which arise for consideration in this Appeal:

(I) Whether the Financial Creditors in a class in their Section 7 application being (IB) No. 239(PB)/2023 have been able to prove debt and default on the part of the CD, so as to initiate CIRP against the CD?

(II) Whether the CIRP against the CD ought to have been confined to the project Raheja Shilas (Low Rise), in which project, Respondents 1 to 43 Financial Creditor in a class had received the units"

13. The Question No. (II) was considered and answered, relying on the judgments of this Tribunal. Question No. (II) was answered in paras 14 to 18, which are as follows:

"14. Now, we come to Question No.(II), whether the CIRP against the CD ought to have been confined to the project Raheja Shilas (Low Rise), in which project, Respondents 1 to 43 Financial Creditor in a class claimed allotment.

15. When the appeal was heard, this Tribunal on 21-11-2024 passed an order, where in Para 3, following was observed:

"3. The submission which has been raised by the counsel for the Appellant is that the Applicants who had filed Section 7 Application relates to only Project 'Raheja Shilas (Low Rise)' situated at Sector 109, Gurugram, Haryana and they had themselves prayed to the adjudicating authority to commence the insolvency with regard to the Project to which the Applicants were concerned."

16. There is no dispute between the parties that the CD has launched various projects apart from project Raheja Shilas (Low Rise). Various IAs have been filed in the present appeal by allottees of different projects seeking directions with regard to other projects of the CD. The question, which needs to be answered in the present case is as to whether, the CIRP ought to have been confined only to the project Raheja Shilas (Low Rise). In a recent judgment of this Tribunal decided on 7-1-2026 in Company Appeal (AT) (Insolvency) No. 500 of 2025 in Gagan Tandon v. IL&FS Financial Services Ltd., the question regarding commencement of CIRP against a real-estate company, when it has more than one project, came for consideration. This Tribunal in the above judgment in Paras 77 and 78, made following observations:

"77. We are conscious that CIRP proceedings are not proceedings of repayment of dues or recovery of dues by the Financial Institutions and the object is to revive and rehabilitate the CD. When CIRP has commenced against a real estate project,

the resolution, rehabilitation and revival of the project become necessary to safeguard interest of stakeholders, specially the allottees, who have been allotted residential/commercial plots by the CD. In the present case, the CD, who has been developing different projects at the City of Lucknow and other cities, has allotted units to different Homebuyers and allottees of residential and commercial assets. For resolution of a real estate project, the interest of the Homebuyers has to be taken care and the Courts have always taken steps to protect the interests of Homebuyers. We in this context refer to a recent judgment of the Hon'ble Supreme Court in Mansi Brar Fernandes v. Shubha Sharma - Civil Appeal No. 3826 of 2020 and other Appeals decided on 12-9-2025. The Hon'ble Supreme Court in the above case was also considering an appeal arising out of CIRP of a real estate project. In Para 15.2, the Hon'ble Supreme Court has reiterated certain principles, which notices that IBC is a Forum of last resort, intended to secure revival and completion of viable projects, not to serve as a debt recovery mechanism. In Paragraph-15.2, the Hon'ble Supreme Court laid down following:

"15.2. In this necessary in this backdrop to reiterate certain settled principles:

- RERA remains the primary forum for redressal of homebuyers' grievances;*
- The IBC is a forum of last resort, intended to secure revival and completion of viable projects, not to serve as a debt recovery mechanism; and*
- Consumer forums should confine themselves to adjudicating individual service deficiencies, thereby avoiding conflicting or overlapping orders across multiple fora.*

78. In para 15.5, the Hon'ble Supreme Court further observed that a balance judicial approach will have far-reaching benefits. In Paragraph-15.5, following was observed:

"15.5. A balanced judicial approach in this regard will have far-reaching benefits: protecting homebuyers, restoring confidence in the real estate market, and encouraging reputed business houses and conglomerates to participate in residential development. In taking this approach, this Court seeks to contribute towards cleansing and strengthening a core economic sector that sustains millions of livelihoods in both the organised and unorganised economy and touches the lives of people at their most fundamental level."

