

12th January, 2026

**Scrip Code : ANSALAPI
National Stock Exchange
of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East)
Mumbai – 400 051**

**Scrip Code: 500013
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001**

- Reg: (i) Intimation of Hon'ble National Company Law Appellate Tribunal (NCLAT) Order dated the 07th January, 2026.**
- Ref: (i) Intimation of Hon'ble National Company Law Appellate Tribunal (NCLAT) Order dated the 25th April, 2025 passed in respect of Corporate Insolvency Resolution Process (CIRP) of Ansal Properties and Infrastructure Limited submitted to stock exchanges on the 26th April, 2025.**
- (ii) Intimation submitted to the stock exchanges on the 25th February, 2025 for Commencement of CIRP against Ansal Properties and Infrastructure Limited by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench, Court-IV passed in CP No.: IB 558(ND)/2024 vide Order dated the 25th February, 2025.**
- (ii) Disclosure under Regulation 30 of SEBI Listing Regulations, 2015, as amended**

Dear Sir/ Madam,

With reference to the captioned matter, kindly note that the Hon'ble National Company Law Appellate Tribunal (NCLAT) vide its order dated 07th January, 2026 has disposed off the Company Appeal (AT) (Insolvency) No. 500 & 502 of 2025, in the following manner: -

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

- (a) The CIRP against the CD is confined to CD's projects at Lucknow Mother City and Mother City Extension at Lucknow, Golf Plots at Lucknow and the assets of the CD in the State of Rajasthan and built-up properties at Ajmer, Jodhpur and Jaipur in the State of Rajasthan (as detailed in Schedule-B of Settlement Agreement dated 03.03.2022 at Sl. No.5, 6 & 7).*
- (b) The Adjudicating Authority to consider the mode and manner to proceed with project wise resolution of the CD as per initiation of CIRP against a real estate company to the extent as indicated above.*
- (c) Further steps in the CIRP of the CD shall be taken as per directions of the Adjudicating Authority indicated above. The Adjudicating Authority shall also consider with respect to resolution of the CD's project at Lucknow, as to whether as per MoU and Development Agreements entered between the CD and Lucknow Development Authority, the Lucknow Development Authority is to be directed to complete the projects of the CD.*
- (d) UP Awas Evam Vikas Parishad shall be entitled to pursue its application before the Adjudicating Authority for excluding the assets claimed by it, from the CIRP of the CD, which may be considered and decided in accordance with law.*

Ansal Properties and Infrastructure Limited (IN CIRP)

115, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi-110 001
Tel.: 011-23353550, 011-66302268 / 69 Website: www.ansalapi.com CIN: L45101DL1967PLC004759
Email: Info@ansalapi.com | cirpofapil@mlnervaresolutions.com



- (e) The date of commencement of the CIRP of the CD has to be treated as 25.02.2025 and further steps in the CIRP be taken as per the directions of the Adjudicating Authority to be made hereinafter.
- (f) The Lucknow Development Authority be made party to the CIRP process and it be given opportunity to file its affidavit.
- (g) The Homebuyers and other Applicants, who have filed IAs in these Appeal(s) are at liberty to file Intervention Petitions before the Adjudicating Authority in C.P.(IB) 558(ND)/2024."

Further, the copy of the aforesaid Order of the Hon'ble NCLAT, dated the 07th January, 2026 is enclosed herewith as "**Annexure 1**".

This is for your information and record please.

Thanking you,

Yours faithfully,

For Ansal Properties & Infrastructure Limited




(Abdul Sami)

Company Secretary

Encl: As above

1) Ansal Properties and Infrastructure Limited (APIL) is undergoing Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016. It's affairs, business and assets are being managed by Shri Navneet Kumar Gupta, Interim Resolution Professional (Currently designated as Resolution Professional), appointed by Hon'ble National Company Law Tribunal (NCLT), New Delhi, Bench IV, in CP No.: IB 558(ND)/2024 vide Order dated the 25th February, 2025. Vide Hon'ble NCLAT order dated the 07th January, 2025, CIRP confined to Lucknow and Rajasthan projects of the Company.

2) The Serene Residency Group Housing Project of APIL, situated at Sector ETA – II, Greater Noida, U.P, is also managed by Shri Navneet Kumar Gupta, Resolution Professional of said Project. The Resolution Plan of the said project was approved by Hon'ble National Company Law Tribunal (NCLT), New Delhi, Bench II on the 06th October, 2025.

3) The Fernhill Project of APIL, situated at District Gurgaon, Haryana, is managed

Ansal Properties and Infrastructure Limited (IN CIRP)

115, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi-110 001
Tel.: 011-23353550, 011-66302268 / 69 Website: www.ansalapi.com CIN: L45101DL1967PLC004759
Email: info@ansalapi.com | cirpofapil@minervaresolutions.com

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

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

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

IN THE MATTER OF:

Gagan Tandon & Ors. ...Appellants

Versus

IL & FS Financial Services Ltd. & Ors. ...Respondents

Present:

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

For Respondents : Mr. Gopal Jain, Sr. Advocate with Mr. Satendra Rai and Ms. Ruchika D. and Mr. Pareesh Virmani, Advocates for R1 IL & FS.

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

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

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

Mr. Vinayak Nath Singh, Advocates for UP Awas.

With

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

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

IN THE MATTER OF:

Pranav Ansal ...Appellant

Versus

IL & FS Financial Services Ltd. & Anr. ...Respondents

Present:

For Appellant : Ms. Neeha Nagpal, Mr. Malak Bhatt and Mr. Nikunj Mahajan, Advocates.

Mr. Sanjiv Kumar Dubey, Sr. Advocate with Mr. Abhishek Chawdhary, Mr. Shahrukh, Ms. Tanya Verma, Advocates for LDA & BKDA.

Mr. Abhishek Chaudhary, Advocate for GDA & ADA.

For Respondents : Mr. Gopal Jain, Sr. Advocate with Mr. Satendra Rai and Ms. Ruchika D. and Mr. Pareesh Virmani, Advocates for R1 IL & FS.

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

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

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

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

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

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

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

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

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

J U D G M E N T

ASHOK BHUSHAN, J.

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

2. The facts of the present case and the relevant materials brought on record by the parties as well as Intervenors, highlights various aspects of insolvency resolution process, which relate to a real estate Company. The detailed facts, which we shall notice hereinafter is reflection of varied complexities and difficulties in respect to a real estate Company, which has Projects, situated in different Cities, different States of the country.

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

- (i) The State of Uttar Pradesh by Government Order dated 22.11.2023 announced a policy to promote and facilitate private sector participation in developing of Hi-tech

Townships with world-class infrastructure, keeping in view the mandate of national estate housing policies. The policy was subsequently revised by Government Order dated 16.08.2007. Under the policy, the Development Authorities were to provide land to the developers under the Land Acquisition Act, 1894. The Developer was also to obtain land by direct purchase. The State was also entitled to provide land after resuming the land from different Gram Sabhas under the UP Zamindari Abolition and Land Reforms Act, 1950.

- (ii) As per the above policy, a Memorandum of Understanding (“**MoU**”) was entered between the State of UP through the Lucknow Development Authority (“**LDA**”) and M/s Ansal Properties and Infrastructure Limited (the CD). The CD was selected to develop Hi-Tech Township at Lucknow on land measuring 1500 acres or more. The MoU provided that after receiving the land acquisition proposal from the CD, the LDA shall initiate land acquisition proceedings and submit the acquisition proposal to the Collector of the District. Certain exemptions were also granted to the CD, including waiver of payment of 10% land acquisition charges, exemption from stamp duty for initial purchase and transfer of land, which shall be on the lease hold title for 90 years. The land which vests with the Gram Sabha was also required to be resumed

by following the prescribed procedures. One of the Clauses under the MoU was to ensure timely completion of Project as per the provisions of the approved DPR, the LDA shall retain transferable rights of 25% of total saleable land, which shall be released in proportion to the second party on successful completion of various services to the functional stage. If the second party leaves any development work incomplete, the same shall be completed by the LDA through sale of the land so retained.

(iii) A Development Agreement dated 18.11.2006 was entered between the CD and LDA, where the CD was to develop a Hi-Tech Township in an area of 1765 acres. As per the Master Plan of Lucknow Development, Agreement contained one Clause-8 regarding Performance Guarantee, which reads as follows:

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

retained.”

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

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

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

- (v) The above Clause requires the CD to mortgage 25% of the total saleable land in favour of LDA.
- (vi) Lands were provided by the LDA through acquisition under the Land Acquisition Act as well as by redemption of land belonging to different Gram Sabha under the UP Zamindari Abolition and Land Reforms Act, 1950. The detailed DPR for Hi-Tech Technology in different phases approved and was sanctioned including the necessary Plans. Several Projects were launched by the CD in the State of UP and other States.

One of the Hi-Tech Township Project at Lucknow was Sushant Golf City, Lucknow over an area of 4,465 acres. Different Projects were registered under the UP RERA at Lucknow, which Projects commenced and under the various Projects at Lucknow, the CD allotted units, both residential and commercial to large number of unit holders.

