

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

Company Appeal (AT) (Insolvency) No. 2112 of 2024

[Arising out of Order dated 16.10.2024 passed by the Adjudicating Authority
(National Company Law Tribunal, Indore Bench, Court No. 1), in C.P.
(IB)/26(MP)2024]

IN THE MATTER OF:

Jayshree Agnihotri

W/o Late Rama Shankar Agnihotri
71, Shree Nagar Extension
Indore - 452018.

...Appellant

Versus

1. Nirmal Kumar Jain

163, Anoop Nagar
Indore - 452001

...Respondent No. 1

**2. Richard Shreedhar &
Pratima Shreedhar**

Khajrana Chouraha,
Near Little Flower School,
H. No. RH-34,
Classic Purnima Estate,
Indore, Madhya Pradesh – 452016.

...Respondent No. 2

3. Anil Kumar Sharma

Cg-11s-74,
Vijay Nagar,
Indore, Madhya Pradesh – 452007.

...Respondent No. 3

4. Rekha Chouhan

B-6, Veena Nagar,
Sukhliya, Indore,
Madhya Pradesh - 452010

...Respondent No. 4

5. Sanjay Jain

BMD Colony, LNJ Nagar,
Mordi, Mordiupli, Banswara,
Rajasthan 327001

...Respondent No. 5

6. Chandra Prakash Jain

16/6, Galli No. 6,
Manoramaganj, Indore -452001

...Respondent No. 6

7. Vishnu Kumar Joshi

11, Kalindi Kunj Colony,
Near Scheme No 140,
Pipliyahana, Indore -452001

...Respondent No. 7

8. Sonal Choradia

24153, Prestige Jindal City,
Building 2, Tower 4,
Manjunatha Nagar, Tumkur Road,
Bangalore North, Bengaluru-560073

...Respondent No. 8

9. Prmod Bhawsar & Rekha Bhawsar

House No. 361 FH, Scheme No. 54,
Indore - 452010

...Respondent No. 9

**10. Surendra Kumar Farkya &
Vimla Surendra Farkya**

Scheme No 1, Road No. 2,
Saraswati Niketan New Colony,
Mandsaur - 458001

...Respondent No. 10

11. Ashok Jain

501, Pushp Ratna 5-6,
Diamond Colony
Indore - 452001

...Respondent No. 11

12. Pratima Bohra

501, Pushp Ratna 5-6,
Diamond Colony
Indore - 452001

...Respondent No. 12

13. Pushp Ratna Realty Pvt. Ltd.

Through Interim Resolution Professional
Mr. Hasti Mal Kachhara
Regd. Office at Pushp Ratna Paradise 915,
New Palasia, Indore-452001

...Respondent No. 13

14. Mr. Hasti Mal Kachhara

(Interim Resolution Professional)
A-602, Nirman Apartments, Pump House,
Vikas Nagar, Andheri (East),
Mumbai City – 400093

...Respondent No. 14

Present:

**For Appellant : Mr. Krishnendu Dutta, Sr. Advocate with Mr.
Kumar Deepraj and Ms. Niharika Sharma,
Advocates.**

For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Ms. Heena Kochar, Advocates.

Mr. Sunil Fernandes, Sr. Advocate with Ms. Honey Satpal, Ms. Diksha Dadu and Mr. Kanishk Khullar, Advocates for R-2 to R-12.

Mr. Ashish Batra, Advocate for R-13 & R-14.

WITH

Company Appeal (AT) (Insolvency) No. 2113 of 2024

[Arising out of Order dated 16.10.2024 passed by the Adjudicating Authority (National Company Law Tribunal, Indore Bench, Court No. 1), in IA/386(MP)2024 in C.P. (IB)/26(MP)2024]

IN THE MATTER OF:

Jayshree Agnihotri

W/o Late Rama Shankar Agnihotri
71, Shree Nagar Extension
Indore - 452018.

...Appellant

Versus

1. Pushp Ratna Realty Pvt. Ltd.

Through Interim Resolution Professional
Mr. Hasti Mal Kachhara
Regd. Office at
Pushp Ratna Paradise 915,
New Palasia, Indore-452001

...Respondent No. 1

2. Nirmal Kumar Jain

163, Anoop Nagar
Indore - 452001

...Respondent No. 2

3. Richard Shreedhar & Pratima Shreedhar

Khajrana Chouraha,
Near Little Flower School,
H. No. RH-34,
Classic Purnima Estate,
Indore, Madhya Pradesh – 452016.

...Respondent No. 3

4. Anil Kumar Sharma

Cg-11s-74,
Vijay Nagar,
Indore, Madhya Pradesh – 452007.

...Respondent No. 4

5. Rekha Chouhan

B-6, Veena Nagar,

Sukhliya, Indore,
Madhya Pradesh - 452010

...Respondent No. 5

6. Sanjay Jain

BMD Colony, LNJ Nagar,
Mordi, Mordiupli, Banswara,
Rajasthan 327001

...Respondent No. 6

7. Chandra Prakash Jain

16/6, Galli No. 6,
Manoramaganj, Indore -452001

...Respondent No. 7

8. Vishnu Kumar Joshi

11, Kalindi Kunj Colony,
Near Scheme No 140,
Pipliyahana, Indore -452001

...Respondent No. 8

9. Sonal Choradia

24153, Prestige Jindal City,
Building 2, Tower 4,
Manjunatha Nagar, Tumkur Road,
Bangalore North, Bengaluru-560073

...Respondent No. 9

10. Prmod Bhawsar & Rekha Bhawsar

House No. 361 FH,
Scheme No. 54,
Indore - 452010

...Respondent No. 10

**11. Surendra Kumar Farkya &
Vimla Surendra Farkya**

Scheme No 1, Road No. 2,
Saraswati Niketan New Colony,
Mandsaur - 458001

...Respondent No. 11

12. Ashok Jain

501, Pushp Ratna 5-6,
Diamond Colony
Indore - 452001

...Respondent No. 12

13. Pratima Bohra

501, Pushp Ratna 5-6,
Diamond Colony
Indore - 452001

...Respondent No. 13

14. Mr. Hasti Mal Kachhara

(Interim Resolution Professional)

A-602, Nirman Apartments, Pump House,

Vikas Nagar, Andheri (East),

Mumbai City – 400093

...Respondent No. 14

Present:

For Appellant : Mr. Krishnendu Dutta, Sr. Advocate with Mr. Kumar Deepraj and Ms. Niharika Sharma, Advocates.

