IN THE NATIONAL COMPANY LAW TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

CP (IB) – 182(ND)/2024

Order under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

Surinder Aggarwal & Ors. **... Financial Creditor**

Versus

M/s Raheja Developers Limited **... Corporate Debtor**

Order Pronounced On: 08.06.2026

CORAM:

JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT

SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Financial Creditor	:	Mr. Sumesh Dhawan, Advocate along with Mr. Vivek Kumar, Ms. Raveena Paniker, Ms. Varsha Mohanty, Ms. Arunima Ganguly and Ms. Kavya Tekriwal, Mr. Akshay Srivastava, Advocates
For the Corporate Debtor	:	Mr. P. Nagesh, Senior Advocate along with Ms. Manmeet Kaur, Mr. Jai Dogra and Mr. Kholi Rakuzhuro, Advocates
For EARCL	:	Mr Ramji Srinivasan Sr. Adv Mr Atul Sharma, Ms Renuka Iyer Adv, Mr. Anmol Bansal for EARCL

ORDER

1. The present petition is filed by Surinder Aggarwal & 175 others ("**Financial Creditors**"/"**FC**"/"**Petitioners**"), before this Adjudicating Authority on 12.04.2024 under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**Code**"), r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating the Corporate Insolvency Resolution Process ("**CIRP**"), declaring moratorium and for appointment of Interim Resolution Professional ("**IRP**"), against M/s Raheja Developers Limited the Corporate Debtor ("**CD**").

2. The relevant background relating to the CD, along with the details of the earlier admission orders, is briefly stated as follows:

Sr. No.	Date	Particulars
1.	2012-2021	The Financial Creditors booked units in the project, namely "**Raheja's Revanta**" situated at Village Shilokhpur Distt., Sector 78, Gurgaon ("**Project/Impunged Project**") being constructed & developed by M/s Raheja Developers Ltd. ("**Corporate Debtor")**.
2.	20.08.2019	The National Company Law Tribunal (**NCLT**) passed an admission order in CP (IB) 1321 of 2018 titled as *Ms. Shipa Jain and Anr.* v. *Raheja Developers Ltd.* with respect to the Project "Raheja Sampada" of the CD

3.	22.01.2020	The Hon'ble NCLAT in an appeal bearing no. CA (AT)(Ins) 864 of 2019 set aside the above admission order, observing that the delay on the part of CD was on account of *force majeure,* and an assurance was given by the CD that the submitted time frame would be adhered to for completion of the project.
4.	10.02.2023	A petition u/s 7 of the Code bearing no **CP (IB)-113/2023** was filed by Edelweiss Asset Reconstruction Company Limited (**EARCL**) against M/s Raheja Developers Limited as an amount of INR 1170,86,56,271 became due and payable by the Corporate Debtor to EARCL as on 31.05.2021.
5.	21.04.2023	A petition u/s 7 of the Code bearing no **CP (IB)-239/2023** was filed by Vipul Jain & Anr. against M/s Raheja Developers Ltd. The issue in CP (IB)-239/2023 involved homebuyers/allottees who had approached this Tribunal as they were not handed over possession of their apartments/units in the Project "**Raheja Shilas**" even after duly making the payments in terms of the Flat Buyers Agreement dated 06th March, 2010.
6.	05.12.2023	CP (IB)-113/2023 filed by EARCL was withdrawn by the petitioner.

7.	12.04.2024	The present petition bearing no **CP (IB) – 182/2024** was filed under Section 7 of the Code by homebuyers on a similar factual matrix as above with reference to Project "Raheja Revanta".
8.	19.11.2024	CP (IB)-239/2023 was allowed by this Adjudicating Authority, and insolvency against the Corporate Debtor was initiated.
9.	20.11.2024	An appeal bearing no. Company Appeal (AT) (Insolvency) No. 2168 of 2024 was filed before the Hon'ble NCLAT by Mr. Navin Raheja, suspended director of the Corporate Debtor, against the admission order passed in CP (IB)-239/2023.
10.	21.11.2024	The Hon'ble NCLAT, in Company Appeal (AT) (Insolvency) No. 2168 of 2024, passed an order that the insolvency may be convened in relation to one Project, namely `Raheja Shilas (Low Rise)', and further directed the appellant to give the details with regard to the Projects of the CD which are incomplete and the status of all the other Projects which may be considered.
11.	15.05.2025	A petition under section 7, bearing CP (IB)/284/2025, was filed by Shravan Manocha and Others, the homebuyers of the project titled "Raheja Krishna Housing Scheme", before Court IV, NCLT, New Delhi Bench.

12.	21.08.2025	CP (IB)/Ltd by 284/2025 was admitted with respect to M/s. Raheja Developers, before Court IV, NCLT, New Delhi Bench.
13.	25.08.2025	The Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 2168 of 2024 passed an interim order in the appeal that any applications pertaining to projects other than Raheja Shilas may be taken up for hearing by the Adjudicating Authority. However, no final order should be passed therein.
14.	20.03.2026	The Appellate Authority confirmed that it shall be open for the allottees of other projects/Financial Creditors to pursue their proceedings under Section 7 against the CD, and the order dated 19.11.2024 passed by the Adjudicating Authority is modified and stands confined to Project Raheja Shilas (Low Rise) only.
15.	10.04.2026	The Hon'ble NCLAT, in an appeal bearing no CA(AT)(Ins.)1276 of 2025 filed by the suspended director, challenging the admission order dated 21.08.2025 passed by the Court – IV, NCLT New Delhi Bench, in C.P. (IB) No.–284/2025, passed an order confining the CIRP to the CD's Project "Krishna Housing Scheme" only.