- (vii) Similarly in the State of UP, under the Hi-Tech Township/ Integrated Township, Policy in other cities of State, MoU and Development Agreements were executed between CD and respective Development Authorities.
- (viii) The CD approached the IL&FS Financial Services Ltd., the Financial Creditor for sanction of Rupee Term Facility of Rs.500 million. The CD was also proposed PMDO Facility (Pooled Municipal Debt Obligation) of Rs.3210 million and Rs.3930 million funding facilities towards development of infrastructure at Lucknow Township. IL&FS Financial Services sanctioned Term Loan Facility of Rs.500 million by a letter dated 16.02.2016 and terms and conditions for Term Loan Facility were part of the Sanctioned Letter. In pursuance of Sanction Letter dated 16.02.2016, a Loan Agreement was entered on 18.03.2016. Another Term Loan Facility of Rs.100 crores was sanctioned on 26.10.2016, in pursuance of which a Loan Agreement was entered between the CD and IL&FS on 25.11.2016. The Loan Document-I and Loan Document-II

both contained details terms and conditions, including details of security, purpose for which the loan was sanctioned and identified hypothecated receivables. Between 23.03.2016 to 01.12.2017, IL&FS disbursed amounts under Loan Agreement-I and Loan Agreement-II. On 28.06.2018, the Loan Agreement was amended vide a Supplemental Agreement dated June 28, 2018, whereby the repayment schedule was revised. In pursuance of the amount received under both the Facilities, the CD largely utilized such funds in the Project of Phase-2 Township located at Lucknow.

- (ix) There being default committed by the CD, IL&FS issued notice to rectify the alleged breaches. IL&FS vide notice dated 26.03.2019 recalled the entire Facility and in July 2019 filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**IBC**”). Being CP(IB) No.1649/ND/2019 to initiate Corporate Insolvency Resolution Process (“**CIRP**”) of the CD.
- (x) On a statement made by the parties, the Adjudicating Authority vide order dated 27.04.2021 dismissed Section-7 application as withdrawn with liberty to the Financial Creditors to file fresh application.
- (xi) The CD gave an offer of settlement to pay an amount of Rs.109,66,00,000/-. A Settlement Agreement dated 03.03.2022 was entered between the CD and IL&FS. The

NCLT Mumbai in CA No.130/MB/2022 in CP(IB) No.3638/MB/2018 approved the Settlement Agreement between the parties. Pursuance to the Settlement Agreement, an amount of Rs.5 crores was paid by the CD to IL&FS on 20.10.2022. The CD proposed a Revised Settlement Plan on 31.10.2023 of Rs.104,66,00,000/- along with interest on delayed payment. On 22.11.2023, IL&FS accepted the proposal. In pursuance of settlement an amount of Rs.28.36 crores were paid by the CD as on March 31,2024. The CD asked for extension of time for making the payment, which was refused by the IL&FS. On 13.05.2024, IL&FS terminated the Settlement Agreement and demanded an amount of Rs.2,574,312,692/- having not been paid by the CD.

- (xii) On 06.08.2024, IL&FS filed Section 7 application being CP(IB) No.558/2024 claiming default of Rs.2,574,312,692/-. Notices were issued in Section 7 application. The CD filed its reply. Several Interventions Petitions were also filed in Section 7 application. One of the Intervention Petition was filed by Gagan Tandon and other Homebuyers of Sushant Golf City Project, seeking intervention. Several other Intervention Petitions were filed by different parties, including Financial Creditors.
- (xiii) Adjudicating Authority heard the parties and passed an order on 25.02.2025 admitted Section 7 application filed by the

IL&FS. The Adjudicating Authority held that CD having not denied that it owns a substantial debt to the Applicant and the CD has only disputed the quantum of default as claimed in Section 7 application and has pleaded that amount overdue is only Rs.83 crores. The Adjudicating Authority held that quantum does not affect the application admissibility. The Adjudicating Authority has held that the CD having admitted the existence of the debt and the default, and the default amount exceeds the statutory threshold of Rs.1 crore, the application needs to be admitted. Section 7 application was admitted and moratorium was imposed under Section 14 of the IBC and the Interim Resolution Professional (“**IRP**”) was also appointed. By the separate orders of the same day, dated 25.02.2025, Intervention Petitions filed by Gagan Tandon and other Intervenors, were rejected.

(xiv) Aggrieved by the order dated 25.02.2025 admitting Section 7 application, these two Appeal(s) have been filed.

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

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

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

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

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

List these appeals on 15.04.2025 for admission/ disposal.”

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

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

“(a) Allow the intervention application of the applicant being a necessary party whose rights have been severely prejudiced by the order dated 25.02.2025 passed by the Hon’ble NCLT without impleading the applicant; and/or

- (b) Pleased to set aside the order dated 25.02.2025 passed in CP No. IB 558(ND)/2024 passed by the Hon'ble National Company Law Tribunal, New Delhi; and/or
- (c) Remand the matter back to the Hon'ble NCLT to pass appropriate orders after hearing and impleading the necessary and affected parties i.e. L.D.A. in the present application; and/or
- (d) Stay the proceedings before the Ld. IRP till the disposal of the present application; and/or
- (e) Pass any other or further order of any nature, direction as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case and in the interest of justice.”

7. LDA's case in the application is that as per the Hi-Tech Township Scheme of the State of UP, an MoU was entered with LDA and the Ansal Properties and Infrastructure Limited for development of 1765 acres of land on Lucknow Sultanpur Road for Hi-Tech Township. In furtherance of which a Development Agreement was also executed between the parties. The MoU was for 1765 acres of land. Further, first extension of 1765 acres of land was also done totaling to 3530 acres. Further extension was granted with 2935 acres of land and DPR for 6465 acres was sanctioned on 23.05.2015 in approved layout/map. In the MoU dated 26.11.2005, 25% of the saleable area was to be retained by the LDA. In the application various Clauses of MoU and the Development Agreement have been referred to, including the Clause of Performance Guarantee. The Applicant's case is that the CD has also mortgaged its land and executed various Mortgage Deeds, which were registered on 15.10.2018 and thereafter. The Applicant's case is that LDA has also filed

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

8. **IA No.2254 of 2025** : This IA has been filed by Bulandshahr Khurja Development Authority (“**BKDA**”) seeking intervention in the Appeal. In the Intervention Application, the Applicant prays for setting aside order dated 25.02.2025 and has further prayed that the matter be remanded back to the NCLT for hearing the Applicant – BKDA. The Applicant’s case is that the Applicant is a Statutory Authority constituted under the U.P. Urban Planning & Development Act, 1973. The Applicant claims that proceeding initiated is a malicious initiation. The Applicant being major stakeholder in the development of integrated Township under the State Policy, was required to be heard. It is pleaded that the CD had various resources to pay the alleged due to IL&FS, which has not been paid. The proceedings initiated is more in nature of recovery of debt. The

Applicant has a claim of Rs.16879 crores. The MoU dated 18.11.2004 for development of Hi-Tech Township was executed between M/s. Uttam Galva Steels Ltd. and M/s Ansal Properties & Industries Ltd. for development of Hi-Tech Township. A MoU was signed between BKDA and M/s Uttam Steel & Associates Consortium and a Development Agreement was signed on 07.07.2008 for development of 5.22 acres of land. There was Performance Guarantee wherein 25% of the saleable land has to be kept as mortgaged. Development Agreement-2 was executed and a Security Bond was also executed. BKDA by letter dated 29.04.2023 sent reminder to pay outstanding amount of more than Rs.211 crores. It is submitted that development of Hi-Tech Township Project named – Dadri Project Scheme, Bulandshahr Khurja is different district from the Lucknow Project developed by the CD. Various FIRs have been lodged by the Applicant and the Homebuyers against the CD. The entire proceedings of the CD is vitiated since CD deliberately connived in initiation of insolvency proceedings to overcome the various statutory/legal proceedings initiated against them in various Fora. The CD is using the present proceedings to avoid payment of legitimate dues of Government Authorities and defrauding the gullible home buyers. Reply has also been filed in the application, to which rejoinder has also been filed.

9. **IA No.2256 of 2025**: This IA has been filed by Ghaziabad Development Authority (“**GDA**”) seeking intervention as praying to set aside order dated 25.02.2025. GDA has entered into Development

Agreement with CD for development of integrated Township in the City of Ghaziabad. Total land of 3847 sqm of land is mortgaged with GDA through registered Mortgage Deed. There is liability of the CD of Rs.15,38,80,000/-. A Development Agreement was entered with GDA and CD on 09.05.2007 for integrated Township for 153 acres of land, under which the CD was to pay various development charges, Performance Guarantee to mortgage of 25% of total land in favour of GDA was also executed. The initiation of CIRP is malicious initiation. The GDA has also filed claim as Financial Creditor on 23.03.2025. Reply has also been filed by the ILFS to the application, to which rejoinder has also been filed.

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

11. **IA No.2252 of 2025** : This IA has been filed by Arbind Kumar Mishra & 26 others, who claimed to be buyers of residential apartment/ independent floors/ villa & plots in Sushant Golf City, Lucknow developed by the CD. It is pleaded that order dated 25.02.2025 should not be made applicable to Sushant Golf City, Lucknow Hi-Tech Township as the same has been initiated under the UP Hi-Tech Township Policy of the State Government of the U.P. and the project is being constructed under the MoU and the Joint Development Agreement between the LDA and the CD. The initiation of CIRP will jeopardize the real estate project and cause irreparable loss and injury to thousands of Homebuyers. The Applicant refers to different Clauses of the MoU. It is pleaded that Section 7 application has been filed only for the debt of Rs.83 crores and the creditors are misusing the provisions of IBC as a money recovery tool rather than seeking a resolution process. The debt of Rs.83 crores is negligible compared to the only Lucknow project, which valuation is more than Rs.26,000 crores, which comprises of public funds. The continuation of CIRP will jeopardize registries and the rights of the Applicant. It is pleaded that in ***Company Petition No. (IB)-297(ND)/2023 in Indian Bank vs. Ansal Properties & Infrastructure Ltd.***, the NCLT has confined the CIRP to “Serene Residency Group Housing Project” at Sector ETA II, Greater Noida and did not extend it to the entire company. The Applicant seeks intervention and prays that impugned order dated 25.02.2025 be set aside and LDA be directed to take over all the Projects and the land of Sushant Golf City as per MoU, which is under UP Hi-Tech

Township Policy 2003 and to ensure that all the Projects are developed. It has further been prayed that CIRP be confined to specific Project, Sushant Golf City, Lucknow. Following prayers have been made in the application:

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

12. **IA No.2555 of 2025** : This IA has been filed by Arvind Dwivedi, who claims to have entered into Buyer Agreement with respect to a

residential unit in Sushant Golf City, Lucknow Project. The Applicant claimed to have paid all the instalments. A Tripartite Agreement has been entered with the Indian Bank, the CD and the Applicant, where Applicant has been paying EMI to the Bank. The Applicant has executed one more Plot Buyer Agreement with the CD. The Applicant has referred to **CP(IB) No.330(ND)2021 – Bibhuti Bhushan Biswas & Ors. vs. Ansal Properties and Infrastructure Ltd.**, where the CIRP was admitted on 16.11.2022, wherein Appellate Tribunal vide order dated 04.03.2024 restrained the Project to the Project 'Fernhill' of the CD in Company Appeal (AT) (Ins.) No.41 of 2023. Another **CP(IB) No.297(ND)/2023 – Indian Bank vs. Ansal Properties and Infrastructure Ltd.** has been admitted by the NCLT on 20.10.2023 qua "Serene Residency" Project of the CD. The Applicant seeks intervention and prays that Appeal No.502 of 2025 be dismissed.