For Respondents : Mr. Sunil Fernandes, Sr. Advocate with Ms. Honey Satpal, Ms. Diksha Dadu, Mr. Kanishk Khullar and Ms. Heena Kochar, Advocates for R-2 to R-11.

Mr. Ashish Batra, Advocate for R-12 & R-13.

WITH

Company Appeal (AT) (Insolvency) No. 2335 of 2024

[Arising out of the Impugned Order dated 16.10.2024 passed by the
Adjudicating Authority, National Company Law Tribunal, Indore Bench,
Court No.1 in CP(IB)/26(MP)2024]

IN THE MATTER OF:

ASHOK KUMAR JAIN,

501, Pushparatna Shreepati,

10-11 Dil Pasand Colony,

Race Course Road, Indore, -452001

...Appellant

Versus

1. NIRMAL KUMAR JAIN

163, Anoop Nagar, Indore-452001

...Respondent No. 1

2. Richard Shreedhar & Pratima Shreedhar

(Joint Allottees)

Khajrana Chouraha,

Near Little Flower School,

H. No. RH-34,

Classic Purnima Estate,

Indore, Madhya Pradesh – 452016.

...Respondent No. 2

3. Anil Kumar Sharma

Cg-11s-74,
Vijay Nagar,
Indore, Madhya Pradesh – 452007.

...Respondent No. 3

4. Rekha Chouhan

B-6, Veena Nagar,
Sukhliya, Indore,
Madhya Pradesh - 452010

...Respondent No. 4

5. Sanjay Jain

BMD Colony, LNJ Nagar,
Mordi, Mordiupli, Banswara,
Rajasthan 327001

...Respondent No. 5

6. Chandraprakash Jain

16/6, Galli No. 6,
Manoramaganj Indore -452001

...Respondent No. 6

7. Vishnu Kumar Joshi

11, Kalindi Kunj Colony,
Near Scheme No 140,
Pipliyahana, Indore -452001

...Respondent No. 7

8. Sonal Choradia

24153, Prestige Jindal City,
Building 2, Tower 4,
Manjunatha Nagar, Tumkur Road,
Bangalore North, Bengaluru-560073

...Respondent No. 8

9. Pramod Bhawsar & Rekha Bhawsar

(Joint Allottees)
House No. 361 FH,
Scheme No. 54,
Indore - 452010

...Respondent No. 9

10. Surendra Kumar Farkya & Vimal

Surendra Farkya

(Joint Allottees)
Scheme No.1, Road No.2,
Saraswati Niketan New Colony,
Mandsaur, Madhya Pradesh - 458001

...Respondent No. 10

11. PUSHP RATNA REALTY PRIVATE LIMITED,

Through Interim Resolution Professional,
Mr. Hasti Mal Kachhara, G-1 Pushpratan Castle,
12 Kanchanbag, South Tukoganj,
Indore-452001

...Respondent No. 11

Present:

For Appellant : Mr. Ashish Batra, Advocate.

For Respondents :

J U D G M E N T

(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

Three sets of appeals have been filed under Section 61 of Insolvency and Bankruptcy Code 2016 (**'IBC'** in short) out of which two appeals have been filed by the same Appellant, M/s Jayshree Agnihotri challenging two orders dated 16.10.2024 passed by the Adjudicating Authority (National Company Law Tribunal, Indore Bench) in CP(IB)/26(MP)2024 and in I.A. No. 386 of 2024 in CP(IB)/26(MP)2024. The third appeal has been filed by Appellant-Shri Ashok Kumar Jain, suspended management of Corporate Debtor challenging the order dated 16.10.2024 passed by the Adjudicating Authority in CP(IB)/26(MP)2024. By the impugned order dated 16.10.2024 in CP(IB)/26(MP)2024, the Adjudicating Authority has admitted the Section 7 application filed by Nirmal Kumar Jain and other allottees and ordered initiation of Corporate Insolvency Resolution Process (**"CIRP"** in short) of Pushp Ratna Realty Pvt. Ltd. The other impugned order, dated 16.10.2024 has been passed in I.A. No. 386 of 2024 in CP(IB)/26(MP)2024 wherein the Adjudicating Authority has rejected the said I.A. wherein the Appellant-Jayshree Agnihotri had offered to make payments towards discharge of the debt obligations to Nirmal Kumar Jain and other allottees being Financial Creditor in class. Aggrieved by the two impugned orders, Company Appeal Nos. 2112 and 2113 have been preferred by Appellant-Jayshree Agnihotri and

Company Appeal No. 2335 has been preferred by Appellant-Ashok Kumar Jain.

2. The factual matrix of the three appeals are inextricably intertwined and hence being outlined conjointly as below:

- A Memorandum of Understanding (“**MoU**” in short) was entered on 14.09.2009 between Rajeev Agnihotri, son of Ram Shankar Agnihotri & Jayshree Agnihotri, the first partner, Ashok Jain the second partner and Corporate Debtor-M/s. Pushp Ratna Realty Pvt. Ltd. acting through Ashok Jain as third partner. The first partner will hereinafter also be referred to as “Agnihotri group” and second partner as “Jain group” for convenience.
- The first partner alongwith his relatives etc. owned land measuring 2,01,858 sq. ft. at Khajrana, Indore on which they wished to develop a township for which purpose they had approached the second partner who is the Builder.
- The Jain group-second partner agreed to make availability of fund to the first partner through Banks on the basis of security of land. Under the MoU, it was agreed that entire cost of construction shall be on account of first partner-Agnihotri group.
- Jain group was to take all necessary steps for construction of the project. Land was to be transferred by Agnihotri group to the Company- Pushp Ratna Realty Pvt. Ltd.
- Agnihotri group was to appoint two Directors as their representatives on the Board of Company, while Jain group was to also appoint two Directors. Entire paid-up equity share capital of

the Company was to be divided between Agnihotri group and Jain group in the ratio of 50:50.