In view of the above factual backdrop, it is evident that the present proceedings remained pending awaiting clarification from the Hon'ble NCLAT regarding project-specific CIRP proceedings against the Corporate Debtor. It was vide order dated 20.03.2026 that the Hon'ble NCLAT gave liberty to the homebuyers/allotees of other projects to pursue their proceedings under Section 7 against the CD with reference to their project.

Details of the parties:

3. Details of the petitioners (176 in number) have been given on pages 2 to 32 of the petition. The petitioners hold 99 Units in the project Raheja's Revanta situated at Sector 78, Gurgaon, being constructed and developed by M/s Raheja Developers Ltd.

4. M/s Raheja Developers Limited was incorporated on 27.11.1990 under the provisions of the Companies Act, 1956, bearing CIN: U45400DL1990PLC042200. The registered address of the Corporate Debtor is W4D, 204/5, Keshav Kunj Cariappa Marg, Western Avenue, Sainik Farms, South Delhi, New Delhi – 110062.

   Since the registered office of the Corporate Debtor is in New Delhi, this Tribunal, having territorial jurisdiction over the NCT of Delhi, is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process (**CIRP**) in respect of respondent/ corporate debtor under sub-section (1) of Section 60 of the Code.

Brief facts of the case as stated in the petition:

5. In 2011, the Corporate Debtor launched its project named Raheja Revanta, admeasuring 18.7213 acres with representation and promises for the highest standard of living, great amenities, and timely delivery of possession of flats to the allottees.

6. Relying upon the aforesaid promises, the Financial Creditors expressed their willingness to book units in the *Impugned Project*, executed the requisite application forms, and made payments on the subsequent dates. Thereafter, the Corporate Debtor issued allotment letters in favour of the Financial Creditors in respect of various units during the period from around 2011 to 2020. (Annexure P-2 and P-3 of the main petition).

7. Subsequently, based on the allotment letter, the petitioners also entered into the Agreement to Sell/Flat Buyers Agreement for their respective units (Annexure P-4 of the main petition). The agreements were identical with minor differences and titled as “Agreement to Sell Raheja's Revanta”/ “Agreement For Sale”.

The Project consists of Independent Floors, namely the "TAPAS" and 3 High Rise Towers (A, B & C) connected together, namely the "SURYA TOWERS". The Corporate Debtor had committed under the *Agreement For Sale* to hand over the possession of the units within 36 months in respect of TAPAS, and within 48 months in respect of SURYA TOWERS from the date of execution of the Agreement.

8. The Project Completion date was 31.07.2022 as per Form A-H submitted before RERA. However, as per the agreement, the CD was obligated to hand over the possession to the financial creditors. The relevant portion of the Agreement is extracted below:

> “.....
>
> **4.3 Possession: Time and Compensation**
>
> *That the Seller shall sincerely endeavour to give possession of the Unit to the Purchaser within thirty-six (36) months in respect of "TAPAS" Independent Floors and forty-eight (48) months in respect of "SURYA TOWER" from the date of the execution of the Agreement to sell*
>
> .....”
>
> “.....
>
> **7. Possession of the Apartment for Residential Usage:**
>
> **7.1 Schedule for possession of the said Apartment for residential usage:** *The Promoter agrees and understands that timely delivery of possession of the said Apartment for residential usage along with parking (if applicable) to the Allottee and the common areas to the association of allottees or the competent authority, as the case may be, is the essence of this Agreement. The Promoter sincerely endeavour to hand over possession of the said Apartment for residential usage along with parking (if applicable) within the period of 36 months with further 12 months grace period ("Commitment Period") from the date of execution of this Agreement for sale subject to receipt of timely payment of instalments by the Allottee,*

9. In accordance with the agreement, the petitioners had diligently made payment towards each of the demands that were raised by the Corporate Debtor in respect to the units in the Project (Annexure P-5 of the main petition). The petitioners also submitted that to meet the payment obligations, some of them had even availed loans from banks, which indicates their bona fide interest in purchasing the units in the Project and that they had booked these units to meet their residential requirements.

10. The financial creditors had made payments to the tune of Rs. 137,15,54,778.03/- (Rupees One Hundred Thirty Seven Crore Fifteen Lakhs Fifty Four Thousand Seven Hundred Seventy Eight and Three Paise Only) to the Corporate Debtor towards sale consideration. The petitioners submitted that in the majority of the cases, they had made payments of up to 90-95% of the entire sale price. However, the CD completely failed to deliver the possession of the impugned units even within the extended schedule.

11. Thereafter, some of the petitioners approached the Haryana Real Estate Regulatory Authority (**HRERA**) to avail a refund/possession from the Corporate Debtor. The HRERA has also recorded adverse findings against the CD and passed directions in favour of some allottees vide order dated 31.01.2023 (Annexure P-8 to the petition). The relevant portion of the order dated 31.01.2023 passed by HRERA is extracted as below:

> 26. The promoter is responsible for all obligations, responsibilities, and functions under the provisions of the Act of 2016, or the rules and regulations made thereunder or to the allottee as per agreement for sale under section 11(4)(a). The promoter has failed to complete or is unable to give possession of the unit in accordance with the terms of agreement for sale or duly completed by the date specified therein. Accordingly, the promoter is liable to the allottees, as they wish to

withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of the unit with interest at such rate as may be prescribed.