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

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

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

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

17. **IA No.3556 of 2025**: This IA has been filed by Shri Abhay Kesarwani and 47 others, who claim to be Homebuyers of Project namely - Sushant Golf City Hi-Tech Township, Lucknow. The Applicants claim

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

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

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

19. The case of the UPAEVP in the application is that 74.876 acres land situated at Sultanpur Road in land Development and Housing Scheme (Awadh Vihar Scheme) at Sector-7B, Village Barauna, Lucknow, which was utilized in favour of the CD, for which land the CD was required to make payment to the UPAEVA, as per the rate agreed between the parties and amount payable by M/s Ansal was converted into installments. The UPAEVP in its 236th Board Meeting held on 31.05.2016 decided that

registered mortgage deed shall be executed from M/s Ansal only towards the amount payable by them from the land owned by them. Under the 239th Board meeting held on 21.10.2016, a proposal was passed about excluding the 74.876 acres of land situated a village Baruna from the Hi-Tech Township Project. In continuation of which Gazatte Notification dated 03.12.2016 was published. A mortgage deed between the UPAEVP and the CD was executed on 28.06.2019 with respect to certain areas of land included in 74.876 acres of land of which only 24.638 is part of Hi-Tech Township (Sushant Golf City). The Demand Letter was issued by the UPAEVP to the CD. The CD deposited certain amount, but substantial amount is still due, for which the Deputy Housing Commissioner of UPAEVP on 12.04.2024 requested the District Magistrate, Lucknow to initiate recovery proceedings against the CD. The CD had entered into a Mortgage Deed, which is in the nature of performance guarantee with the UPAEVP. On default of the CD, the possession of the land has to automatically come in possession of the UPAEVP. After execution of Mortgage Deed, the CD has no right over the land. Out of 74.876 acres of land, 24.638 acres of land has been released in favour of the CD by UPAEVP as per the proportionate payment made by the CD and on the balance 50.238 acres of land, the CD does not have any right. The UPAEVP has also lodged FIR against the CD on 29.03.2025. The UPAEVP has already filed a claim dated 14.04.2025 for an amount of Rs.58,11,68,417/-. The UPAEVP has also filed an application before the

Adjudicating Authority for excluding the above land from the assets of the CD.

20. **IA No.2264 of 2025 in Company Appeal (AT) (Ins.) No.500 of**

2025: This IA has been filed by Uttar Pradesh Real Estate Regulatory Authority (“**UP RERA**”) praying for following reliefs:

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

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

defeat the very objective of the RERA Act and this Tribunal may modify the order dated 25.02.2025 and quash the initiation of CIRP.

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

23. The submission of learned counsel for the appellant in Comp. App. (AT) (Ins.) No. 500/2025, hereinafter referred to as submissions on behalf of the appellants – homebuyers. It is submitted that adjudicating authority committed error in initiating CIRP against the corporate debtor. Initiation of CIRP will jeopardise and prejudice the Real Estate Projects and cause irreparable loss, harm and injury to thousands of homebuyers. Real Estate Project was floated under the policies of Government of Uttar Pradesh, where corporate debtor is a licence holder authorised to construct and developed the project. In view of the Memorandum of Understandings (MoUs) entered with the corporate debtor and Lucknow Development Authority (LDA), LDA was entitled to take over the project in question, in event, the corporate debtor failed to develop the project. Section 7 application was filed by the financial creditor for a debt and default of Rs.83 crore approximately. Financial creditor does not intend to resolve the corporate debtor rather using the Section 7 proceedings as money recovery tool. Corporate debtor has substantially completed the

township project and delivered several thousand units to the allottees. Initiation of insolvency is against the interest of the homebuyers. Running of CIRP in Real Estates matter is a very complex and often a futile exercise. The delay in possession will have a cascading effect on the finance of the homebuyers as they are paying both EMIs to the banks and rents of their houses. The project being developed under state policy ought to be excluded from the CIRP which has been initiated against the corporate debtor. All appellants are allottee of the Suhant Golf City High-Tech Township Project, for which the corporate debtor was selected as a developer under the state policy. The land is owned by the State Government. Learned counsel for the appellant – homebuyers submits that appellants have also filed an application for intervention in Section 7 proceedings which was erroneously rejected by the adjudicating authority. Appellants are stakeholders in CIRP and Section 7 application filed by the financial creditor need to be dismissed in alternative the Township Project be excluded from purview of CIRP or this Tribunal may pass such other or further orders as may be deemed fit.

24. Learned counsel for the appellant in Comp. App. (AT) (Ins.) No. 502/2025 submits that corporate debtor has made efforts to liquidate the entire amount of the financial creditor as settled, out of settlement amount, amount of Rs.28.36 crore was paid by 31.03.2024 and corporate debtor has prayed for extension of some more time to pay the balance which was erroneously rejected by financial creditor. The corporate debtor has explained the reason for delay in arranging the funds. The

default amount as claimed in Section 7 application is of Rs.257,43,12,692/- is not the amount in default and at best the default was only Rs.83 crore. The corporate debtor is financially stable and solvent company, it has substantial receivables from its various projects across India, including Mother City, Lucknow, which receivables are multiple times than the amount of alleged debt, given available resources, there is no justification for initiating CIRP against the corporate debtor. Corporate debtor has settled huge chunk of allottees/customers of its project situated throughout India. In Lucknow, corporate debtor has settled its customers amounting to about Rs.126 crore. Corporate debtor has executed total of 3,306 Sale Deeds in favour of the allottees. The default by the corporate debtor is only with respect to the Project “Mother City, Lucknow”. The project in default and CIRP initiated against the corporate debtor should be limited to the project in default only. Adjudicating authority failed to appreciate that if the distress or default is limited to one Project “Mother City, Lucknow”, CIRP should be limited to that project alone. Adjudicating authority committed an error in admitting Section 7 application despite the fact that the corporate debtor had shown bona fide intent to repay and has already repaid Rs.28.36 crores under the Revised Settlement Amount. The financial creditor is misusing the IBC proceedings as debt recovery tool. Adjudicating authority failed to appreciate that in case of CIRP against the Real Estate Company, it is very difficult to follow the normal process and a reverse CIRP should be followed in the case of Real Estate Companies in the

interest of the allottees and to ensure survival of Real Estate Company, and to ensure completion of projects which provide employment to large number of unorganized workman and provide benefits to all other stakeholders in the infrastructure projects. The corporate debtor has several projects spread all over India and default being mainly in the Mother City, Lucknow, CIRP should be restricted to Lucknow Project only. The blanket admission of CIRP without restricting it to a particular project is contrary to settled judicial principles that require insolvency resolution to be undertaken on a project specific basis.

25. Learned counsel appearing for the Intervenor – LDA submitted that corporate debtor has entered into MoU with LDA under the High-Tech Township Policy of the State Government. MoU was entered on 26.11.2005 with corporate debtor and the LDA under which the corporate debtor was selected as developer for developing 1,765 acres of land for High-Tech Township. The corporate debtor was granted various concessions like waiver of payment of 10% acquisition cost, waver of stamp duty. 5 Development Agreements were executed between the LDA and the corporate debtor from 18.11.2006 to 26.04.2011 under which Development Agreements, the corporate debtor had to carry out the development work under High-Tech Township Policy 2003. As per the Development Agreement, the corporate debtor had to give performance guarantee providing that LDA shall retain 25% of the total saleable land. In subsequent Development Agreement dated 20.08.2010, the corporate debtor was required to mortgage 25% of the total saleable land in favour

of the LDA. The Agreement also contemplated that in event, the developer fails to complete the project, the project shall be completed by the LDA. It is submitted that land was provided by the LDA by acquiring the land. Land was also provided by the state of Uttar Pradesh by resuming land from various Gaon Sabhas under Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950. The land on the project was land provided to the corporate debtor by the state and the LDA. The corporate debtor committed error in entering into Rupee Loan Agreement with IL&FS in the year 2016, where all relevant clauses of MoU and the Development Agreement were concealed. It is submitted by the learned counsel for the LDA that Section 7 proceedings have been fraudulently initiated to harm the interest of all stakeholders. The corporate debtor was fully capable to discharge the amount of Rs.83 crore which was due as per Settlement between the IL&FS and the corporate debtor. Large number of First Information Reports were lodged against the corporate debtor and its Director and corporate debtor in connivance with IL&FS initiated proceedings to save itself from its obligation to complete the project and pay dues of LDA and other stakeholders. Learned counsel for the LDA submits that in the facts of the present case, LDA was also necessary party to the proceeding and ought to have been heard before taking a decision to initiate CIRP against the corporate debtor. It is submitted that as abundant caution, LDA has also filed its claim in the CIRP. Dues of the LDA are more than Rs.4,490 crore. The corporate debtor has been provided land of thousands of acres. Corporate debtor has also executed

various mortgage deeds in favour of the LDA towards performance guarantee. In the High-Tech Township Project, launched by the State of Uttar Pradesh for the benefit of City population will suffer a jolt due to initiation of CIRP which is not in the interest of all stakeholders.