- Jain group was to be paid charges of his service @ 189 sq. ft. of the saleable area and if project is prolonged, the Jain group shall be subject to onward revision by 12.6%.
- On completion of the Project, the entire shareholding of the Jain group partner was to be transferred to the Agnihotri group without consideration. After the aforesaid MoU, a Project namely, “Lush by Pushp Ratna” was registered. Out of 140 units, 77 units were sold. Various amounts were paid by the Allottees who filed Application under Section 7 (10 in number) who for convenience would be hereinafter referred to as “Home-buyers”.
- Allotment Letters were also issued by Corporate Debtor. As per the Allotment Letter, the units were to be constructed and handed over within 30 months.
- Certain disputes arose between the two groups of shareholders, Agnihotri group and Jain group. Jain group claimed that MoU dated 14.09.2009 has been cancelled on 26.09.2011.
- Agnihotri group claiming that it had never signed any Cancellation Agreement and their signature has been forged in the Cancellation Agreement 26.09.2011 they issued Notice for Arbitration, in pursuance of MoU dated 14.09.2009.
- On 07.11.2009, Agnihotri group filed an Application under Section 9 of the Arbitration and Conciliation Act, 1996 for interim relief for

restraining Jain group from issuing further shares which they perceived was a move to grab the land of Agnihotri group. Interim relief was granted by Additional District Judge on 11.11.2019 restraining from changing the shareholding of the Corporate Debtor.

- In the Reply to Section 9 Application of the Arbitration and Conciliation Act, Jain group relied on MoU Cancellation Agreement allegedly to be executed on 26.09.2011. Additional District Judge disposed of the Application under which the interim relief was granted to the Agnihotri group.
- Hon'ble Madhya Pradesh High Court vide Order dated 02.12.2020, stayed the disqualification of the Agnihotri group from Directorship. An Application under Section 11(6) of the Arbitration and Conciliation Act, 1996 was filed by the Agnihotri group in the Hon'ble High Court of Madhya Pradesh for appointment of Arbitrator for resolution of dispute arising out of the MoU dated 14.09.2009.
- By Order dated 23.08.2021, Hon'ble High Court appointed Mr. Justice Retd. KK Lahoti, as Arbitrator. Hon'ble High Court also observed that clause of Cancellation Agreement is clear sham and prima facie unrealistic.
- An Application by the Home-Buyers Allottees of the Corporate Debtor under Section 7 was filed before the NCLT being C.P. (IB) No.83/MP/2023. On queries being raised regarding limitation, the

application was withdrawn by the Applicants with liberty to file a fresh Application.

- Subsequently another Section 7 Application was filed by Home-Buyers, Financial Creditor in a class, on which C.P. (IB) No.26/2024 was registered. The Section 7 Application which was filed by Home-Buyers the Financial Creditor in class also came to be heard and by Order dated 16.10.2024 passed by the Adjudicating Authority the said Application has been admitted. Adjudicating Authority held that the default has been committed by the Corporate Debtor in not handing over the possession of the units within the time as provided in the Builder Buyers Agreement. It was further held that Application filed by the Home-Buyers, Financial Creditor in a class is well within time. Aggrieved by this impugned order, two appeals have been filed. Appeal No.2112 of 2024 has been filed by Jayshree Agnihotri of the Agnihotri group and Appeal No. 2335 of 2024 has been filed by Ashok Kumar Jain of the Jain group in his capacity as suspended management of the Corporate Debtor.
- In the C.P. (IB) No.26/2024, an I.A. No.386/2024 was filed by Jayshree Agnihotri of Agnihotri group claiming that Agnihotri group is 50% shareholder of the Corporate Debtor and that Section 7 Application has been filed by the Home-Buyers in collusion with suspended management of Corporate Debtor-Jain group. Jayshree Agnihotri of Agnihotri group offered in the IA No. 386 of 2024 to deposit the entire amount claimed in the Section 7 application and

prayed that the C.P. (IB) No.26/MP/2024 be dismissed on discharge of the dues by deposit in the said Bank.

- Adjudicating Authority heard the I.A.386/2024 and by impugned order dated 16.10.2024 rejected the Application.
- Adjudicating Authority noticed the date of Allotment Letter of all the Home-Buyers and date of default based on the expiry of 30 months period and held that in view of the Order passed by the Hon'ble Supreme Court in Suo Motu Writ Petition, the Application filed by them on 22.05.2024 is well within time.
- After returning finding of debt and default, Section 7 has been admitted and Mr. Hasti Mal Kacchara was appointed as Interim Resolution Professional (IRP).
- Appellant-Jayshree Agnihotri had given a proposal on 19.11.2024 to the Committee of Creditors taking care of debts of all the Home-Buyers and other claimants which proposal was placed before the 2nd Meeting of the CoC by the IRP held on 03.12.2024. The proposal has not been approved by the CoC.
- The suspended management of the Corporate Debtor has assailed the impugned order of 16.10.2024 on grounds of limitation and that the home-buyers were not allottees but speculative investors who had themselves defaulted in making payments.

3. The appeals filed by Appellant-Jayshree Agnihotri had been heard at length by this Tribunal and in the interim order passed on 31.01.2025 both the appeals were listed for further hearing after identifying the questions which required consideration of this Tribunal which was firstly the question

of limitation and secondly the question of Section 7 application being a proxy litigation filed by the Home-buyers as Financial Creditor in class at behest of Ashok Jain, suspended management of the Corporate Debtor.

4. We have once again heard all the parties including the suspended management of the Corporate Debtor and considered the arguments advanced by the Learned Counsels for all the parties and perused the records carefully.

5. One of the primary contentions of the Appellant-Jayshree Agnihotri is that the original Section 7 petition bearing No. CP(IB) No. 83 of 2023 filed by the home-buyers was hit by limitation which propelled the home-buyers to withdraw that petition with the liberty to file afresh. The subsequent Section 7 petition bearing no. CP(IB) No. 26 of 2024 had been filed with certain back-dated acknowledgement letters given to these dummy allottees by the Jain group to cross the bar of limitation. It is also pertinent to mention that the argument of limitation bar has also been raised by the suspended management of the Corporate Debtor in their appeal on the ground that since allotment letters were issued to the home-buyers from 28.03.2014 onwards till 15.11.2016, these allotment letters have become time-barred having crossed three years.

6. Per contra, it is the contention of the home-buyers that the contentions raised by both the Appellants viz. Jayshree Agnihotri and Ashok Jain that Section 7 petition was not maintainable on grounds of limitation lacks merit. The home-buyers have submitted audited balance sheets, accounts balance confirmations to establish that the home-buyers were genuine allottees and their Section 7 application is within the period of limitation. It is further their case that the Adjudicating Authority took notice of the date of allotment letters

given to the ten Home-buyers and the fact that the date of default was to arise on expiry of 30 months period from the date of such allotment letters. Thereafter relying on the orders of the Hon'ble Supreme Court in Suo Moto Writ Petition (Civil) No. 03 of 2020 giving benefit of exclusion of the period from 15.03.2020 to 14.03.2021, the Adjudicating Authority had correctly held the Section 7 application was filed within time.