17. In the above judgment, an earlier judgment of this Tribunal in Company Appeal (AT) (Ins.) No. 926 of 2019 - Flat Buyers Association Winter Hills - 77, Gurgaon v. Uman Realtech Pvt. Ltd.

through IRP was noticed. In Para 85, 86 and 87, following was held:

"85. The above Regulations, even after amendments as noted above, throw very little light over the complexities and difficulties, which arise in the resolution of the real estate project, undertaken by a real estate Company. There have been several precedences of this Tribunal, where this Tribunal had occasion to consider the resolution of a real estate project. The judgment of this Tribunal in Company Appeal (AT) (Ins.) No. 926 of 2019 - Flat Buyers Association Winter Hills - 77, Gurgaon v. Umang Realtech Pvt. Ltd. through IRP is one of such cases, where this Tribunal has noticed the problems in following certain process in the cases of infrastructure companies (for allottees). In Paras 9 and 10 of the judgment, following observations have been made:

"9. In terms of the 'I&B Code' and the decisions of the Hon'ble Supreme Court, the 'resolution Plan' must maximise the assets of the corporate debtor and balance the stakeholders (secured and unsecured creditors Financial Creditors/Operational Creditors).

10. The Infrastructure which is constructed for the allottees by corporate debtor (Infrastructure Company) is an asset of the corporate debtor. The assets of the corporate debtor as per the Code cannot be distributed, which are secured for 'Secured Creditors'. On the contrary, allottees (Homebuyers) who are 'Unsecured Creditors', the assets of the corporate debtor which is the Infrastructure, is to be transferred in their favour ('Unsecured Creditors') and not to the 'Secured Creditors' such as Financial Institutions/Banks/NBFCs."

86. The Hon'ble Supreme Court in the above case has also noticed the concept of "reverse corporate insolvency resolution process". This Tribunal in the above judgment, which was delivered on 4-2-2020 had observed that in the CIRP against a real estate, if allottees (Financial Creditors) or Financial Institutions are of one project initiated CIRP against the CD, it be confined to the particular project and it cannot affect other projects of the real estate company in other places. In Para 21 of the judgment, following was laid down:

"21. In Corporate Insolvency resolution Process against a real estate, if allottees (Financial Creditors) or Financial Institutions/Banks (Other Financial Creditors) or Operational Creditors of one project initiated Corporate Insolvency resolution Process against the corporate debtor (real estate company), it is confined to the particular project, it cannot affect any other project(s) of the same real estate company

(corporate debtor) in other places where separate plan(s) are approved by different authorities, land and its owner may be different and mainly the allottees (financial creditors), financial institutions (financial creditors, operational creditors are different for such separate project. Therefore, all the asset of the company (corporate debtor) are not to be maximized. The asset of the company (corporate debtor - real estate) of that particular project is to be maximized for balancing the creditors such as allottees, financial institutions and operational creditors of that particular project. Corporate Insolvency resolution Process should be project basis, as per approved plan by the competent authority. Any other allottees (financial creditors) or financial institutions/banks (other financial creditors) or operational creditors of other project cannot file a claim before the Interim resolution Professional of other project and such claim cannot be entertained.

So, we hold that Corporate Insolvency resolution Process against a real estate company (corporate debtor) is limited to a project as per approved plan by the competent authority and not other projects which are separate at other places for which separate plans approved. For example - in this case the Winter Hill - 77 Gurgaon Project of the 'corporate debtor' has been place of Corporate Insolvency resolution Process. If the same real estate company (corporate debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the corporate debtor (Company) for such other projects can be maximised."

87. This Tribunal in the above case has held that "if the same real estate company (corporate debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the corporate debtor (Company) for such other projects can be maximized". The above judgment of this Tribunal, thus, has clearly observed that when the CIRP by allottees or Financial Institutions relates to one project, it should be confined to that project. The above proposition, thus, is fully supported by precedence of this Tribunal, hence, we have no hesitation to hold that when CIRP initiated by allottees or Financial Institutions, under Section 7 relates to one project, the CIRP has to be confined to the said project and cannot take into its fold, the other real estate projects, situated in other cities or other States."