26. Learned counsel appearing for the Bullandshahar Khurja Development Authority submitted that the Bullandshahar Khurja Development Authority has entered into the MoU with corporate debtor and Uttam Steels and Associates Consortium, which project is at Dadri. MoU was entered on 13.12.2006 between the Ghaziabad Development Authority (GDA) and the consortium for development of High-Tech Township, where clause 22 provided for retention of 25% of total saleable land of the project and right to sale the asset mortgaged land on non-completion of development work. It is submitted that default committed in by the corporate debtor in the Lucknow Project cannot be a reason to put other projects in jeopardy Bullandshahar Khurja Development Authority by abundant caution without prejudice to its right filed it claims as a financial creditor in 'Form-C' in the CIRP. CIRP has been initiated from non-payment of dues in the Lucknow project of corporate debtor, whereas the Project of Bullandshahar Khurja Development Authority is situated in Dadri. More than Rs.1,687 crores are dues on the corporate debtor. Corporate debtor had various resources to pay the alleged dues of the IL&FS. Learned counsel for the appellant submitted that with respect to security given under the Loan Agreement 1 & Loan Agreement 2 by IL&FS securities are given out of receivables from Project at Lucknow.

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

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

29. Several intervention applications have been filed by the homebuyers of Sushant Golf City Projects, Lucknow and homebuyer of other Projects situated in Agra, Mohali, Punjab, which we have noticed as above, the homebuyers in different intervention applications having quite different views. In some of the applications homebuyers prayed that CIRP be not initiated at all with respect to any project, in some of the applications it is prayed that Lucknow Project of Sushant Golf City be excluded from CIRP, in some of the applications it is prayed that CIRP, if any, be initiated only with respect to Lucknow Project. It is submitted in the intervention applications filed by the homebuyers that there is precedent of two earlier CIRPs where NCLT have initiated CIRP with respect to two specific projects of the corporate debtor. It is submitted that in one project at Gurgaon namely 'Fernhill Project', there is direction of this Tribunal to confine the CIRP to 'Fernhill Project' and another project namely Serene Residency Group Housing Project situate in Greater Noida is also Project specific CIRP where CIRP was sought to be initiated against the corporate debtor. There are thus two earlier precedents where CIRP has been initiated with regard to two different projects of the corporate debtor and not the corporate debtor as a whole.

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

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

32. Learned counsel for the appellant referring to the reply of the corporate debtor filed in Section 7 application submits that the corporate debtor pleaded in the reply that at best the default is an amount of only Rs.83 crores. It is submitted that default having been admitted by the corporate debtor, twin test for admission of Section 7 application were clearly fulfilled. Learned counsel for the appellant has relied on the judgment of the Hon'ble Supreme Court in **'Innoventive Industries**

Limited' Vs. 'ICICI Bank & Anr.' reported in [(2018) 1 SCC 407] and in **'E.S. Krishnamurthy' Vs. 'Bharath Hi-Tecch Builders (P) Ltd.'** reported in [(2022) 3 SCC 161] as well as the judgment of the Hon'ble Supreme Court in **'M. Suresh Kumar Reddy' Vs. 'Canara Bank'** reported in [(2023) 8 SCC 387]. Learned counsel for the IL&FS submits that the CIRP Regulations, 2016 has been amended under which now the resolution for Real Estate Projects, RP with the concurrence of the Committee was entitled to call for resolution plan project wise. It is submitted that statutory regulation provides for mode and manner of project wise resolution of Real Estate Company and the question of project wise resolution is a question which has to be considered and gone into subsequent to the admission of CIRP. It is submitted that admission of CIRP is in no manner can be faulted on the ground that corporate debtor has large number of projects. It is submitted that Competent Authority i.e., RERA who is regulatory authority for regulating the projects can be invited to attend the meeting of the CoC for overseeing the development. It is submitted that as per the terms and conditions for both the Rupee Term Loan Facility dated 16.02.2016 and 26.10.2016, the loan was taken by the corporate debtor for all the projects and Term Loan Facility extended by IL&FS was not for any specific project. It is submitted that mortgage of land by the corporate debtor in favour of the IL&FS was earlier in point of time to the mortgage executed in favour of the LDA by the corporate debtor. It is submitted that all relevant documents pertaining to mortgage and security created by the corporate

debtor were on the record and were part of the Section 7 application. It is submitted that Development Authorities and other regulatory authorities who have filed intervention applications are free to approach the adjudicating authority for the grievances which are sought to be raised in these appeals. The prayer for excluding the particular project from CIRP can always be made before the adjudicating authority who seized of the entire matter.

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

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

“22. Intervention Application(s) filed by Development Authorities/ UPRERA/ UP Awas Evam Vikas Parishad and the Homebuyers, as

noted above are allowed. Intervenorers are also allowed two weeks time to file affidavit in support of their case.

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

(1) Lucknow Development Authority and other Development Authorities are given liberty to file an Application with regard to categorisation of their claims before the Adjudicating Authority, which may be considered and decided at an early date by the Adjudicating Authority.

(2) The IRP/ RP shall proceed to collate and verify the claims of Creditors in accordance with the CIRP Regulations, 2016.

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

Parties may complete the pleadings before the next date.”

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

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

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

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

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

Interim Order to continue.”

36. In compliance of the order dated 01.07.2025, appellant in Comp. App. (AT) (Ins.) No. 502/2025 has filed an affidavit bringing on record the project wise details as Annexure A-1 to the affidavit. Project wise Report, Annexure A-1 indicate that the corporate debtor has listed 26 projects in different cities of the state of Uttar Pradesh, state of Haryana, state of Punjab and state of Rajasthan. With regard to Sushant Golf City, Lucknow, Uttar Pradesh was mentioned as High-Tech Township Development Project spread over approximately over 4,465 acres. The project comprises RERA registered sub-Projects, some of which had already been completed Occupancy Certificate obtained. Details of some of the sub-Projects of Sushant Golf City, Lucknow are listed at Item No. 1 to 93, with average status of completion. Annexure A-1 brought on the record by the Suspended Director of the corporate debtor by means of an affidavit is made part of this judgment as Schedule I.

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

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

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

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

- V. Whether in the facts of the present case, the CIRP needed to be confined at Lucknow Project i.e., Sushant Golf Project at first instance or any other specific project wise resolution?
- VI. Whether the facts of the present case have made out the case for issuing direction for project wise resolution of the corporate debtor/reverse CIRP in the interest of all stakeholders?
- VII. What are the way forward and further directions needed in facts of the present case?

Question No.I

40. We have noticed the background facts, which led the Financial Creditor to file Section 7 application against the CD on 06.08.2024. The basis of Section 7 application is two Loan Facilities extended by the IL&FS to the CD. The first Loan Facility of Rs.50 crores was extended by Loan Agreement dated 18.03.2016 and second Loan Facility of Rs.100 crores extended by Loan Agreement dated 26.10.2016. The CD having committed default, the Financial Creditor has initiated proceedings under Section 7 (earlier proceedings) being CP(IB) No.1649/ND/2019, which was withdrawn on 27.04.2021 on statements made by the parties before the Adjudicating Authority that CD is making settlement offer. A Settlement Agreement was executed on 03.03.2022. The CD has given a settlement offer for Rs.109,66,00,000/-, under which settlement offer, an amount of Rs.5 crores was paid. Revised settlement offer of Rs.104,66,00,000/- was submitted by the CD, which was accepted by the IL&FS on 22.11.2023. In pursuance of settlement an amount of Rs.28.36

crores was paid by the CD as on 31.03.2024. The CD asked for extension of time for making payment till 30.09.2024, which was declined by IL&FS. The IL&FS by letter dated 13.05.2024 terminated the Settlement Agreement and demanded the entire amount of Rs.2,574,312,692/-. Due to non-payment of the amount demanded, Section 7 application was filed on 06.08.2024. In Part-IV of Section 7 application, Financial Creditor has given details of its facilities, Sanctioned Letter dated 16.02.2016 and a subsequent Sanction Letter dated 26.10.2016 and the Agreements entered thereon. Part-IV of Section 7 application is as follows:

“Part-IV

Particulars of Financial Debt		
1.	Total amount of Debt granted date(s) of disbursement	<p>The Applicant has granted a total sum of Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores) ("Entire Loan Amount") to the Corporate Debtor on the dates and in the manner as detailed out in Annexure- A-4.</p> <p>The details of the transactions pursuant to which the said amounts were disbursed are as follows:</p> <p>A. Facility I:</p> <p>a. Pursuant to the request of the Corporate Debtor towards inter alia, requirement of funds for the development of a project (residential and commercial) at Lucknow ("Project"), the Applicant granted a term loan facility of upto Rs. 50,00,00,000/- (Rupees Fifty Crores only) ("Facility I") vide its Offer / Sanction Letter bearing no. D/OTL/16/89 dated February 16, 2016 ("Sanction Letter I"). A copy of the Sanction Letter I is annexed herewith as Annexure- A-5.</p> <p>b. In furtherance of the same, the Applicant executed a Loan Agreement dated March 18, 2016 ("Loan Agreement I")</p>