7. When this matter was heard by this Tribunal earlier on 31.01.2025, it was noticed that the Balance Sheets which had been relied upon by the Adjudicating Authority were not on the record. It was also observed that the Section 7 application and other materials which had been brought before the Adjudicating Authority by the Home-buyers are required to be placed before this Tribunal for due consideration of the issue of limitation. Accordingly, the home-buyers/allottees were given an opportunity by this Tribunal to file their reply and bring on record the supporting documents to enable this Tribunal to look into the fact whether the Section 7 application was hit by limitation. The same has now been placed on record.

8. When we look at the impugned order dated 16.10.2024 in CP No. 26 of 2024, we find that a detailed tabular chart has been extracted by the Adjudicating Authority at para 16 of the impugned order which is as reproduced below:

“The table below reflects the date of issuance of the allotment letter and the date of default based on the expiry of the 30 months' period:

Petitioner No.	Name of the Petitioner	Allotment Letter Date	Date of default based on the expiry of the 30 months period
1	Nirmal Kumar Jain	07.11.14	07.05.17
2	Richard Shridhar	12.11.14	12.05.17
3	Anil Sharma	07.11.14	07.05.17
4	Rekha Chouhan	23.04.14	23.10.16
5	Sanjay Jain	18.05.16	18.11.18
6	Chandra Prakash Jain	29.03.14	29.09.16
7	Vishnu Kumar Joshi	06.05.14	06.11.16
8	Sonal Choradiya	15.11.16	15.05.19
	Sonal Choradiya	15.11.16	15.05.19
	Sonal Choradiya	15.11.16	15.05.19
	Sonal Choradiya	15.11.16	15.05.19
9	Rekha Bhawsar	20.07.16	27.01.19
10	Surendra Kumar Farkiya	28.03.14	28.09.16

It is evident from the table above that the date of default varies from 2016 to 2019; however, as stated herein above, the applicant has also enclosed the balance sheet for the financial year 2013-14 to 2019-20 and considering these balance sheets as an acknowledgement of the dues of these homebuyers, the limitation gets extended till 2023. Moreover, in view of directions of the Hon'ble Supreme Court in suo moto petition regarding limitation, the period from 15.03.2020 till 14.03.2021 is also excluded in computing the period of limitation. Thus, the present application having been filed on 22.05.2024, the same is within the limitation period, even without considering the acknowledgement dated 16.06.2017 & 23.10.2019 issued by the respondent.”

The Adjudicating Authority took notice of the date of allotment letters given to the Home-buyers and also the date of default as arising on expiry of 30 months period from the date of allotment letters. After taking notice of the same, the Adjudicating Authority held the Section 7 application to have been filed within time after relying on the order of the Hon'ble Supreme Court in *Suo Moto Writ Petition (Civil) No. 03 of 2020* giving benefit of exclusion of the period from 15.03.2020 to 14.03.2021.

9. We now proceed to return our findings on the issue of limitation. Firstly, we come to the audited balance sheet of 31.03.2020. We notice that at Note 2.7 of the Balance sheet clearly depicts "Advances from customers for flat booking". This clearly substantiates that the allottees had been making advances to the Corporate Debtor which formed part of their Current Liabilities. This balance sheet of 2019-20 which has been placed on record at page 381 in the Reply affidavit of the Respondent-Home-buyers is as reproduced below:

2.7 OTHER CURRENT LIABILITIES

<i>Advances from</i>	<i>38714432.00</i>	<i>38714432.00</i>
<i>Customers against Flat Bookings</i>		
<i>Current Maturities on Loan (payable by 31-03-20)</i>		<i>4643841.59</i>
<i>Shriram City Union Finance Ltd. (payable by 31-3-</i>	<i>5002724.00</i>	<i>0.00</i>
<i>ICICI Bank Ltd (car Loan-New) (payable by 31-3-</i>	<i>233972.00</i>	<i>0.00</i>
<i>Car Loan (Ecosport)-ICICI (payable by 31-3-</i>	<i>101579.00</i>	<i>0.00</i>
<i>Interest Payable</i>	<i>42550.69</i>	<i>0.00</i>
	<u><i>44095257.69</i></u>	<u><i>43358273.59</i></u>

10. The above balance sheet of the Corporate Debtor thus clearly substantiates the fact that disbursements had been undisputedly made by the allottees even though their individual names were not shown therein. It is equally pertinent to note that the same audited balance sheet has been relied upon by the Appellant and Agnihotri group to claim 50% shareholding in the Corporate Debtor. In such circumstances, the Appellant cannot be seen to raise questions about the authenticity and applicability of the same balance sheet when it comes to the home-buyers relying on them to prove their debt entitlement.

11. Secondly, we notice that a balance confirmation letter dated 09.11.2021 was issued by the Corporate Debtor to the Respondent-Home-buyers wherein the debt liability stands confirmed. One such sample balance confirmation as placed at page 207 of Reply affidavit of home-buyers is reproduced below:

*“Mr. Nirmal Kumar Jain,
Date: 09/11/2021*

I hope this letter finds you in good health and high spirits. I am writing to honor the commitment made during our recent meeting. As discussed, our team remains dedicated to ensuring your possession at the initial rates, notwithstanding the heightened construction costs and fluctuations in market rates.

We recognize the expected delivery timeframe of 2-3 months, but due to the labor-intensive nature of our work, achieving this deadline is impractical. We have initiated the process of securing permissions from the Indore Municipal Corporation and will promptly commence construction to meet your possession needs.

Your patience and support since booking the flats have been immensely valued, we kindly request your ongoing cooperation as we work diligently to complete and deliver your flats. In the unfortunate event of any delivery delay, we are committed to complying with relevant laws by compensating interest from your initial payment date.

We comprehend the frustration caused by this delay and earnestly seek an extension of time to devise an effective solution and swiftly resume construction for the earliest possible possession.

Attached, please find a copy of the Account confirmation for your reference.

We kindly request that you refrain from pursuing any legal action, as we remain committed to delivering your flat as promised.