27. Accordingly, the non-compliance of the mandate contained in section 11(4)(a) read with section 18(1) of the Act on the part of the respondent is established. As such, the complainants are entitled to refund of the entire amount paid by them at the prescribed rate of interest i.e., @ 10.60% p.a. (the State Bank of India highest marginal cost of lending rate (MCLR) applicable as on date +2%) as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till the actual date of refund of the amount within the timelines provided in rule 16 of the Haryana Rules 2017 ibid.

G. Directions of the authority

28. Hence, the authority hereby passes this order and issues the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the authority under section 34(f):

    i. The respondent/promoter is directed to refund the amount i.e., Rs.2,01,48,642/- received by it from the complainants along with interest at the rate of 10.60% p.a. as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till the actual date of refund of the deposited amount.

ii. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.

iii. The respondent is further directed not to create any third-party rights against the subject unit before full realization of the paid-up amount along with interest thereon to the complainants and even if, any transfer is initiated with respect to subject unit, the receivables shall be first utilized for clearing dues of allottee-complainants.

However, the petitioners submitted that the CD neither handed over the units nor complied with the orders of the HRERA.

12. Meanwhile, the CD had entered into a settlement agreement vide Memorandum of Understanding (**MoU**) with the financial creditors wherein the CD not only acknowledged the delay on its part in handing over the possession of the units but also agreed to pay compensation and deliver the units as per the directions of HRERA (Annexure P-9 of the petition). However, the Corporate Debtor neither paid any compensation as agreed under the said Settlement Agreement nor delivered the possession of the units as per the agreed terms. A sample of the settlements entered into between the parties is set out below for ready reference:

Dated: 15.01.2019

MEMORANDUM OF UNDERSTANDING

This is in reference with our meeting dated 15.01.2019 in presence of Mr. Anand Gandhi (Buyer of Property bearing no C-481, Revanta, HRERA (Reg.)23/2017/242) and Mr. Asim Singhal (Sr. Manager CRM, Representative of Raheja Developers Ltd). We had a detailed discussion related to purchase made by Mr. Anand Gandhi in Raheja's Revanta and come across on below mentioned points:

1. Raheja Developers Ltd shall pay compensation at 6% p.a. on the amount paid by Mr. Anand Gandhi (Alottee) i.e. Rs. 1,62,79,346/- (Rupees One Crore Sixty Two Lakh(s) Seventy Nine Thousand Three Hundred Forty Six Only) for the entire period of delay in "**Possession**" as per timelines mentioned in Agreement to Sell dated 11 Dec 2012.
2. Raheja Developers Ltd shall not pay any other compensation for the delay in "**Possession**" as per said Agreement to Sell or mutually accepted/shared between in past in whatsoever nature.
3. Raheja Developers Ltd shall credit the actual interest / compensation amount as per agreed terms of this MOU "At the time of Offer of Possession" in account of Unit No. C-481 after deducting applicable TDS and Mr. Anand Gandhi (Alottee) has to make the balance payment as per agreed payment terms.
4. Raheja Developers Ltd shall "**Offer the Possession**" of said apartment to Mr. Anand Gandhi (Alottee) as per guidelines of RERA (copy of RERA Registration Certificate is annexed).
5. On signing and accepting of this letter, Mr. Anand Gandhi (Alottee) will withdraw all the legal complaints filed under any governing authority including complaint no HRR/GGM/344/2018 filed in RERA. Mr. Anand Gandhi (Alottee) also undertakes and endorse for not making any further legal complaint in any governing authority in future till validity of RERA Registration as annexed herewith.

This offer will come into existence, after withdrawal of mentioned complaint filed in RERA.

Accepted By ..... (Mr. Anand Gandhi)

Accepted By ..... (Mr. Asim Singhal)

13. The Corporate Debtor failed in complying with its aforesaid obligations and in delivering possession of the units to the Financial Creditors. Hence, as on 24.02.2024, the Corporate Debtor is liable to refund to the petitioners an amount to the tune of Rs. 137,15,54,778.03/- (Rupees One Hundred Thirty Seven Crore Fifteen Lakhs Fifty Four Thousand Seven Hundred Seventy Eight and Three Paise Only) along with Interest amounting to Rs. 75,69,71,441.73/- (Rupees Seventy Five Crore Sixty Nine Lakh Seventy One Thousand Four Hundred Forty One and Seventy Three Paisa Only) i.e. a total of Rs. 212,85,26,219.76/- (Rupees Two Hundred Twelve Crore Eighty Five Lakh Twenty Six Thousand Two Hundred Nineteen and Seventy Six Paisa Only).

14. The petitioners have stated that they have successfully established the two factors required u/s 7 of the Code, i.e. a debt which has become due and payable, and that a default has been committed in respect of such debt. They have also placed reliance on various landmark judgments to add impetus to their arguments.

15. The petitioners have also submitted that the total number of units in the impugned project is 932, and the same figure has been provided in the FORM REP-I filed with the RERA authority on 07.02.2020 in compliance with the RERA Act, 2016 (Annexure P-10 of the main petition). The petitioners herein hold 99 units out of the total of 932, and therefore, it is stated that the instant petition has been filed by more than 10% of the allottees of the project.

16. The matter was first listed on 22.04.2024, wherein the following order was passed:

ORDER

Mr. Piyush Singh, Ld. Counsel for the Petitioner appears physically. He seeks and is granted time to report compliance of Regulation 20(1A) of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.

At his request, list the matter **on 14.05.2024.**

Accordingly, additional affidavits were filed by the petitioner on 10.05.2024 on the DMS e-portal to place on record the additional documents. On the next date, i.e. 14.05.2024, notices were directed to be issued to the respondent for filing a reply.