		<p>with the Corporate Debtor. A copy of the First Loan Agreement is annexed herewith as Annexure- A-6.</p> <p>c. Pursuant to the Loan Agreement I, the Applicant disbursed a total amount of Rs.50,00,00,000/- (Rupees Fifty Crores only) on the dates and in the manner as detailed out in Part A of Annexure- A-4.</p> <p>d. Subsequently, the Loan Agreement I was amended vide a Supplemental Agreement dated June 28, 2018 whereby repayment schedule as provided under Clause 14 of the Sanction Letter I was revised. A copy of the Supplemental Agreement dated June 28, 2018, is annexed herewith as Annexure- A-7.</p> <p>B. Facility II:</p> <p>a. Upon subsequent request of the Corporate Debtor, the Applicant granted another term loan facility of upto Rs. 100,00,00,000/ - (Rupees One Hundred Crores Only) ("Facility II") vide another Offer /Sanction Letter bearing no. DEL/OTL/17 / 100 dated October 26, 2016 ("Sanction Letter II"). A copy of the Second Sanction Letter is annexed herewith as Annexure- A-8.</p> <p>b. In furtherance to the Sanction Letter II, the Applicant executed another Loan Agreement dated November 25, 2016 ("Loan Agreement II"). A copy of the Loan Agreement II is annexed herewith as Annexure- A-9.</p> <p>c. Pursuant to the Loan Agreement II, the Applicant disbursed a total amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on the dates and in the manner as detailed out in Part B of Annexure- A-4.</p> <p>[Facility I and Facility I/ are collectively referred to as "Facilities"1 {Loan Agreement I and Loan Agreement I/ are collectively referred to as "Loan Agreements"]</p>
2.	Amount claimed to be in default and the date on which the default	The total amount claimed to be default is Rs. 257,43,12,692/- (Rupees Two Hundred Fifty-Seven Crore Forty- Three Lakh Twelve Thousand Six Hundred Ninety-Two Only) -

	occurred (attach the workings for computation of amount and dates of default in Tabular Form	(outstanding as on April 30, 2024). The date of default, as detailed hereinafter, is May 21, 2024.”
--	--	--

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

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

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

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

“28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1), a default is in respect of a financial debt owed to *any* financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the

registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.”

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

“**34.** The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an

application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to the proceedings before it to settle a dispute.”

45. The next judgment which needs to be noticed is the judgment of the Hon’ble Supreme Court in ***M. Suresh Kumar Reddy vs. Canara Bank and Ors. – (2022) 8 SCC 387***, where Hon’ble Supreme Court in Paragraph 13-14 laid down following:

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

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

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

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

46. In the reply, which was filed by the CD before the Adjudicating Authority, the CD placed reliance on judgment of the Hon’ble Supreme Court in ***Vidarbha Industries Power Ltd. vs. Axis Bank Ltd. – (2022) 8 SCC 352***, in which case the Hon’ble Supreme Court was of the view that in the facts of the said case, where CD was possessed with decree in arbitration of decretal amount, which was more than the debt and default, it held that initiation of CIRP in such cases is not mandatory. In the facts of the present case, there are no such facts or pleadings on which it can be held that initiation of CIRP was uncalled for. It is true that in the reply, the CD has pleaded that it is executing multiple projects across diverse location and initiation of CIRP would paralyze these projects and result in destruction of value for creditors and other stakeholders.

47. We have considered the facts brought in the present case and all materials, which have been brought by the Financial Creditor in Section 7

application filed against the CD. We are of the view that Adjudicating Authority has rightly returned the finding that debt and default on the part of the CD in repayment of dues of the Financial Creditor are fully proved. In Paragraphs 12 and 13 of the impugned order, the Adjudicating Authority has observed following:

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

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

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

CIRP against the CD, shall be considered and examined by us in foregoing paragraphs of this judgment.

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

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

Question No.II

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

51. Section-7 application has been filed by the IL&FS with respect to two Rupee Term Loan Facility extended by the IL&FS to the CD. First Loan was sanctioned of Rs.50 crores by letter dated 16.02.2016 and the second loan was sanctioned by Sanction Letter dated 26.10.2016. The

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

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

53. One of the major problem which is encountered with respect to insolvency of real estate project, which are undertaken by a real estate Company, are as to extent of the CIRP, which has been initiated by a Financial Creditor of one particular Project of real estate Company when the real estate Company is carrying on more than one Projects, several difficulties arises. Few of which are:

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

54. For answering some of the issues, which arose with respect to insolvency resolution of the real estate project, we first need to notice the Rupee Term Loan Facilities, which were the basis for initiation of Section 7 application by the CD. Part-IV of Section 7 application refers to two

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

"6.	PMDO Facility	:	Rs 3210 mn (proposed) and Rs 3930 mn funding facilities extended by Consortium of Bankers under "Pooled Municipal Debt Obligation" to Ansal API Infrastructure Ltd (AAIL) towards development of infrastructure at Lucknow Township"
-----	---------------	---	--

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

"7.	(a) Hypothecated Identified Receivables	:	(a) "Hypothecated Identified Receivables" shall mean receivables aggregating to a minimum ~Rs.5.64 Bn from FSI of Mother City/ sold by APIL to various Buyers under DA I/II/III/ (Details of Hypothecated Identified Receivables are attached as Annexure A)
-----	---	---	--

	<p>(b) Escrow FSI Receivables :</p> <p>(c) Balance FSI Receivables :</p> <p>(d) IFIN Escrow FSI Receivables :</p> <p>(e) Segregated Escrow FSI Receivables :</p>	<p>(b) "Escrow FSI Receivables" shall mean identified receivables from out of the Hypothecated Identified Receivables aggregating to Rs 1.35 Bn or such amount as may be agreed (the "Escrow FSI Receivables") and which shall be deposited by the FSI Buyers directly into a designated account acceptable to IFIN (the "FSI Escrow Account") APIL/ Promoters will confirm & undertake & ensure that the entire Escrow FSI Receivables are deposited directly into the FSI Escrow Account by the FSI Buyers Details of Escrow FSI Receivables to be provided by the Borrower prior to disbursement</p> <p>(c) "Balance FSI Receivables" shall mean the Hypothecated Identified Receivables less the Escrowed FSI Receivables</p> <p>(d) "IFIN Escrow FSI Receivables" shall mean 75% of the Escrow FSI Receivables which shall be forthwith transferred from the FSI Escrow Account into a sub-account of the FSI Escrow Account ("IFIN FSI Sub-Account")</p> <p>(e) "Segregated Escrow FSI Receivables" shall mean 25% of the Escrow FSI Receivables which shall be forthwith transferred from the FSI Escrow Account into a sub-account of the FSI Escrow Account "Segregated FSI Sub-Account"</p>
--	--	---

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

“10.	Purpose of the Facility	:	The funds provided under the Facility would be utilized for any of the below
------	-------------------------	---	--

		<p>specified purposes:</p> <p>(a) Project Development Expenses in APIL's various under construction real estate projects</p> <p>(b) Long Term Working Capital</p> <p>(c) Extending loan & advance to subsidiaries/ associates including loan & advance to AAIL(PMDO borrower) towards implementation of trunk infrastructure at Lucknow township (Phase II) as envisaged by PMDO pending disbursement of proposed PMDO loan of Rs. 3210 mn</p> <p>(d) General Corporate purposes</p> <p>The Borrower shall provide a Statutory Auditor's Certificate confirming the end-use of funds within 30 days of disbursement(s).”</p>
--	--	--

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

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

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

"21.	Security	:	<p>The Facility shall be secured by the following:</p> <p>(a) (1) First exclusive mortgage of fully developed Plots (ready to construct plots by the prospective buyers) situated at Mother city, Lucknow (the "Lucknow Plots") Valuation/ Title Investigation to IFIN satisfaction by IFIN appointed Valuer/s & Legal Counsel. Details/ Title Deeds to be provided immediately for expeditious processing</p> <p>(2) First exclusive hypothecation of receivables from the Lucknow Plots ("Hypothecated Receivables of Lucknow Plots"). Irrevocable POA from Borrower for the Hypothecated Receivables of the Lucknow Plots</p> <p>(b) First exclusive hypothecation of Hypothecated Identified Receivables Irrevocable POA from Borrower for the Hypothecated Identified Receivables</p> <p>(c) (1) First exclusive mortgage built up properties (ready to move in status) (located at Lucknow/ Jaipur/ Jodhpur/ Ajmer) ("Built Up Properties")</p> <p>(2) First exclusive hypothecation of recievables from Built Up Properties ("Hypothecated Built Up Properties Receivables"). Irrevocable POA from Borrower for the Hypothecated Built Up Properties Receivables</p>
------	----------	---	---

			<p>(d) Corporate Guarantee of all land owning companies other than the Borrower, if any, providing immovable property as security</p> <p>(e) Personal Guarantee of Mr. Sushil Ansal and Mr. Pranav Ansal</p> <p>(f) Demand Promissory note in favour of the Lender. The Promissory note shall bear the common seal of the Borrower duly supported by a resolution of the Board of Directors of the Borrower</p> <p>(g) ECS mandate for Principal & Interest (including PDC for one month interest and Principal)”</p>
--	--	--	---

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

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

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

“6.	PMDO Facility	:	PMDO I : Rs 3930 mn funding facilities extended by Consortium of Bankers under "Pooled Municipal Debt Obligation" ("PMDO") to Ansal API Infrastructure Ltd ("AAIL") towards development of trunk infrastructure at Mother City, being part of township located at Lucknow ("Mother City, Lucknow") which is being developed
-----	---------------	---	---

		<p>pursuant to the terms of the [development agreements for the Mother City, Lucknow project] ("DA I/II/III")]</p> <p>PMDO II : Proposed term loan of up to Rs. 1,500 mn to AAIL from PMDO lenders towards development of trunk infrastructure for Phase II of the township located at Lucknow ("Mother City Extension, Lucknow"), which is being developed pursuant to the terms of the [development agreements for the said the Mother City Extension, Lucknow project] ("DA IV/V") of the Lucknow Township"</p>
--	--	--