18. In the judgment of this Tribunal in Flat Buyers Association Winter Hills (Para 21) was quoted with approval by this Tribunal, where this Tribunal has held that in a CIRP against the real-estate

*company, if allottees/Financial Creditors or Financial Institutions are Operational Creditors of one project have initiated a CIRP against the CD, it should be confined to the particular project and it cannot affect any other project. Thus, the above proposition of law as laid down in **Flat Buyers Association Winter Hills** was again been reiterated in the judgment of **Gagan Tandon**. **Gagan Tandon** was a case where IL&FS Financial Services Ltd. - Financial Creditor has initiated proceedings under Section 7. It was held by this Tribunal in the above case that IL&FS has obtained various securities from the CD and CIRP should confine only to those projects in which Financial Creditor has securities. The CD was holding various projects in different States and different Cities and the State of UP, were not to be affected. The conclusions were recorded in Para 110 of the said judgment. The above judgment fully supports the submissions of the Appellant that allottees being only to the project Raheja Shilas (Low Rise), the CIRP should confine to the project Raheja Shilas (Low Rise) only. We, thus, are satisfied that the impugned order needs to be modified, confining the CIRP to the project Raheja Shilas (Low Rise) only."*

14. In addition to the above consideration by the Tribunal in judgment dated 28-3-2026, we also need to refer to judgment of the Supreme Court in "*Mansi Brar Fernandes*" (supra), in which case Supreme Court while dealing with insolvency of a Real Estate Company had issued various directions. It is useful to notice paras 15.5, 21.2(5) & 21.2(6) of the judgment, which are as follows:

"15.5. *A balanced judicial approach in this regard will have far-reaching benefits: protecting homebuyers, restoring confidence in the real estate market, and encouraging reputed business houses and conglomerates to participate in residential development. In taking this approach, this court seeks to contribute towards cleansing and strengthening a core economic sector that sustains millions of livelihoods in both the organised and unorganised economy and touches the lives of people at their most fundamental level."*

"21.2. *In exercise of this court's jurisdiction, and to advance the constitutional and statutory objectives, the following directions are issued to the concerned authorities, in the larger interests of bona fide homebuyers and the stability of the real estate sector, which demand coordinated action by all stakeholders:*

(5) Since real estate is the second largest sector in the Insolvency and Bankruptcy Code proceedings, IBBI [Insolvency and Bankruptcy Board of India.], in consultation with the RERA, authorities, shall constitute a council to frame specific guidelines for insolvency proceedings in real estate, including timelines for

project-wise the corporate insolvency resolution process, and safeguards for allottees.

(6) resolution of real estate insolvency should, as a rule, proceed on a project specific basis rather than the entire corporate debtor, unless circumstances justify otherwise. This would protect solvent projects and genuine homebuyers from collateral prejudice. The Insolvency and Bankruptcy Board of India shall also devise a mechanism to enable handover of possession to willing allottees where substantial units in a project are complete."

15. In view of the above discussions, the law is well settled that when financial creditors, homebuyers who belong to one project and who file Section 7 application on account of default committed by corporate debtor with respect to the Project, the CIRP has to confine to the said projects. It was held that putting all other projects of the corporate debtor in jeopardy is not in the interest of homebuyers and other stakeholders of other projects. This Tribunal by judgment dated 20-3-2026, in appeal which arose out of CIRP against the corporate debtor has having held that the CIRP to confine only one project, the above judgment is fully applicable in the facts of the present case and has to be followed.

16. It is further relevant to notice that before the adjudicating authority, it was pointed out that with regard to Project "Raheja Shilas (Low Rise)", this Tribunal has passed an order confining the CIRP to the "Raheja Shilas (Low Rise)", which was noted in para 19 of the judgment. The interim order which was noted in para 19 of this Tribunal has now culminated into final judgment dated 20-3-2026. Following the judgment of this Tribunal dated 20-3-2026, we thus are of the view that impugned order initiating the CIRP against the corporate debtor is to confine to the Project "Krishna Housing Scheme" of the corporate debtor.