Submissions of the Ld. Counsel appearing for the Corporate Debtor:

17. After due service, the Corporate Debtor filed its reply on 23.07.2024, denying averments made in the Section 7 petition. The objections raised by the respondent are as follows:

a. **The 1st submission of the Respondent in its reply is that the default is caused by actions beyond the control of the Respondent and therefore, the same cannot be made the basis for proceedings under the IBC**.

18. The Respondent submits that the Project is an ultra-high-rise automation tower comprising 61 floors, requiring essential infrastructure and utility connections, including water, electricity, sewerage, and access for fire tenders, the prerequisites which had already been communicated to the allottees.

19. The Respondent submits that construction of the Project had progressed as per schedule and that approximately Rs. 1119 Crores had been incurred towards the Project against collections of approximately Rs. 826 Crores from customers. The Project had reached the pre-finishing stage; however, further finishing work could not be undertaken due to delays on the part of Government authorities in providing external services and necessary infrastructure.

20. It is further contended that two High Tension (**HT**) cable lines were passing through the Project site, which were required to be shifted underground. For the said purpose, the CD engaged KEI Industries Limited on 01.10.2013, and the work was completed on 29.03.2015. Thereafter, the CD applied for issuance of a Performance Certificate from Haryana Vidyut Prasaran Nigam Limited (**HVPNL**) and informed the Directorate of Town and Country Planning, Haryana (**DTCP Haryana**) regarding completion of the work. The Respondent states that the application before the District Town Planner, Gurgaon, was filed on 28.10.2014, whereas approval to the revised zoning plan was granted only on 07.10.2016. It is further submitted that the Performance Certificate and Taking Over Certificate were issued by HVPNL on 14.05.2017, more than two years after the application made by the CD.

21. The Respondent further submits that an application seeking approval of the revised building plan consequent to the shifting of HT cables was submitted on 14.01.2016, whereas approval thereto was granted by the Chief Town Planner, Haryana-cum-Chairman, Building Plan Approval Committee only on 24.04.2017.

22. It is additionally contended that despite the CD having fulfilled its obligations and paying the External Development Charges (**EDC**) amounting to Rs. 51.07 Crores and Internal Development Charges (**IDC**) amounting to Rs. 6 Crores, the Government authorities failed to provide

essential infrastructure facilities, including roads, sewerage, water supply, and electricity connectivity. According to the Respondent, the development of such infrastructure was within the domain of the concerned authorities and not within the control of the CD. Thus, the absence of such infrastructure delayed the completion of the Project and consequently resulted in multiple proceedings being initiated by the allottees seeking refunds under the Agreements to Sell.

a. That the Agreement to Sell executed between the CD and the allotees fastens no absolute liability upon the CD as the delay is not attributable to the CD.

23. To support this contention, the CD has relied upon the following clauses of the agreement:

> ***Clause 4.2 (Possession Time and Compensation)*** **[also at Clause 21 of Application Form]**
> It is clearly stated that the CD shall endeavour to give possession of the unit within the stipulated timelines (36 months for TAPAS Independent Floor and 48 months for SURYA TOWER), subject to the provision of necessary infrastructure from the government, specially road, sewer and water in the sector. Further the clause states that the hand-over of the unit to the purchaser is contingent on the Occupation Certificate being received from the concerned authority. The clause further states that the CD shall be liable to pay compensation @Rs. 7/sq. ft. of super area per month to the purchaser in case CD fails to complete the construction of the units within the stipulated time period.
>
> ***Clause 4.3 (Failure to Provide Infrastructure Facilities)*** **[also at Clause 22 of Application Form]**
> CD has categorically mentioned, in the spirit of transparency, that the said project falls within the new Master Plan of Gurgaon and the site of the project may not have the infrastructure in place as on the date of the booking or even at the time of handing over possession, as the same has to be provided by the Government. Crucially, it states that since this is beyond the control of the CD, therefore, the Purchaser shall not claim any compensation for delay due to non-provision of infrastructure or consequent delay in handing over possession.
>
> ***Clause 4.4 (Force Majeure)*** **[also at Clause 23 of Application Form]**
> Driven by sectoral wisdom, the CD has clearly mentioned that the Force Majeure Conditions include inter alia "*the non-availability of infrastructure facilities viz. road, water, power, sewer lines to be provided by the government for carrying out developmental activities*." Clause 4.4 further states that "*if non-delivery of timely possession is beyond the control of the CDL, then in any of the aforesaid events, the CD shall be entitled to a reasonable extension of time for delivery of possession of the said unit, depending upon the contingency/circumstances prevailing at the time*." Finally, the clause states that the CD will not be liable for non-performance of its obligations, if, it is prevented due to force majeure conditions.

24. Relying upon the above clauses, the Respondent contends that under the Agreement to Sell, the timeline for completion of the project was contingent upon the availability of necessary infrastructure facilities. Clause 4.3 states that no compensation was payable by the CD for delays caused by the non-provision of infrastructure. Without prejudice to the aforesaid contention, the Respondent submits that even if the CD were held liable to pay delay compensation, the same would be governed strictly by Clause 4.2 of the Agreement to Sell.

25. The Respondent further contends that the Project required compatible external infrastructure in order to sustain the internal infrastructure and facilities, considering that the Project was intended to cater to more than 4000 residents and approximately 1200 cars. Thus, no possession could be offered in the absence of integration with essential external infrastructure necessary for habitation, including roads, sewerage, water, and electricity supply.