62. Clause-7 refers to 'Hypothecated & Escrowed Identified Receivables - Mother City, Lucknow and Hypothecated & Escrowed Identified Receivables- Mother City Extension, which is as follows:

"7.	(A) Hypothecated & Escrowed Identified Receivables — Mother City	:	<p>(a) "Hypothecated & Escrowed Identified Receivables — Mother City" shall mean entire receivables (present and future) from FSI/Group Housing / Commercial / Plots / Villas/ any other development (unless specifically excluded by IFIN) at Mother City, Lucknow proposed to be sold/ already sold by APIL to various buyers, which Mother City, Lucknow is being developed pursuant to the terms of DA I/II/III along with residual cashflows from the said Mother City, Lucknow project, for part construction of which funding has also been availed from cert3.tiei,, !er lenders (to be specified by the Borrower in writing with details, which lenders may be excluded upfront by IFIN). A summary of the Hypothecated & Escrowed Identified Receivables -Mother City is provided below:</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 50%;">Category</th> <th style="width: 25%;">Balance</th> <th style="width: 25%;">Total</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Category	Balance	Total			
Category	Balance	Total							

	(B) Hypothecated & Escrowed Identified Receivables - Mother City Extension	(Rs.mn)	Receivables																																											
			Sold	Unsold																																										
		FSI																																												
		--Group Housing	3,790	4,320		8,110																																								
		--Commercial	1,870	7,320		9,190																																								
		Plots	640	2,370		3,010																																								
		Villas/Floors	820	3,310		4,120																																								
		Group Housing	1,310	4,210		5,520																																								
		Commercial	290	1,470		1,760																																								
		Other (Public, recreation, etc.)	660	2,950		3,610																																								
		Total	9,370	25,950		35,220																																								
		<p>(b) "Hypothecated & Escrowed Identified Receivables - Mother City Extension" shall mean entire receivables (present and future) from FSI/Group Housing / Commercial / Plots / Villas/ any other development (unless specifically excluded by IFIN) at Mother City Extension, Lucknow proposed to be sold/ already sold by APIL to various buyers which are being developed pursuant to the terms of DA wry along with residual cashflows from the said Mother City Extension, Lucknow project, for which part of construction funding is availed from certain other lenders (to be specified by the Borrower in writing with details, who may be excluded upfront by IFIN). A summary of Hypothecated & Escrowed Identified Receivables - Mother City Extension is provided below:</p>																																												
		<table border="1"> <thead> <tr> <th rowspan="2">Category (Rs.mn)</th> <th colspan="2">Balance Receivables</th> <th rowspan="2">Total</th> </tr> <tr> <th>Sold</th> <th>Unsold</th> </tr> </thead> <tbody> <tr> <td>FSI</td> <td></td> <td></td> <td></td> </tr> <tr> <td>--Group Housing</td> <td>1,910</td> <td>10,400</td> <td>12,310</td> </tr> <tr> <td>--Commercial</td> <td>120</td> <td>2,730</td> <td>2,850</td> </tr> <tr> <td>Plots</td> <td>2,420</td> <td>4,220</td> <td>6,640</td> </tr> <tr> <td>Villas/Floors</td> <td>2,430</td> <td>6,350</td> <td>8,780</td> </tr> <tr> <td>Group Housing</td> <td>1,680</td> <td>5,160</td> <td>6,840</td> </tr> <tr> <td>Commercial</td> <td>30</td> <td>80</td> <td>110</td> </tr> <tr> <td>Other (Public, recreation, etc.)</td> <td>90</td> <td>6,010</td> <td>6,100</td> </tr> <tr> <td>Total</td> <td>8,690</td> <td>34,940</td> <td>43,630</td> </tr> </tbody> </table>					Category (Rs.mn)	Balance Receivables		Total	Sold	Unsold	FSI				--Group Housing	1,910	10,400	12,310	--Commercial	120	2,730	2,850	Plots	2,420	4,220	6,640	Villas/Floors	2,430	6,350	8,780	Group Housing	1,680	5,160	6,840	Commercial	30	80	110	Other (Public, recreation, etc.)	90	6,010	6,100	Total	8,690
Category (Rs.mn)	Balance Receivables		Total																																											
	Sold	Unsold																																												
FSI																																														
--Group Housing	1,910	10,400	12,310																																											
--Commercial	120	2,730	2,850																																											
Plots	2,420	4,220	6,640																																											
Villas/Floors	2,430	6,350	8,780																																											
Group Housing	1,680	5,160	6,840																																											
Commercial	30	80	110																																											
Other (Public, recreation, etc.)	90	6,010	6,100																																											
Total	8,690	34,940	43,630																																											

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

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

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

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

1.	Particulars of security held, if any, the date of its	Under the terms of the Sanction Letters read with the Loan Agreements, the Corporate Debtor had offered the
----	---	---

	<p>creation, its estimated value as per the creditor.</p> <p>[attach a copy of a certificate of registration of charge issued by the registrar of companies (if the corporate debtor is a company)]</p>	<p>following as security for securing the repayment of the Facility Amount:</p> <p>A. First exclusive charge in the form of mortgage by deposit of title deeds over various properties owned/held by the Corporate Debtor as per details given in Annexure- A-27(Colly)</p> <p>B. First exclusive charge in the form of hypothecation over receivables generated from various properties as per details given in Annexure- A-28 (Colly).</p> <p>C. Corporate Guarantees of the landowning companies associated with the Corporate Debtor as detailed out in Annexure- A-29 (Colly)</p> <p>D. Personal Guarantees of Mr. Sushil Ansal and Mr. Pranav Ansal, Chairmen of the Corporate Debtor as detailed out in Annexure- A-30 (Colly).</p> <p>E. Demand Promissory Note for:</p> <p>a. the amount of Rs.50,00,00,000/- (Rupees Fifty Crores only) with interest at the rate of 17.5% per annum executed by the Corporate Debtor under the hand of Mr. Ashok Dang and Mr. Kapil Arora.</p> <p>b. the amount of Rs.100,00,00,000/- (Rupees One Hundred Crores only) with interest at the rate of 17.5% per annum executed by the Corporate Debtor under the hand of Mr. Ashok Dang and Mr. Kapil Arora.</p> <p>Copies of the above-mentioned Demand Promissory Notes are annexed herewith as Annexure- A-31 (Colly).</p> <p>F. Copies of the certificates of registration of the said charges are annexed herewith as Annexure- A-32 (Colly)”</p>
--	---	---

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

67. It is relevant to notice that a Settlement Agreement was entered between the CD and IL&FS dated 03.03.2022, under which the CD had agreed to make total payment of Rs.109,66,00,000/- to the IL&FS. The Settlement Agreement in Schedule-B mentions “List of Existing Securities and Security Documents”. The securities mentioned at Sl. No.1, 2, 3 and 4 relates to assets at Lucknow and security mentioned at Sl. No.5 mention 27 units in building known as Ansal Royal Plaza, Jodhpur; 54 units in Orchid Plaza and 14 units in Tulip Plaza at Jaipur; Sl. No.6 mentions 59 built up units at Ajmer, Rajasthan; Sl. No.7 mentions property at Jodhpur, Jaipur, Lucknow and Ajmer; and Sl. No.8 deals with hypothecation.

68. The relevant terms and conditions of the Sanction Letter and the Loan Agreements, thus, clearly provided for immovable securities for repayment of both the loans, in addition to the projects of the CD at City of Lucknow, U.P., the security was also created with respect to three cities in the State of Rajasthan i.e. Ajmer, Jodhpur and Jaipur. From Annexure-A, which has been brought on the record by the CD, as noted

above, it is clear that apart from different projects at City Lucknow, State U.P., the CD had projects in the State of Haryana, Mohali (Punjab), Rajasthan – Ajmer, Jodhpur and Jaipur. There are 93 registered projects in the City of Lucknow alone. The question, which needs to be answered is as to whether securities, which have been taken by Financial Institutions, i.e. IL&FS in the present case has any relevance with respect to CIRP of a real estate Company. The securities obviously have been taken by the Financial Institutions to ensure repayment of its loan and when the CD commits default as per the Loan Agreement, the Financial Institutions are entitled to take remedy as per the Agreement and recover its dues by realization as per the insolvency process contemplated under the IBC. The IBC and CIRP Regulations, do not contain any provision so as to specify if Financial Institutions has receivable or securities of one or more projects of the CD in the CIRP, whether the CIRP should confine to one project of the CD or all projects or to the projects, in which lenders have receivables and securities.

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

70. With respect of Fernhill Project of the CD, a Section 7 application was filed by the allottees of Fernhill Project, on which CIRP commenced against the CD on 16.11.2022, against which order Company Appeal (AT)

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

"2. These appeals have been filed against the order dated 16.11.2022 passed in Section 7 Application by which on an Application filed by 125 allottees (Financial Creditors), the Adjudicating Authority admitted Section 7 Application. The allottees, who filed the Application, were allottees of one Projects the 'Fernhill Project'. This Tribunal entertained the appeal and passed following interim order dated 13.01.2023:

"O R D E R

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

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

List this Appeal on 28.02.2023.

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

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

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

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

73. Another CIRP commenced against the CD with respect to ‘Serene Residency Group Housing’ Project, situated at Greater Noida, U.P. and

that CIRP was also confined to the said Project only, not affecting the other Projects.

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

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

Question Nos.III to VI

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

76. We have noticed above that on two occasions, where the CIRP commenced against the CD, i.e. Ansal Properties and Infrastructure Ltd., the CIRP was confined to two projects respectively, since the CIRP was initiated by the Financial Creditors in a class relating to concerned projects. We have noticed above the securities and receivables, which are contemplated in Loan Agreements between the parties relate to only projects of the CD situated at City of Lucknow in the State of U.P. and three Cities in the State of Rajasthan, i.e. Ajmer, Jodhpur and Jaipur.