Ashok Jain”

12. When the balance confirmation letters are conjointly read with the Balance sheet, it validates that the Corporate Debtor had clearly received disbursements from the 10 home-buyers and the disbursements have been treated as current liabilities of the Corporate Debtor. It was however contended by the Appellant that the above confirmation letter of 09.11.2021 was itself beyond the period of limitation. Such an argument is misconceived and lacks force since the confirmation letter is only an acknowledgment of the balance as reflected in the audited balance sheet for financial year 31.03.2020. When there is no dispute regarding the validity of the said audited balance sheet, there can be no challenge to the acknowledgment letter of 09.11.2021 on grounds of limitation. Interestingly, we also notice that following the submission of the audited finances and balance confirmations, the Appellant in their Reply Rejoinder at page 15 at para (xii) has chosen not to contest the issue of limitation though of course it has been dropped on the grounds that they had already made their offer for payment or completion to the Home-buyers.

13. When we see the above tabular chart as extracted in the impugned order which when read with the Note 2.7 of the balance sheet and the balance confirmation letter of 09.11.2021, we find that the Section 7 application does

not attract the bar of limitation. Basis the acknowledgement letter of 09.11.2021, the period of limitation for home-buyers to initiate the Section 7 proceedings would come to an end on 08.11.2024. Hence the present petition CP No. 26 of 2024 having been filed on 22.05.2024, it is pretty clear that it was not hit by the three years limitation period. We are also of the considered view that the withdrawal of the first Company Petition No. 83 of 2023 on 25.04.2024 which had been filed on 19.09.2023 which was withdrawn does not come in the way of filing the second petition on 22.05.2024.

14. We therefore hold that the defence raised by the Appellant-Jayshree Agnihotri and the Corporate Debtor that the Section 7 petition was not maintainable on grounds of limitation bar fails to stand the test of scrutiny.

15. The other objection raised by the Appellant-Jayshree Agnihotri is that the impugned order failed to appreciate that the Section 7 application being collusive, on this ground alone, the Section 7 application deserve to be rejected. Explaining the background and genesis of the collusive Section 7 application, it was stated by Shri Krishnendu Datta, Ld. Sr. Counsel for the Appellant-Jayshree Agnihotri that a MoU was entered on 14.09.2009 between Rajeev Agnihotri, son of Jayshree Agnihotri as the first partner; Ashok Jain as the second partner and Corporate Debtor-M/s. Pushp Ratna Realty Pvt. Ltd. acting through Ashok Jain as third partner. Under the said MoU the Corporate Debtor was to be maintained as a joint venture entity with 50:50 shareholding between Agnihotri group and Jain group with the entire land on which the real estate project was being constructed would remain with the Agnihotri group. The Jain group was only there as a contractor whose demarcated job was to supervise the construction and receive fees for this

purpose under the terms of MoU. The entire expense for construction was to be borne by the Agnihotri Group. The shareholding of the Jain group was temporary in nature and on completion of the project, the Jain group was to transfer their entire shareholding to Agnihotri family. However, the Jain group manipulated a takeover of the Corporate Debtor by substituting the directors of the Agnihotri group with their nominees by forging a deed of cancellation of the MoU. This cancellation deed, it was contended by the Appellant-Jayshree Agnihotri, has already been prima-facie held to be a sham by Hon'ble High Court of Madhya Pradesh. It was submitted that this step on the part of the Jain Group was violation of Clause 7 of the MoU of 14.09.2009 which clearly stipulated that there would be equal representation of both Agnihotri and Jain groups in the Board of Directors and this 50:50 ratio was to continue during the lifetime of the project. It was further added that this led to the institution of several civil and criminal proceedings initiated by the Agnihotri group against the Jain group including arbitration proceedings before the District Judge Commercial Court, Indore. The Agnihotri group had invoked the arbitration clause of MoU and filed a Section 9 application under the Arbitration and Conciliation Act challenging this fraud and forgery. In addition, the Agnihotri group filed a petition under Section 241-242 of the Companies Act which is also pending adjudication.

16. The Appellant- Jayshree Agnihotri has further contended that the Jain group on realising the likelihood of their not succeeding in the arbitration and other civil and criminal proceedings, they resorted to the modus operandi of hijacking the Corporate Debtor and grab the land by colluding and conniving with the Respondent-Homebuyers into filing the Section 7 application against

the Corporate Debtor. Home-buyers were thus acting at the behest of Jain Group who are harbouring the agenda of taking over the land of the real estate project which actually belongs to the Appellant and her family members.

17. Emphasis was also laid on the fact that the Appellant- Jayshree Agnihotri had placed a clear proposal separately before the Home-buyer allottees vide I.A. No. 386 of 2024 to discharge their liability or offer possession within a period of 12 months with a 6 months grace period. When such settlement proposal which completely satisfied the debts of the home-buyers and the offer was a much better and certain offer than what the home-buyers will get in case CIRP was allowed to run its course, there was no rational basis for the Homebuyers to have declined this offer. It was also asserted that to cover up their collusion with the home-buyers, the Jain group has now belatedly come up with an offer of settlement with the home-buyers which is only an oral offer and lacks sanctity.

18. Refuting the contentions of the Appellant-Jayshree Agnihotri, it has been submitted by the Shri Abhijeet Sinha and Shri Sunil Fernandes, Ld. Sr. Counsels appearing for the Respondent-Home-buyers that facts on record show that there was actually a collusion between the two factions of shareholders to push the home-buyers out of the project. It was emphatically asserted that the Appellant-Jayshree Agnihotri has intentionally suppressed before this Tribunal the fact that when the Arbitration Case No. 02 of 2024 came up for hearing before the Hon'ble Madhya Pradesh High Court on 22.07.2024, a statement was made by both the parties that settlement talks were underway between them. It was also asserted that on 19.09.2024, the Arbitration Case No. 02 of 2024 was withdrawn by the Appellant with liberty

to file appropriate proceedings under Section 29-A of the Arbitration and Conciliation Act but kept deliberately in the limbo which shows a tacit understanding between the Agnihotri group and Jain group with their end interest being to settle their mutual disputes to consolidate and protect their own turf wherein the interest of home-buyers was not factorised even remotely. Submission was pressed that the Agnihotri group was non-serious about pursuing the arbitration proceedings is evident from the fact that they had filed application for extension of the arbitration proceeding wrongly under Section 11 and allowed the defective application to subsist without timely corrective action. Even the Section 241-242 petition under the Companies Act was only a window dressing and a sham litigation with a view to prevent the home-buyers from succeeding in their Section 7 application. According to the home-buyers, on apprehending that the Section 7 petition which had been heard and reserved for orders may be allowed that IA No. 386 of 2024 was filed by the Appellant on 23.09.2024 collusively with the suspended management.