26. The respondent has relied on various RTI applications filed by it and the responses received from the authorities between 2018 and 2022. The Respondent submits that the replies from HSVP/HUDA/GMDA reflected that, as of the relevant period, essential infrastructure such as water supply lines, sewerage networks, stormwater drainage, sector roads and other civil amenities had either not been laid or no work had been executed in the sector.

a. That the pending litigations surrounding the project stalled the process

27. It is the contention of the Respondent that the Project remained unfinished due to multiple pending litigations concerning external infrastructure, acquisition of land and regulatory actions. In support of the said contention, reliance has been placed upon proceedings before the Competition Commission of India (**CCI**) in *Confederation of Real Estate Developers Association of India-NCR v. DTCP, Haryana and HUDA*, wherein the CCI has made prima facie observations regarding the failure of the governmental authorities to provide essential external development works and basic infrastructure, including roads, water supply, sewerage and allied civic facilities, without which the real estate projects cannot not be completed or made habitable.

28. The Respondent has further submitted that acquisition proceedings relating to the sector dividing roads connected with Sector-78, Gurugram, where the Project is situated, have also contributed to the delay. In *Balbir Singh v. State of Haryana*, the Hon'ble Punjab and Haryana High Court has quashed the acquisition proceedings. The matter was thereafter challenged before the Hon'ble Supreme Court, and adjudication remains pending. Hence, as per the Respondent, the pendency of the said proceedings adversely affected connectivity and access to the Project.

29. It is further contended that, owing to delays in the development of the Project, multiple proceedings were initiated against the Corporate Debtor before different judicial and regulatory fora, including Haryana RERA, NCDRC, NCLT and the Hon'ble High Courts.

30. Execution proceedings were also initiated before the Hon'ble NCDRC pursuant to the refund orders passed against the Corporate Debtor. Further, H-RERA, vide order dated 27.03.2023, directed freezing of the Project-related bank accounts and restrained the Corporate Debtor from creating third-party rights in the remaining inventory of the Project.

31. According to the Respondent, while execution proceedings for enforcement of refund orders were pending before the Hon'ble NCDRC, the freezing of bank accounts and restriction on dealing with the remaining inventory adversely affected the financial and operational functioning of the Corporate Debtor. It is contended that the Corporate Debtor was thereby unable to raise funds, utilize the remaining inventory, or complete the Project. The Respondent has further submitted that proceedings seeking de-freezing of the accounts and permission to deal with the remaining inventory are presently pending before the competent fora.

a. That the Corporate Debtor is a solvent company

32. It is the contention of the Respondent that the Corporate Debtor is a solvent and operational company and no deliberate default can be attributed to it. It is submitted that out of 35 projects undertaken by the Corporate Debtor, 18 projects have already been completed, and 8 projects are presently ongoing. The Respondent has further stated that the Corporate Debtor is also engaged in the development of housing projects for slum dwellers in collaboration with the Government of India.

33. According to the Respondent, admission of the Corporate Debtor into CIRP would adversely impact approximately 40,000 homebuyers associated with various projects of the Corporate Debtor. It is further contended that the Corporate Debtor has taken all possible steps for completion of the Project and protection of the interests of the homebuyers. The Respondent has thus submitted that the provisions of the Code ought not to be invoked against a financially viable company on account of circumstances allegedly beyond its control.

34. In pursuance of this reply, a rejoinder has been filed by the petitioners on the DMS e-portal on 13.08.2024. The contentions raised by the Petitioners in response to the claims of the Respondents are summarised hereunder:

i. **The project was not carried out as per the schedule by the Corporate Debtor:**

35. As per Clauses 4.3 and 7.1 of the Agreement to Sell, the financial creditors were promised possession within 36 and 48 months from the date of execution of the agreement to sell, i.e. somewhere between 2015 and 2024, as per the dates of the different agreements.

36. However, as apparent from the construction update provided by the Corporate Debtor vide its reply (Pages 265 & 266, Annuxure-20 of the Reply), the Corporate Debtor has admittedly failed to complete the construction work of the Project till date and thereby has clearly committed a 'default' in terms of the IBC by failing to deliver the possession of the units to the Financial Creditors within the promised timeline. The relevant portion of the construction update is provided below:

OC Application Schedule- Revanta

Project will be completed and delivered from approximate 6 months from GMDA is able to connect external services such as water supply, Sewer line, Rain water harvesting system etc. along with DHBVN providing the 33KVA electrical connection subject to HRERA RC renewal and de-freezing the Escrow account of the project

Sr.No	Description Of Activities	Tower -A		Tower-B		Tower-C	
		Status as on Date	Completion Date	Status as on Date	Completion Date	Status as on Date	Completion Date
1	Structural Work including masonry (Surya Tower)	WIP	8 Months	WIP	10 Months	WIP	8 Months
2	Non-Tower (Surya)	WIP	8 Months	WIP	8 Months	WIP	8 Months
3	EWS	WIP	10 Months				
4	Finishing Work (EWS+Surya Tower)	WIP	20 Months	WIP	24 Months	WIP	20 Months
5	Services	WIP	24 Months	WIP	26 Months	WIP	24 Months
6	External Development	Yet to Start	24 Months	Yet to Start	26 Months	Yet to start	24 Months
7	Handing over	Yet to Start	28 Months	Yet to Start	30 Months	Yet to start	28 Months

OC Application Schedule- Revanta

Project will be completed and delivered from approximate 6 months from GMDA is able to connect external services such as water supply, Sewer line, Rain water harvesting system etc. along with DHBVN providing the 33KVA electrical connection subject to HRERA RC renewal and de-freezing the Escrow account of the project