The details of assets on all securities and mortgages created in the above Cities have been noticed above. The present is a case where the CD was implementing the Hi-Tech Township Project under the Policy promulgated by the State of U.P. in different cities of the State of U.P. Lucknow is one of the City, which is referred in the Loan Agreement as Mother City, where the CD was carrying out development work as per Development Agreements-I to V, when Loan Facility was extended by IL&FS, the IL&FS was well aware that CD has been proposed under PMDO-I Rs.3930 million and under PMDO-II Rs.3210 million. The Financial Creditors, thus, was fully conscious of earlier facilities extended by Consortium of Bankers to the CD and have provided in detail the securities, which include the mortgaged assets, receivables, hypothecated and identifiable receivables. It is further relevant to notice that the Sanction Letter dated 16.02.2016 in Annexure-A notices the hypothecated, identified and receivables from residential and commercial units and total balance amount receivable from the CD was mentioned at Rs.564.33 crores. In second Loan Facility the receivables and assets in the Mother City Lucknow and Mother City Extension Lucknow were also noticed. Thus, Financial Institution had taken care of repayment of dues.

77. We are conscious that CIRP proceedings are not proceedings of repayment of dues or recovery of dues by the Financial Institutions and the object is to revive and rehabilitate the CD. When CIRP has commenced against a real estate project, the resolution, rehabilitation and revival of the project become necessary to safeguard interest of

stakeholders, specially the allottees, who have been allotted residential/commercial plots by the CD. In the present case, the CD, who has been developing different projects at the City of Lucknow and other cities, has allotted units to different Homebuyers and allottees of residential and commercial assets. For resolution of a real estate project, the interest of the Homebuyers has to be taken care and the Courts have always taken steps to protect the interests of Homebuyers. We in this context refer to a recent judgment of the Hon'ble Supreme Court in ***Mansi Brar Fernandes vs. Shubha Sharma and Anr. – 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 balanced judicial approach will have far-reaching benefits. In Paragraph-15.5, following was observed:

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

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

**“RIGHT TO SHELTER AS A FUNDAMENTAL RIGHT:
CONSTITUTIONAL OBLIGATION OF THE STATE TO PROTECT
HOMEBUYERS”**

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

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

20.2. Yet, the plight of tax-paying middle-class citizens paints a disheartening picture. Having invested their lifelong savings in pursuit of a home, many are compelled to shoulder a double burden – servicing EMIs on one hand, and paying rent on the other

– only to find their “dream home” reduced to an unfinished building. In some cases, construction has not even commenced despite full or substantial payment. An average homebuyer may be a teacher, lawyer, doctor, IT professional, or a government employee, who has poured his or her hard-earned money into the pockets of a developer. For such individuals, a stable roof over their family’s head is all they desire. The anxiety of not having a home despite paying a fortune is bound to take a serious toll on health, productivity, and dignity.

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

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

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

possession of one's home is therefore a facet of the fundamental right to shelter enshrined under Article 2123.

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

80. The Hon'ble Supreme Court in its conclusion issued various directions. The directions issued at Paragraph-21.2(5) and (6), which are relevant in the present case, are as follows:

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

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

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

82. We also need to notice certain provisions of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**CIRP Regulations**"), which deals with the process for resolution of a CD, with respect to resolution of a real estate

company, which has several real estate projects, few amendments have been made in the CIRP Regulations, which need to be noticed. The CIRP Regulations as originally framed did not envisage any real estate project resolution. In Regulation 36A for the first time by amendment in Regulation 36A(1), a clarification has been added with effect from 15.02.2024. Regulation 36A, sub-regulation (1) with clarification provides as follows:

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

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

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

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

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

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

85. The above Regulations, even after amendments as noted above, throw very little light over the complexities and difficulties, which arise in the resolution of the real estate project, undertaken by a real estate Company. There have been several precedences of this Tribunal, where this Tribunal had occasion to consider the resolution of a real estate project. The judgment of this Tribunal in ***Company Appeal (AT) (Ins.) No. 926 of 2019 – Flat Buyers Association Winter Hills – 77, Gurgaon 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 Creditors', the assets of the Corporate Debtor which is the Infrastructure, is to be transferred in their favour ('Unsecured Creditors') and not to the 'Secured Creditors' such as Financial Institutions/ Banks/ NBFCs."

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

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

So, we hold that Corporate Insolvency Resolution Process against a real estate company (Corporate Debtor) is limited to a project as per approved plan by the Competent Authority and not other projects which are separate at other places for which separate plans approved. For example – in this case the Winter Hill – 77 Gurgaon Project of the 'Corporate Debtor' has been place of

Corporate Insolvency Resolution Process. If the same real estate company (Corporate Debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the Corporate Debtor (Company) for such other projects can be maximised.”

87. This Tribunal in the above case has held that “*if the same real estate company (Corporate Debtor herein) has any other project in another town such as Delhi or Kerala or Mumbai, they cannot be clubbed together nor the asset of the Corporate Debtor (Company) for such other projects can be maximized*”. The above judgment of this Tribunal, thus, has clearly observed that when the CIRP by allottees or Financial Institutions relates to one project, it should be confined to that project. The above proposition, thus, is fully supported by precedence of this Tribunal, hence, we have no hesitation to hold that when CIRP initiated by allottees or Financial Institutions, under Section 7 relates to one project, the CIRP has to be confined to the said project and cannot take into its fold, the other real estate projects, situated in other cities or other States.

88. We have noticed above that two Loan Facilities extended by the IL&FS to the CD. The purpose of the Loan Facilities as noted above provided that it would be utilized for any of the specific purpose as mentioned therein from (a) to (d). Clause (a) provided for project development expenses in APIL’s various under construction real estate projects and Clause (c) provides for expanding loan & advances to subsidiaries/ associates including loan and advances to CD towards implementation of trunk infrastructure at Lucknow township and general corporate purpose. The Facility, thus specifically did not limit the

utilization for any one project. When source of repayment as provided in the Sanctioned Letter and the Loan Agreement confine to specific assets mortgaged and charge, we are of the view that in the CIRP, only those assets/ projects, which had charge, had to be resolved. It is the CD's case that majority of funds received from IL&FS were utilized for project Hi-Tech Township project at Lucknow. Be that as it may, when the securities and receivables are specified in the Loan Agreement, we are of the view that the CIRP has to be confined to only those projects, which form part of securities/ receivables and extending the CIRP to projects, which are not contemplated or referred to in the Loan Agreements, is uncalled for. The CD and IL&Fs are well aware about all the Hi-Tech Township projects and PMDO Facilities, which were undertaken. We have noticed Clause 21 of the terms and conditions of Sanctioned Letter dated 16.02.2016, which was the clause dealing with security. Security was clearly provided for Lucknow Plots; hypothecated receivables of Lucknow Plots, hypothecated identified receivables and first exclusive mortgage built up properties at Lucknow, Ajmer, Jodhpur and Jaipur. For ready reference, we may refer to Clause 21 of Sanctioned Letter dated 16.02.2016, which is as follows:

"21.	Security	:	The Facility shall be secured by the following: (a) (1) First exclusive mortgage of fully developed Plots (ready to construct plots by the prospective buyers) situated at Mother city, Lucknow (the "Lucknow Plots") Valuation/ Title Investigation to IFIN satisfaction by IFIN appointed Valuer/s & Legal Counsel. Details/ Title Deeds to be provided immediately for expeditious
------	----------	---	--

			<p>processing</p> <p>(2) First exclusive hypothecation of receivables from the Lucknow Plots ("Hypothecated Receivables of Lucknow Plots"). Irrevocable POA from Borrower for the Hypothecated Receivables of the Lucknow Plots</p> <p>(b) First exclusive hypothecation of Hypothecated Identified Receivables Irrevocable POA from Borrower for the Hypothecated Identified Receivables</p> <p>(c) (1) First exclusive mortgage built up properties (ready to move in status) (located at Lucknow/ Jaipur/ Jodhpur/ Ajmer) ("Built Up Properties")</p> <p>(2) First exclusive hypothecation of receivables from Built Up Properties ("Hypothecated Built Up Properties Receivables"). Irrevocable POA from Borrower for the Hypothecated Built Up Properties Receivables</p> <p>(d) Corporate Guarantee of all land owning companies other than the Borrower, if any, providing immovable property as security</p> <p>(e) Personal Guarantee of Mr. Sushil Ansal and Mr. Pranav Ansal</p> <p>(f) Demand Promissory note in favour of the Lender. The Promissory note shall bear the common seal of the Borrower duly supported by a resolution of the Board of Directors of the Borrower</p> <p>(g) ECS mandate for Principal & Interest (including PDC for one month interest and Principal)"</p>
--	--	--	--

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

"21.	Security	:	The Facility and all amounts due or payable in relation thereto shall be secured by the
------	----------	---	---

			<p>following:</p> <ol style="list-style-type: none"> 1. (a) First exclusive mortgage of the identified FSI Plots (commercial as well as residential) situated at Mother City, Lucknow as well as Mother City Extension, Lucknow (the "Lucknow FSI Plots"). A security cover of 2.5x (being the net security cover after deducting 25% cash flows to be set aside towards PMDO repayment in case of cash flows from Lucknow FSI Plots forming part of Mother City, Lucknow), to be maintained from mortgage of "Lucknow FSI Plots" (b) First exclusive hypothecation of receivables from the Lucknow FSI Plots ("Hypothecated Receivables of Lucknow FSI Plots"). Irrevocable POA shall be provided by the Borrower for the Hypothecated Receivables of the Lucknow FSI Plots 2. (a) First exclusive mortgage over identified Golf Plots at Mother City, Lucknow ("Lucknow Golf Plots"). A security cover of 0.5x (being the net security cover after deducting 25% cash flows to be set aside towards PMDO repayment) to be maintained from mortgaged of Lucknow Golf Plots. (b) First exclusive hypothecation of receivables from sale of mortgaged Lucknow Golf Plots ("Hypothecated Lucknow Golf Plots Receivables"). Irrevocable POA shall be provided by Borrower for the Hypothecated Lucknow Gold Plots Registration Valuation/ Title Investigation shall be carried out to IFIN satisfaction by IFIN appointed Valuer/s & Legal Counsel. The Borrower shall provide all required details/ documents immediately for Title investigation and valuation. 3. First Exclusive Hypothecation and escrow of 75% of Hypothecated & Escrowed Identified Receivables — Mother City and 100% Hypothecated & Escrowed Identified Receivables — Mother City Extension, as specified in Clause 7. Provided that in relation to the 75% of Hypothecated & Escrowed
--	--	--	---