17. In the judgment of this Tribunal in Comp. App. (AT) (Ins.) No. 2168/2024, this Tribunal while disposing the application had issued following directions in para 23:

"23. In view of our foregoing discussions and conclusions, we dispose of the appeal in following manner:

(A) The order dated 19-11-2024 passed by adjudicating authority in (IB) No. 239(PB)/2023 is modified to the extent that CIRP against the CD shall confine to its project Raheja Shilas (Low Rise) only.

(B) The IRP to proceed further in the CIRP including updation of the creditors claim in accordance with law. The payments to Financial Creditor in a class in pursuance of the order passed by this Tribunal, if any, shall be duly reflected in updation of the claim.

(C) The Financial Creditors in a class and Financial Institutions with respect to other projects of the CD, are free to prosecute their independent proceedings against other projects of the CD, which shall proceed in accordance with law unaffected by initiation of CIRP by the impugned order with respect to project Raheja Shilas (Low Rise).

(D) Liberty is reserved to Respondents 1 to 43 to file Section 12A application, if settlements, are entered between Respondents 1 to 43 and the Appellant."

18. As noted above, applications have been filed by financial institutions including PNB and Edelweiss Asset Reconstruction Company, where they claim to have extended various finance to the corporate debtor from time to time. When the CIRP is initiated project-wise, it is but natural that the claims filed by the stakeholders have to confine to the Project against which the CIRP is proceeding. Any financial institutions or/financial creditors who have extended finances to the project is a stakeholder in the Project. However, at this stage, it is neither necessary nor required to consider the claim of various intervenors who have prayed for intervention and have referred to their claim against the corporate debtor. The question of admission of the claim in the CIRP has to be by IRP/RP as per the IBBI (Insolvency resolution Process for Corporate Persons) Regulations, 2016 (for short "CIRP Regulations, 2016) and at this stage, we need not consider claim of any individual financial creditor/financial institutions who was filed claim in the CIRP initiated by the impugned order dated 21-8-2025. We, however, are of the view that in view of this appeal being decided today and CIRP be confined to the Project "Krishna Housing Scheme", the IRP is required to issue reference in pursuance to his earlier publication, requiring the claims to be confined to Project "Krishna Housing Scheme". In the facts of the present case, we permit IRP to issue corrigendum inviting claims regarding "Krishna Housing Scheme" by granting further 14 days' time to claimant to file their claim. The IRP has also to update the claims already received of the respondents 1 to 130 who has received certain payments under the orders passed by this Court. All the interveners/financial institutions are at liberty to file their claims/prosecute their proceedings against the corporate debtor in similar manner as was liberty granted by the Tribunal in the judgment dated 20-3-2026.

19. In view of the foregoing discussions and our conclusions, we dispose of this appeal in following manner:

(i) The order dated 21-8-2025 passed in C.P. (IB) No. 284/ND/2025 is modified confining the CIRP against the Project "Krishna Housing Scheme".

- (ii) The IRP/RP to issue corrigendum to publication issued in 'Form-A' asking the stakeholders pertaining to "Krishna Housing Scheme" to submit the claim within 14 days as per CIRP Regulations, 2016. It is made clear that date for initiation of insolvency proceeding shall remain the same i.e. 21-8-2025. The R-1 to R-130 having received certain payments under the orders of this Court from the appellant, their claims need to be updated by the IRP/RP.
- (iii) All stakeholders/financial institutions, other creditors are free to file their claim before the IRP/RP with respect to Project "Krishna Housing Scheme".
- (iv) We make it clear that other proceedings initiated by financial institutions/financial creditors with respect to other Projects apart from "Krishna Housing Scheme", maybe proceeded with and decided in accordance with law.
- (v) The liberty reserve to R-1 to R-130 to file Section 12A application, in event any settlement is entered between the financial creditor in a class R-1 to R-130 with the appellant.

Parties shall bear their own costs.

All pending IAs in this appeal are disposed of in above terms.

[†] Principal Bench at New Delhi

^{*} Arising out of order dated 21-8-2025 passed by the adjudicating authority (National Company Law Tribunal, New Delhi Bench, Court - IV), in C.P. (IB) No. 284/2025

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.