TAPAS							
S.no	Description of Activities	Structural Work		Finishing Work		Services	
		Status as on Date	completion Date	Status as on Date	Completion Date	Status as on Date	Completion Date
1	Villa No. 1-10	WIP	10 Months	Yet to Start	14 Months	Yet to Start	18 Months
2	Villa No. 11-16 & 21-23	WIP	12 Months	Yet to Start	16 Months	WIP	20 Months
3	Villa No.24 & 25	WIP	12 Months	Yet to Start	16 Months	WIP	20 Months
4	Villa No.17,18,26,27 &28(New Block)	Yet to Start	24 Months	Yet to Start	28 Months	Yet to start	32 Months
5	Non-Tower (Tapas)	50%	26 Months	Yet to Start	28 Months	Yet to Start	30 Months
6	External Development	Yet to Start	28 Months	Yet to Start	30 Months	Yet to start	32 Months
7	Handing Over	Yet to Start	30 Months	Yet to Start	32 Months	Yet to start	34 Months

37. The petitioners have further disputed the stand taken by the Corporate Debtor that the Project is at a "pre-finishing stage". Reliance has been placed upon the present status of the Project, photographs, site maps available on the website of the Corporate Debtor, and Google images to contend that substantial portions of the Project remain incomplete (Annexure 1 of the rejoinder). It has been specifically submitted that Blocks 11, 12, 24 and 25 are still under construction, whereas construction in respect of Blocks 16A, 17, 18, 26 and 27 has not yet commenced.

38. The project began 13 years ago, and the Corporate Debtor has continued to revise and extend the projected timeline for completion of the Project. According to the petitioners, the Corporate Debtor has recently stated that possession would be handed over within a further period of 28 to 34 months, without specifying the relevant date or event from which the said period will be computed. This fact in itself reflects that the Project is far from completion.

ii. That the default in competition of the project is attributable to the Corporate Debtor

39. It is clearly evident from the above annexures that the necessary infrastructure is required to receive external services from the Government authorities were missing from the Project. Clause "h' of the License bearing no. 49 of 2011 issued by the DTCP clearly states that *"That you (Corporate Debtor) shall make arrangements for water supply, sewerage, drainage etc., to the satisfaction of the Director till the services are made available from external infrastructure to be laid by HUDA*" (Annexure-3 of the rejoinder).

40. The aforesaid license was expiring on 31.05.2021, and owing to the outstanding EDC/IDC charges not paid by the CD to the concerned department, the license has not even been renewed till date. According to the petitioners, the same demonstrates that the Corporate Debtor has failed to undertake adequate steps to ensure completion of the Project within the committed timeline.

41. Further, after a period of 12 years from the launch of the Project, the CD has also filed a Writ Petition bearing no CWP No. 609/2023 before the Hon'ble Punjab and Haryana High Court, asking the court to issue directions against the Government authorities to develop the necessary facility. This is nothing but an afterthought of the CD to escape its liability.

42. The CD has been falsely trying to implicate the Government authorities and is using its RTI applications as a cover. Moreover, reliance placed by the CD on CCI's order is misplaced. The CCI, in its order dated 13.07.2022 in Case No. 40 of 2017, has held that the DTCP has taken adequate steps to provide infrastructure for the completion of various projects which are currently being occupied by homebuyers.

Therefore, it is submitted by the petitioners that the Corporate Debtor has miserably failed to develop the necessary basic internal infrastructure and is now conveniently shifting the blame to the government authorities.

iii. The financial debt raised has become due and payable, but the CD has siphoned off the funds of the innocent homebuyers

43. The petitioners in their rejoinder have further contended that it was the CD's legal obligation to ensure the viability of the project and to have a pre-decided plan in place for the development of the project before its launch.

44. The total cost of the Project was INR 1000 crores, as mentioned in Form A-H filed by the Corporate Debtor before the HRERA, out of which the CD has already received INR 886 crores, as enclosed in Annexure-20 of the reply.

45. It is submitted that even after having sufficient funds to complete the project, the CD has also availed loans from some financial institutions as it had already siphoned off the funds collected from the innocent homebuyers.

46. Moreover, a lien on certain units was created by the CD in favour of EARCL against some loans availed from it. As per the terms of the lien, the CD was supposed to obtain an NOC from EARCL before selling off the units, and the same was not done by the CD. A copy of the public caution notice published by the EARCL in this regard is annexed at Annexure-6 of the rejoinder.

47. An undertaking was also filed by the CD before the Hon'ble NCLAT in the matter of Navin Raheja v. Shilpa Jain [Company Appeal (AT) (Ins.) No. 864 of 2019, wherein it was specifically indicated that the CD will complete the present project "Raheja Revanta" by July, 2022. Hence, there has been a

clear breach of the undertaking too, as the same has not been achieved till date.

iv. That pendency of proceedings before HRERA does not bar the present petition under Section 7 of the Code

48. Lastly, the petitioners have contended that the proceedings initiated before HRERA don't constitute a bar for the present proceedings. The Hon'ble Supreme Court in ***Pioneer Urban & Infrastructure Ltd. & Anr. v. Union of India & Anr***. [WP (Civil) No. 43 of 2019] has held that the proceedings under the IBC are independent in nature and hence the pendency of the said complaint filed by the association before the HRERA shall have no bearing on the maintainability of the present section 7 petition.