			<p>Identified Receivables — Mother City received/ receivable from the commercial and group housing units forming part of Mother City, Lucknow, the aforesaid charge shall be shared on a pari passu basis with charge created in favour of IFIN for securing the existing facility of Rs. 500 mn (Rupees Five Hundred Million) ("IFIN Existing Facility") provided by IFIN to APIL pursuant to a Facility Agreement dated Mar 18, 2016</p> <p>4. Corporate Guarantee of all land-owning companies other than the Borrower, if any, providing immovable property as security</p> <p>5. Personal Guarantee of Mr. Sushil Ansal and Mr. Pranav Ansal</p> <p>6. Demand Promissory note in favour of the Lender. The Promissory note shall bear the common seal of the Borrower duly supported by a resolution of the Board of Directors of the Borrower</p> <p>7. ECS/NACH mandate for Principal & Interest (including PDC for one month interest and Principal)”</p>
--	--	--	---

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

91. We may at this juncture also notice another order of this Tribunal dated 10.06.2022 in **Company Appeal (AT) (Ins.) No.406 of 2022 – Ram Kishor Arora Suspended Director of M/s Supertech Ltd. vs. Union Bank of India & Anr.** In the above case, CIRP commenced against M/s Supertech Ltd., a real estate company by an order dated 25.03.2022.

Supertech has large number of real estate projects. In the Appeal filed by Promoters, this Tribunal vide order dated 10.06.2022 issued various directions regarding project wise insolvency resolution of the CD. A direction was issued to constitute a Committee with respect to only one project Eco Village II and with respect to other projects, direction was issued for project wise resolution. Challenging the order dated 10.06.2022 passed by this Tribunal, Civil Appeal No.1925 of 2023 was filed by Financial Institution namely – Indiabulls Asset Reconstruction Company Ltd. The Hon'ble Supreme Court in the above case examined the challenge and at that stage did not interfere with the directions to proceed with the project-wise resolution. Paragraphs 21 to 24 of the order of this Tribunal dated 10.06.2022 are as follows:

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

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

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

24. The Promoters of the Corporate Debtor has submitted that they shall arrange for Interim Finance to support the ongoing construction of the different projects by arranging finances as submitted in their Settlement cum Resolution Plan. Annexure 3 to the I.A. No. 1468 of 2022, with an object to complete the projects and clear the outstanding of all Financial Institutions including the Financial Creditors on the basis of 100% ledger balance and also payment to the Operational Creditor. The pendency of this proceeding shall in no manner hinder the Appellant to approach the Financial Creditors for entering into Settlement with the Financial Creditors. With regard to the disbursement to the Financial Creditors, out of 30% of the amount, we shall issue necessary direction after receiving the status report and receiving the progress of the projects.”

92. This Tribunal in the above case by subsequent order dated 12.12.2024 directed for handing over several projects of the CD to NBCC for completing the construction, against which Appeal was again filed in

the Hon'ble Supreme Court, where the Hon'ble Supreme Court has entertained the Appeal and the Appeal(s) are still pending.

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

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

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

95.1. The purpose of the Loan Facility of Rs.50 crores and Rs.100 crores extended by the IL&FS was for utilizing the funds for any of the specified purpose [(a) to (d)] as noted in the Sanction Letter. The securities given by the CD in two loans, are securities of the projects of the CD at Mother City and Mother City Extension at Lucknow and the three assets situated at Ajmer, Jodhpur and Jaipur in the State of Rajasthan, as noted in the Sanction Letter dated 16.02.2016 and the securities, thus were confined to only few of the projects of the CD and not all the projects of the CD as noted above.

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

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

“18.That the Respondent is executing multiple projects across diverse locations. The initiation of CIRP would paralyze these projects and result in destruction of value for creditors and other

stakeholders. It is respectfully submitted that the Respondent's operations are integral to ensuring that creditor value is preserved, and that CIRP, in this instance, would be counterproductive to the interests of all stakeholders.”

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

“3. We have heard the Learned Counsel appearing for the Applicants and perused the documents on record. In adjudicating upon the matter at hand, we are of the view that the Applicants, claiming to be homebuyers in the real estate project developed by the Corporate Debtor, seek intervention in the present proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). It is well settled that in proceedings initiated under Section 7, the primary concern is to ascertain the existence of a financial debt and default by the Corporate Debtor. The Applicants, being homebuyers, may have a financial interest in the project; however, their claims are already safeguarded under the provisions of IBC, particularly under Section 21(6A), which grants representation to allottees in the Committee of Creditors (CoC) through an authorized representative. Thus, their intervention at this stage is neither necessary nor legally tenable.

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

would exempt the project from insolvency proceedings under the IBC.

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

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

7. In light of the above findings, this Adjudicating Authority is of the considered opinion that the present application lacks merit. The Applicants have failed to establish any legal or factual basis for their intervention in the ongoing proceedings under Section 7 of IBC. The relief sought, particularly the exclusion of the real estate project from CIRP, is not supported by any statutory provision or judicial precedent.

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

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

95.6. **Answer to Question No.V:** In the facts of the present case, the CIRP needs to be confined at Lucknow project Mother City Lucknow and Mother City Extension Lucknow, including Sushant Golf City Project as

well as three Projects of the CD situated in the State of Rajasthan – Ajmer, Jodhpur and Jaipur as referred to in the Sanction Letter dated 16.02.2016. The Adjudicating Authority needs to consider mode and manner of resolution of the above projects of the CD. At the first instance, the resolution of the projects situated at Lucknow need to be undertaken.

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

Question No.VII

96. We have noted above, the judgment of the Hon'ble Supreme Court in **Mansi Brar Fernandes** where the Hon'ble Supreme Court directed that resolution of a CD of real estate project should be projects. We have further noticed above that CIRP should be confined to projects and assets of the CD, which are referred to and provided as security in the Loan Agreement I & II. The CIRP need not extend to the projects, which are situated in the States of Haryana and Punjab. Further, the CIRP of the CD also need not extend to other projects in different cities of U.P., since in the security of both the Loan Agreements, only the assets of the CD in project at Mother City Lucknow and Mother City Extension Lucknow have been provided. Thus, it needs to be clarified that other projects of the CD,

situated in other cities of U.P. like Bulandshahr, Ghaziabad, Kanpur & Agra etc., are not to be affected by order dated 25.02.2025. It is necessary to clarify, so that other projects of the CD may proceed in accordance with their own terms and conditions.

97. We have noticed above the projects in Lucknow have been entrusted to the CD to be developed under the Hi-Tech Township Policy promulgated by the State in the year 2003 under different Development Agreements noted above. The CD has to develop the projects at Lucknow. One of the terms and conditions of the Development Agreement, which was executed between the CD and the Lucknow Development Authority with respect to projects at Lucknow is that in event the CD fails to develop the project, the Lucknow Development Authority, will complete the project. The Adjudicating Authority need to consider the above aspect of the matter while issuing directions for resolution of the projects at Lucknow. We may refer to the MoU dated 26.11.2005 between the Lucknow Development Authority and the CD, wherein Clause 22, following has been provided:

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

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

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

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

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

- (1) The order dated 25.02.2025 passed by National Company Law Tribunal, New Delhi Bench Court-IV admitting Section 7 application is upheld, subject to following directions:
 - (a) The CIRP against the CD is confined to CD’s projects at Lucknow Mother City and Mother City Extension at Lucknow, Golf Plots at Lucknow and the assets of the CD in the State of Rajasthan and built-up properties at Ajmer, Jodhpur and Jaipur in the State of Rajasthan (as detailed in Schedule-B of Settlement Agreement dated 03.03.2022 at Sl. No.5, 6 & 7).

- (b) The Adjudicating Authority to consider the mode and manner to proceed with project wise resolution of the CD as per initiation of CIRP against a real estate company to the extent as indicated above.
- (c) Further steps in the CIRP of the CD shall be taken as per directions of the Adjudicating Authority indicated above. The Adjudicating Authority shall also consider with respect to resolution of the CD's project at Lucknow, as to whether as per MoU and Development Agreements entered between the CD and Lucknow Development Authority, the Lucknow Development Authority is to be directed to complete the projects of the CD.
- (d) UP Awas Evam Vikas Parishad shall be entitled to pursue its application before the Adjudicating Authority for excluding the assets claimed by it, from the CIRP of the CD, which may be considered and decided in accordance with law.
- (e) The date of commencement of the CIRP of the CD has to be treated as 25.02.2025 and further steps in the CIRP be taken as per the directions of the Adjudicating Authority to be made hereinafter.

- (f) The Lucknow Development Authority be made party to the CIRP process and it be given opportunity to file its affidavit.
- (g) The Homebuyers and other Applicants, who have filed IAs in these Appeal(s) are at liberty to file Intervention Petitions before the Adjudicating Authority in C.P.(IB) 558(ND)/2024.

Parties shall bear their own costs.

**[Justice Ashok Bhushan]
Chairperson**

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

NEW DELHI

7th January, 2026

Ashwani/ Himanshu