

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1276 of 2025

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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

[Arising out of order dated 21.08.2025 passed by the adjudicating authority
(National Company Law Tribunal, New Delhi Bench, Court – IV), in C.P. (IB)
No. 284/2025]

IN THE MATTER OF:

Navin M. Raheja

...Appellant

Versus

Shravan Minocha & Ors.

...Respondents

Present:

For Applicant : 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 Appellant : 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 Respondents : 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.

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For Interveners : 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.

J U D G M E N T

ASHOK BHUSHAN, J.

This appeal be a suspended director of the corporate debtor namely M/s. Raheja Developers Ltd. has been filed challenging the order dated 21.08.2025 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 No.1 to respondents No. 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.

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- 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 10.06.2019.
- 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 28.02.2025, alleging a default on the part of corporate debtor.

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- 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 10.06.2019, 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

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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 paragraph 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 measuring 10 acres in Sector -14, Sohna, Gurugram (Haryana) under

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*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 paragraph 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 paragraph 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). Paragraph 19 of the judgment is as follows:

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*“19. It is further placed on record that the Adjudicating Authority, in the matter of **Vipul Jain & Ors. v. M/s 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 25.08.2025. 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 25.08.2025:

“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

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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 02.09.2025.”

- 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 02.09.2025, 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 02.09.2025, this Tribunal passed following order:

“1. In pursuance of the earlier order dated 21.08.2025 an affidavit has been filed on behalf of the appellants. 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

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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. 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. 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. 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 02.03.2026, 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 02.03.2026, 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.

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*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 **17th March, 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 alongwith 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 the Respondents No. 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. Learned counsel for the appellant challenging the order impugned relies on the judgment of this Tribunal delivered on 20.03.2026 in [**Comp. App. (AT) (Ins.) No. 2168/2024**] in the matter of **‘Navin M. Raheja’ Vs. ‘Vipul Jain & Ors.’**, where this Tribunal has directed that CIRP against the corporate debtor

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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 Hon’ble Supreme Court in **‘Mansi Brar Fernandes’ Vs. ‘Shubha Sharma & Anr.’** reported in **[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 20.03.2026, the CIRP by the impugned order should be confined only to Project “Krishna Housing Scheme”. 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

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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. 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 05.12.2023 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. 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

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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. Learned counsel for the Bank relied on the judgement of the Hon'ble Supreme Court in '**Glass Trust Company LLC' Vs. 'BYJU Raveendran & Ors.'**' reported in **[(2025) 3 SCC 625]**, decided on 23.10.2024. It is pleaded that CIRP should continue against the corporate debtor.

7. 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. Learned counsel for the interveners further pointed out that even if the Project is confined to Project "Krishna Housing Scheme", IRP should be free

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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 paragraph 3 of the judgement, 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 10.06.2019. In paragraphs 13 and 15 of the judgement, 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**

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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 09.03.2015 or the date of sanction of building plans dated 10.06.2015. Accordingly, the Corporate Debtor was required to complete the Project and hand over possession by 10.06.2019, 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. Learned counsel for the appellant has relied on a recent judgement of this Tribunal dated 20.03.2026, 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

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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 judgement in paragraph 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, Respondent Nos.1 to 43 Financial Creditor in a class had received the units”

13. The Question No. (II) was considered and answered, relying on the judgements of this Tribunal. Question No. (II) was answered in paragraphs 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, Respondent Nos.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 Paragraph 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*

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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 07.01.2026 in **Company Appeal (AT) (Insolvency) No. 500 of 2025 in Gagan Tandon & Ors. vs. IL&FS Financial Services Ltd. & Ors.**, 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 Paragraphs 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 vs. Shubha Sharma and Anr. –

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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.””

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 vs. Umang Realtech Pvt. Ltd. through IRP & Ors.** was noticed. In Paragraph 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 precedence 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 vs. Umang Realtech Pvt. Ltd. through IRP & Ors. 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

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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

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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** (Paragraph 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 Paragraph 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 judgement dated 28.03.2026, we also need to refer to judgement of the Hon’ble Supreme Court in **‘Mansi Brar Fernandes’ (supra)**, in which case Hon’ble Supreme Court while dealing with insolvency of a Real Estate Company had issued

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various directions. It is useful to notice paragraphs 15.5, 21.2(5) & 21.2(6) of the judgement, 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.”

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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 judgement dated 20.03.2026, in appeal which arose out of CIRP against the corporate debtor has having held that the CIRP to confine only one project, the above judgement 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 paragraph 19 of the judgement. The interim order which was noted in paragraph 19 of this Tribunal has now culminated into final judgement dated 20.03.2026. Following the judgement of this Tribunal dated 20.03.2026, 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 judgement of this Tribunal in Comp. App. (AT) (Ins.) No.2168/2024, this Tribunal while disposing the application had issued following directions in paragraph 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 Respondent Nos.1 to 43 to file Section 12A application, if settlements, are entered between Respondent Nos.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

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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 21.08.2025. 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 judgement dated 20.03.2026.

19. In view of the foregoing discussions and our conclusions, we dispose of this appeal in following manner:

- i. The order dated 21.08.2025 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., 21.08.2025. 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

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“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.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

NEW DELHI

10th April, 2026

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