Additional Documents/Subsequent Filings Placed on Record by the Parties:

49. Vide order dated 14.08.2024, liberty was granted to the respondent to file an additional affidavit on the ground that certain new facts had been placed on record by the Financial Creditors through the rejoinder. Accordingly, an additional affidavit on behalf of the respondent was uploaded on the DMS e-portal on 31.08.2024. The additional facts specifically introduced through the said affidavit, distinct from the earlier pleadings, are summarily captured as below:
    - The proceedings before the HRERA are at an advanced stage, with the next date of hearing on 01.10.2024, and the parties are trying to come to an effective solution through mediation
    - Clause H of the License bearing No. 49 of 2011 was only put there to ensure the development of the project and did not lay any responsibility upon the CD.
    - It is submitted that pre-existing disputes have subsisted between EARCL and the Corporate Debtor, and proceedings in relation

thereto have already been initiated before various fora. Therefore, the out-of-context reference to EARCL by the Petitioner is merely an attempt to mislead this Adjudicating Authority.

50. Subsequently, a brief note dated 01.10.2024 came to be filed by the CD, and a note dated 16.10.2024 was filed on behalf of the Financial creditors. In response thereto, the CD filed another reply note on 18.10.2024.

51. It is pertinent to note that during the pendency of the present petition, significant developments took place before the Hon'ble NCLAT concerning project-specific insolvency proceedings against the Corporate Debtor. The admission order dated 19.11.2024 passed in CP (IB)-239/2023 pertaining to Project "Raheja Shilas" was challenged in Company Appeal (AT) (Insolvency) No. 2168 of 2024 before the Hon'ble NCLAT.

52. By way of an interim order dated 25.08.2025, the Hon'ble NCLAT directed that while matters pertaining to projects of Raheja Developers Ltd., other than "Raheja Shilas", may continue to be taken up for hearing by the Adjudicating Authority, no final order shall be passed therein in such proceedings.

53. Subsequently, by order dated 20.03.2026 passed in the aforesaid appeal, the Hon'ble NCLAT clarified that the CIRP initiated vide order dated 19.11.2024 would remain confined to Project "Raheja Shilas" and that allottees of other projects were at liberty to pursue independent proceedings under Section 7 of the Code. The relevant portion of the order dated 20.03.2026 is extracted below for ready reference:

23. In view of our foregoing discussions and conclusions, we dispose of the Appeal in following manner:

(A) The order dated 19.11.2024 passed by Adjudicating Authority in (IB) No.239(PB)/2023 is modified to the extent that CIRP against the CD shall confine to its project Raheja Shilas (Low Rise) only.

(B) The IRP to proceed further in the CIRP including updation of the creditors claim in accordance with law. The payments to Financial Creditor in a class in pursuance of the order passed by this Tribunal, if any, shall be duly reflected in updation of the claim.

(C) The Financial Creditors in a class and Financial Institutions with respect to other projects of the CD, are free to prosecute their independent proceedings against other projects of the CD, which shall proceed in accordance with law unaffected by initiation of CIRP by the impugned order with respect to project Raheja Shilas (Low Rise).

54. Thereafter, by an order dated 10.04.2026 in Company Appeal (AT) (Ins.) No. 1276 of 2025, the Hon'ble NCLAT similarly confined the CIRP initiated in CP (IB)/284/2025 by Court IV, New Delhi Bench relating to "Krishna Housing Scheme" of the CD to that said project alone.

55. In view of the aforesaid orders, adjudication of the present petition effectively awaited clarification from the Hon'ble NCLAT regarding the treatment of project-specific CIRPs in respect of the Corporate Debtor before the matter could be finally considered on merits.

56. Thereafter, a status report was filed by the CD on 07.05.2026. Written submissions filed by the parties after the order in this matter was reserved on 19.05.2026 have also been taken into consideration.

57. Meanwhile, a fresh application bearing No. IA-2214/2026 was filed by the Corporate Debtor seeking various directions for the completion and revival of Project Raheja Revanta, including appointment of an Advocate Commissioner, induction of a strategic developer and investor, restructuring of the project, and payment of outstanding dues by the homebuyers. The aforesaid application stands disposed of in terms of a separate order passed by this Adjudicating Authority.

58. Further, an intervention application bearing No. Ivn. P36/2026 was filed by EARCL, a secured creditor and stakeholder in Project Raheja Revanta on 27.05.2026. By way of the said application, EARCL sought to place on record proposals received from strategic partners for the revival and completion of the project. It also sought deferment of the initiation of CIRP for a limited period to facilitate evaluation of the said proposals by the stakeholders, including the homebuyers/allottees.

59. As regards the above applications, it has been submitted on behalf of the Petitioners that once the orders in the main matter have been reserved, no interim applications can be entertained thereafter and the reliance has been placed upon the judgment dated 01.11.2023 passed by the Hon'ble NCLAT in Company Appeal (AT)(Insolvency) No. 1359 & 1360 of 2023 titled as *Loramitra Rath* v. *JM Financial Asset Reconstruction Company Ltd. and Anr.* wherein it was observed that once an order in a matter is reserved, there is no scope for entertaining any application from the parties.

60. Drawing reference from the above view of the Hon'ble NCLAT, the intervention application has been disposed of by this Adjudicating Authority through a separate order after examining the reliefs sought therein and considering the same on merits.