19. Making further submissions on behalf of the home-buyers, the Ld. Sr. Counsels representing them submitted that in the present case all the ingredients of Section 7 have been met. The debt has been admitted and a default has also been committed. The threshold requirements for “class of creditor” of 10% of allottees or 100 home-buyers whichever is less to initiate CIRP under Section 7 has also been met. Hence, the Section 7 application has been correctly admitted by the Adjudicating Authority.

20. Before we return our findings on the rival submissions made on behalf of Appellant-Jayshree Agnihotri and the Home-buyers on whether the Section

7 application was collusive or not, it may also be relevant and constructive to note the submissions made by the Appellant-suspended management of the Corporate Debtor in their Company Appeal No. 2335 of 2024. Shri Ashish Batra, Ld. Counsel for the Appellant-the suspended management of the Corporate Debtor has asserted that the Jain group holding 78.30% shareholding of the Corporate Debtor has full control of the affairs of the Corporate Debtor. While admitting that allotment letters had been issued to the 10 home-buyers on various dates between 2014-2016, it was contended that the home-buyers have only made part payment against the total consideration amount of the flats booked by them. The home-buyers have not complied with the conditions stipulated in the allotment letter and therefore do not qualify to be home-buyers and were speculative investors. Moreover, the balance confirmation which has been relied upon by the home-buyers does not show the amounts paid by them towards their specific flats and hence cannot be considered as an acknowledgement of debt. The Corporate Debtor has therefore prayed that the Section 7 proceedings may be quashed and Corporate Debtor be given an opportunity to complete the project on the land which was already transferred to the company with the Agnihotri group having no right of ownership over the land. It was also orally submitted that they are willing to offer payment to the home-buyers or alternatively complete the construction of flats within 12 months.

21. In arriving at our considered opinion as to whether there is substance in the contention of the Appellant that there was dubious connivance between the Home-buyers and Jain group in filing the Section 7 application, it is important to note that there is sufficient admission made by the Appellant-

Jayshree Agnihotri of settlement talks going on between the Agnihotri group and the Jain groups. One such instance of admission is recorded in the orders of the Hon'ble Madhya Pradesh High Court in AC No. 02 of 2024 which is extracted below:

*“IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE
AC No. 2 of 2024
(RAJEEV AGNIHOTRI Vs. ASHOK JAIN AND OTHERS)*

Dated: 22-07-2024

Shri Manoj Munshi, learned counsel for the applicant.

Shri Shantanu Sharma, learned counsel for the respondents.

Learned counsel appearing for the parties submit that the settlement talks are going on, between the parties and seek adjournment.

In view of the same, let the matter be listed in the second week of September, 2024.

(SUBODH ABHYANKAR)

JUDGE”

22. From the material placed on record before us, we also find that it has been admitted by the Appellant-Jayshree Agnihotri in their Reply Rejoinder to the reply of Respondent No.11 and 12 in CA No. 2112 of 2024 that there was settlement talk going on between the Agnihotri group and the Jain groups.

The relevant paragraph 12 at page 9 is as reproduced below:

“12. Although not relevant for present appeal, however, it is submitted that the statement that there is settlement talk was correct at that time, but unfortunately did not fructify. The settlement discussion is an attempt to resolve issues amicably and in expeditious manner, and its failure cannot be seen as doubtful conduct on the part of any party.”

23. Both the above instances of admission of settlement talks clearly shows that there was *inter se* dispute between the Agnihotri group and Jain group

and efforts were underway to settle the disputes among themselves. In such circumstances, it is clear that the two factions of the shareholders were themselves in parley with each other and trying to settle their disputes amicably and recalibrate their differences. The two shareholders were clearly trying to mend their fences so as to realign, protect and preserve their respective interests and thereby further their common interests. When both parties have been wilfully negotiating to arrive at a mutual understanding, it clearly shows that the common intent of both parties was to remain in control of the real estate project. We do not feel it necessary for us to comment on whether the Agnihotri group and Jain group had genuinely floundered or not in their endeavours at mutual reconciliation. It would only suffice to observe that it does not stand to reason for the Agnihotri group to drag the home-buyers and make them a pawn in their *inter se* imbroglio with the Jain group and alleging that the Home-buyers have been motivated by dubious connivance with rival shareholders in filing of the Section 7 petition. It would also be proper on our part to add here that the subject matter of dispute raised in the arbitration proceedings; the Section 241-242 of the Companies Act proceedings as well as the police complaints including the issue of ownership of the project land are matters which are required to be looked into by the appropriate forum of law or by the concerned competent authority and hence this Tribunal would like to refrain from expressing its opinion thereon.

24. We find that the Appellant-Jayshree Agnihotri has premised their contention on collusive Section 7 application filed by the home-buyers by adverting the attention to the *inter se* dispute between two factions of the directors/shareholders of the Corporate Debtor. Per contra the home-buyers

have contended that this dispute between the two faction of shareholders is not germane to the Section 7 petition filed by them. We notice that reliance has been placed by the Appellant-Jayshree Agnihotri on the MoU of 14.09.2009 to explain the basis of the *inter se* dispute between the two parties. We find that this argument is misplaced and lacks relevance since the home-buyers were not privy to the said MoU. Nor does the MoU have any relevance on the obligations of the Corporate Debtor towards the home-buyers. When the home-buyers were never a part of the MoU or its purported cancellation, it is unfair and unconscionable on the part of the Appellant-Jayshree Agnihotri to entangle the home-buyers in their *inter se* dispute with the Jain group by raising allegations that they had acted one-sidedly and in collusion with Jain group. From the facts on record, it is also clear that during this interregnum period when their purported *inter se* disputes were subsisting, the completion of the housing project faced hurdles thereby prejudicially affecting the interests of the home-buyers. In such circumstances, delay in completion of the project was sufficient ground for the home-buyers to have lost confidence in both Agnihotri group and Jain group triggering the filing of the Section 7 petition by them. It is immaterial as to who controls the Corporate Debtor or whether there is *inter se* dispute between shareholders of the Corporate Debtor. The rights of the home buyers cannot be sacrificed on account of *inter se* dispute between the shareholders. We are of the considered view that the home-buyers have every right to safeguard their interest and were justified in taking steps permissible under the statutory construct of the IBC to seek redressal of their grievance by seeking initiation of the CIRP of the Corporate Debtor. Raising the bogey of connivance and collusion as grounds

for objecting to the admission of Section 7 application by the Adjudicating Authority lacks foundation.

25. We now come to the contention that has been raised by the Appellant-Jayshree Agnihotri that the Section 7 application was filed by dummy allottees. It was asserted that the allotment letters were not genuine. To substantiate their point, the Appellant adverted attention to a Table placed by them in their Rejoinder Reply at page 4 to show that four flats were allotted to one Sonal Choradia which were booked at an unbelievably meagre amount of Rs 50,000/- each. The booking payment was made in 2010 and 2014 in respect of these flats, while the allotment was made on 15.11.2016. The allotment letters also differed from the standard allotment letters since the cancellation clause which was otherwise invariably present in the standard allotment letters was missing in these cases. The allotment letters of Sonal Choradia were also bereft of the requirement for minimum amount for booking though the standard allotment letters include 25% as booking amount which evidences the doubtful nature of the allotment. Further, many of the home-buyers have not made payment as per schedule given in allotment letters. Thus, when the Homebuyers are themselves in default they could not have claimed default on the part of the Corporate Debtor.

26. When we look at material placed before us, we notice that the Corporate Debtor has nowhere denied that the home-buyers had paid money to them. We have already taken notice in the preceding paragraph 9 that these disbursements are also reflected in the balance sheet of the Corporate Debtor as “Advances from customers against flat booking” under the head of “other current liability” in the balance sheet. Though the advance amount received

from bookings from customers in the balance sheet do not indicate their individual names, it is also pertinent to note that the Corporate Debtor has not denied receiving of advance towards the real estate project from these 10 home-buyers. The objection which has been raised by the Appellant-suspended management of Corporate Debtor is that some of home-buyers had defaulted in making payments. We do not find this to be a genuine defence. Since construction was stalled since 2014-15, the Appellants were not expected to make further payments. Neither has any proof been submitted to show that the Corporate Debtor had issued demand letters to the home-buyers for the balance payments. Moreover, the very fact that both the Appellant-Jayshree Agnihotri and suspended management of Corporate Debtor have submitted settlement proposals to discharge the debt obligations tantamount to admission of debt and default.

27. We find that there is sufficient evidence to show that the Corporate Debtor had received funds from the home-buyers under the real estate project. It is also an admitted fact that the home-buyers have been awaiting delivery of their constructed units since over a decade. However, the Corporate Debtor failed to complete the construction of the said project within the given window period of 30 months. By defaulting in giving timely possession of the flats to the home-buyers, the Corporate Debtor has failed to liquidate or discharge their debt liability qua the home-buyers. There is a clear existence of debt and default in excess of Rs 1 Cr. Since the financial debt subsists, this constituted sufficient ground for home-buyers to file the Section 7 application. The Adjudicating Authority has therefore not committed any error in concluding that the home-buyers have been able to effectively demonstrate that they are

allottees under the real estate project and the Corporate Debtor had raised funds from them under that project which was excessively delayed thereby causing a default. The Adjudicating Authority has correctly held that since there is a debt of more than Rs 1 Cr. which is due and payable to the Financial Creditor in class above the threshold criteria, this was a fit case for admission of Section 7 application.

28. This brings us to the contention of the Appellant- Jayshree Agnihotri that they had submitted their proposal to the IRP on 19.11.2024 regarding the settlement of the entire admissible claims of the home-buyers. It is the case of the Appellant-Jayshree Agnihotri that the continuance of the CIRP was neither desirable nor justified when they were ready and willing to discharge the entire liability of the home-buyers with interest out of their own arranged funds and alternatively agreed to make necessary arrangements for completion of the real estate project in a time-bound manner for those unwilling to take refund. This unconditional proposal to settle the rightful dues of the home-buyers in full without any haircut or to deliver flats to those who insisted on flats within a timeline of 18 months clearly showed that the Appellant was also solvent. To prove their bonafide, the Appellant was also willing to forthwith deposit the entire claim of the allottees of Rs 6.03 Cr as security with the Registry of this Tribunal.

29. In support of their contention that a just settlement cannot be arbitrarily rejected by the CoC, reliance has been placed on the judgment of the Hon'ble Supreme Court in the ***Swiss Ribbons Pvt. Ltd. & Anr. Vs UOI (2019) 4 SCC 17*** which categorically held that the decision of CoC on 12A proposal is not final and if CoC rejects a just settlement arbitrarily, the

Appellate Tribunal can always set aside such a decision. Reliance has also been placed on the judgment of the Hon'ble Supreme Court in **Anand Murti Vs Soni Infratech Pvt. Ltd. (2023) 3 SCC 743** to support the contention that when the Corporate Debtor is willing to refund the amount or construct the flats, the settlement plan cannot be opposed. Reliance was also placed on similar ratio contained in the judgment of this Tribunal in **Jagmohan Daga Vs Bimal Kanti Chowdhary** in **CA(AT)(Ins.) No. 848 of 2022**. It is further the case of the Appellant-Jayshree Agnihotri that the denial of the CoC to accept the settlement of claims is an offshoot of proxy litigation initiated at the behest of the Jain group which was indirectly controlling the entire CoC. Hence, it was asserted that this is a fit case to be covered by Section 65 of IBC.

30. The Ld. Counsel for the suspended management of the Corporate Debtor also submitted that the home-buyers could repose their trust in them and allow them to complete the construction in case they were unwilling to take refund.

31. On the settlement offer given by the suspended management of the Corporate Debtor, the Appellant-Jayshree Agnihotri dubbed that offer to be a smokescreen by the Jain group to cover up their collusion with Homebuyers. Submission was pressed that the collusion of the Jain group with the home-buyers gotten exposed, the suspended management of the Corporate Debtor, as a cover-up, filed Appeal No. 2235 of 2024 seeking rejection of the CIRP proceedings and orally proposing to settle the dues of the home-buyers. It was also contended that no credible grounds have been given as to why no such offer was made previously by suspended management of the Corporate Debtor

when the Section 7 application was filed by home-buyers. This oral settlement was made only after the CIRP stay application of the Appellant- Jayshree Agnihotri had been reserved by this Tribunal for orders. The belated offer of payment as an after-thought has been made by the Jain group as a tactic to remain in control of the real estate project and the valuable land.

32. The Ld. Sr Counsels on behalf of the Home-buyers vociferously expressed their opposition to both the settlement proposals. It was vehemently contended that they are unwilling to accede to the requests of both the Agnihotri and the Jain Group having lost faith in them as they had hopelessly failed to construct and handover their homes inspite of a lapse of more than a decade. It was submitted that the Agnihotri group as well as the Jain group were part of the Board of Directors when money was disbursed by the home-buyers to the Corporate Debtor. Both the Agnihotri group and Jain group were therefore equally responsible for the delay in completion of the project since they were commonly holding the position of Directors of the Corporate Debtor till 2020. The home-buyers also raised doubts on the bonafide of the Agnihotri group since Rajiv Agnihotri who is one of the members of the Agnihotri faction of share-holders had sent written complaint letters to the Municipal Corporation of Indore for cancellation of construction and development permission which actually led to revocation of building permit on 04.07.2023 as placed at pages 42-43 of Reply affidavit of the home-buyers in Appeal No. 2112 of 2024. Placing reliance on the judgement of the Hon'ble Supreme Court in ***ES Krishnamurty & Ors Vs M/s Bharath Hightech Builders (2022) 3 SCC 161*** to contend that they cannot be compelled to settle, it was asserted that CIRP process must be allowed to

continue and Corporate Debtor if it so wishes can always come forward and participate as prospective resolution applicant. Reliance has also been placed on the judgment of ***Pioneer Urban Land Vs UoI (2019) 8 SCC 416 Pioneer Urban Land & Infrastructure vs Union of India (2019) 8 SCC 416***. The extract of the relevant para is as hereunder:

"30.... If, however, the allottee wants that the corporate debtor's management itself be removed and replaced, so that the corporate debtor can be rehabilitated, he may prefer a Section 7 application under the Code....

41..... Thus, given the bona fides of the allottee who moves an application under Section 7 of the Code, it is only such allottee who has completely lost faith in the management of the real estate developer who would come before NCLT under the Code hoping that some other developer takes over and completes the project, while always taking the risk that if no one were to come forward, corporate death must ensue and the allottee must then stand in line to receive whatever is given to him in winding up. Given the reasons of the Insolvency Committee Report, which show that experience of the real estate sector in this country has not been encouraging, in that huge amounts are advanced by ordinary people to finance housing projects which end up in massive delays on the part of the developer or even worse i.e. failure of the project itself and given the state of facts which was existing at the time of the legislation, as adverted to by the Insolvency Committee Report, it is clear that any alleged discrimination has to meet the tests laid down in Ram Krishna Dalmia (Ram Krishna Dalmia v. S.R. Tendolkar, 1959 SCR 279: AIR 1958 SC 538), V.C. Shukla [V.C. Shukla v. State (Delhi Admn.), 1980 Supp SCC 249: 1980 SCC (Cri) 849], Shri Ambica Mills Ltd. [State of Gujarat v. Shri Ambica Mills Ltd., (1974) 4 SCC 656: 1974 SCC. (L&S) 381], Venkateshwara Theatre [Venkateshwara Theatre v. State of A.P., (1993) 3 SCC 677] and Mardia Chemicals Ltd. v. Union of India, (2004) 4 SCC 311]"

It is also asserted that the proposal of the Appellant is de hors of the provisions of the IBC as once a CoC is formed and Form-G is published, the Section 12A route has to be followed and cannot be unilaterally settled.

33. Coming to our analysis and findings on the proposed settlement offers, we have noticed that the settlement proposal of the Appellant-Jayshree Agnihotri dated 19.11.2024 was placed before the CoC by the IRP in the second CoC meeting on 03.12.2024. This proposal was rejected by the home-buyers. The opposition of CoC to the settlement proposal is therefore resolute with no room for ambivalence or any ambiguity.

34. We have no quarrel with the proposition of law laid down in ***Swiss Ribbons judgment supra*** that if the CoC arbitrarily rejects a just settlement, the Adjudicating Authority as well as the Appellate Authority can always set aside such a decision. When we look at the present facts of the case, we find cogency and lack of any arbitrariness in the reasoning arrived at by the home-buyers that when the share-holders of the Corporate Debtor were themselves stalling development permission and sacrificed the interests of the allottees, prudence demands that instead of relying on the false promises and hollow assurances given by the shareholders, they clearly prefer to have some new developer in position by inviting resolution plans from prospective resolution applicants who could take over and complete the project. The facts of the case in ***Anand Murti judgment supra*** is also distinct as in that case only 7 out of 452 home-buyers had opposed the settlement plan. Moreover, in that case there was no inter se dispute between the shareholders of the Corporate Debtor. We therefore hold that the ***Anand Murti judgment supra*** cannot come to the rescue of the Appellant. The judgment of this Tribunal in the ***Jagmohan Daga case*** was passed in the facts that the dispute was between two family members and therefore contextually different from the present factual matrix and thus does not help the Appellant.

35. Given this backdrop, it is clear that the home-buyers as members of the CoC had exercised their collective wisdom in not agreeing to the settlement offer of the Agnihotri group which as per their perception was only a guise to retain control over the land of the Corporate Debtor after evicting the home-buyers by repaying their principal with simple interest at a time when they have purportedly been paying compounded interest to the bank authorities in respect of their loan facility. We also notice that the RP in his report has submitted that work in only 3 out of 9 towers has commenced in which not more than 30% to 40% work has been completed since inception and that presently the progress has come to a grinding halt. Both factions of the shareholders have clearly acted in total disregard of the rights of the home-buyers and delayed the project inordinately long. In such circumstances, it is quite logical for the home-buyers to be justifiably wary of being caught further in the cross-fire of the rival group of shareholders who were busy furthering their own interests to wrest control over the real estate project land. The ratio laid down in ***Pioneer Urban Land judgement supra*** is supportive of the standpoint of the home-buyers. We are inclined to agree with the home-buyers that the settlements offered by Appellant-Jayshree Agnihotri was an excuse to scuttle the resolution process and frustrate the CIRP proceedings in their quest for control over the subject land of the real estate project for reasons of having appreciated manifold in value terms. We do not find any merit in the contention of the Appellant-Jayshree Agnihotri and suspended management of Corporate Debtor to foist their settlement proposal on the Home-buyers for unequivocal acceptance. We do not find any infirmity in the decision of the

Adjudicating Authority to reject the settlement proposal offered by the Appellant-Jayshree Agnihotri as contained in I.A. No. 386 of 2024.

36. In fine, we do not find any infirmity in the order of the Adjudicating Authority admitting the Section 7 application. Further the Respondent-Home-buyers not having accepted the settlement proposal of the Appellant in I.A. 386 of 2024, we are of the considered view that the resolution of the Corporate Debtor has to proceed in accordance with IBC. All the three Appeals are dismissed. The interim order stands vacated. No costs.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

**[Arun Baroka]
Member (Technical)**

**Place: New Delhi
Date: 20.05.2025**

Abdul/ Harleen