61. A tabular representation of the proceedings in the case is as follows:

Sr. No.	Date	Particular
1.	12.04.2024	The Financial Creditor had filed a petition for the initiation of the CIRP against the CD.
2.	22.04.2024	The matter was listed for the first time, and the Applicant was directed to file the record of the default certificate issued by NeSL.
3.	10.05.2024	An Affidavit was filed by the Financial Creditor for placing on record the Default particulars of the Corporate Debtor registered and authenticated on the NeSL portal.
4.	14.05.2024	Applicant was directed to issue notice to the Corporate Debtor
5.	23.07.2024	Reply was filed by the CD to the petition u/s 7.
6.	13.08.2024	A Rejoinder was filed by the petitioner.
7.	31.08.2024	An additional affidavit was filed by the CD in response to a rejoinder filed by the petitioner.
8.	01.10.2024	A brief note was filed by the Corporate Debtor in the matter.
9.	16.10.2024-18.10.2024	A brief note was filed by the petitioner, in response to which another reply note was filed by the Corporate Debtor.
10.	19.11.2024	CP (IB)-239/2023 was allowed by this Adjudicating Authority, and insolvency

		against the Corporate Debtor was initiated.
11.	20.11.2024-20.03.2026	On 20.11.2024, an appeal bearing no. Company Appeal (AT) (Insolvency) No. 2168 of 2024 was filed before the Hon'ble NCLAT by Mr. Navin Raheja, suspended director of the Corporate Debtor, against the admission order passed in CP (IB)-239/2023. On 25.08.2025, the Hon'ble NCLAT passed an interim order in the appeal that any applications pertaining to projects other than Raheja Shilas may be taken up for hearing by the Adjudicating Authority. However, no final order should be passed therein. On 20.03.2026, the Appellate Authority confirmed that it shall be open for the allottees of other projects/Financial Creditors to pursue their proceedings under Section 7 against the CD, and the order dated 19.11.2024 passed by the Adjudicating Authority is modified and stands confined to Project Raheja Shilas (Low Rise) only.
12.	23.03.2026	A memo was filed on behalf of the Financial Creditor to place on record the replacement of the proposed Interim Resolution Professional.
13.	07.05.2026	A status report of the project was filed by the CD.
14.	19.05.2026	Order in the main matter was reserved

15.	20.05.2026	An application bearing No. IA-2214/2026 filed by the Corporate Debtor seeking various directions for the completion and revival of Project Raheja Revanta was listed for hearing. Order in the application was reserved on the same date.
16.	21.05.2026	Brief submissions were filed on behalf of both sides.
17.	01.06.2026	An intervention application bearing no Ivn. P36/2026 filed by EARCL seeking directions for deferment of CIRP for consultation with homebuyers of the revised proposals received by it was listed for hearing. Order in the application was reserved on the same date.

From the above factual matrix, it is evident that the matter was pending before the Hon'ble NCLAT and only vide order dated 20.03.2026, allottees of other projects/Financial Creditors including Petitioners herein were permitted to pursue proceedings qua respective project under Section 7. Further, on requests made by the parties for completion of their pleadings, this Adjudicating Authority, in the interest of justice, had granted various opportunities to the parties to conclude their respective submissions.

62. We have heard Ld. Counsels for the parties, perused documents on record, and recorded our analysis in this factual matrix as below.

Analysis and findings

63. The present petition has been filed under Section 7 of the IBC by the Financial Creditors seeking initiation of CIRP against the Corporate Debtor. The scope of inquiry under Section 7 of the Code is limited to examining whether there exists a financial debt and whether a default has occurred in respect thereof. Before proceeding to examine the issues raised, it would be apposite to refer here to the relevant provisions of the Code.

Section 5

……

(8) "financial debt" means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on non-recourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

[Explanation. - For the purposes of this sub-clause,-

(i) ***any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and***

(ii) *the expressions, "allottee" and "real estate project" shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016;]*

(g) *any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;*

(h) *any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;*

(i)the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;

Section 6. *Where any corporate debtor commits a default, a financial creditor, an operational creditor or the corporate debtor itself may initiate corporate insolvency resolution process in respect of such corporate debtor in the manner as provided under this Chapter*

Section7. *(1) A financial creditor either by itself or jointly with other financial creditors may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.*

[Provided that for the financial creditors, referred to in clauses (a) and (b) of sub-section (6A) of section 21, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such creditors in the same class or not less than ten per cent. of the total number of such creditors in the same class, whichever is less:

Provided further that for financial creditors who are allottees under a

real estate project, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such allottees under the same real estate project or not less than ten per cent. of the total number of such allottees under the same real estate project, whichever is less:

Provided also that where an application for initiating the corporate insolvency resolution process against a corporate debtor has been filed by a financial creditor referred to in the first and second provisos and has not been admitted by the Adjudicating Authority before the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, such application shall be modified to comply with the requirements of the first or second proviso within thirty days of the commencement of the said Act, failing which the application shall be deemed to be withdrawn before its admission.]

Explanation.—For the purposes of this sub-section, a default includes a default in respect of a financial debt owed not only to the applicant financial creditor but to any other financial creditor of the corporate debtor.

(2) The financial creditor shall make an application under sub-section (1) in such form and manner and accompanied with such fee as may be prescribed.

(3) The financial creditor shall, along with the application furnish—
(a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;
(b) the name of the resolution professional proposed to act as an interim resolution professional; and
(c) any other information as may be specified by the Board.

(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3)

(5) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—

(a) admit the application, if it is satisfied that a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceeding pending against the proposed resolution professional; or

(b) reject the application, if it is satisfied that a default has not occurred or the application under sub-section (2) is incomplete or a disciplinary proceeding is pending against the proposed resolution professional:

Provided that the Adjudicating Authority shall, before rejecting the application under clause (b), give a notice to the applicant to rectify the defect in his application within seven days from the date of receipt of such notice from the Adjudicating Authority:

Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of the application under sub-section (2), it shall record the reasons for such delay in writing.

Explanation I.—For the purposes of this sub-section, it is hereby clarified that where the requirements under clause (a) have been complied with, no other ground shall be considered to reject an application filed under this section.

Explanation II.—For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a

financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section.]

(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5).

(7) The Adjudicating Authority shall communicate—

(a) the order under clause (a) of sub-section (5) to the financial creditor and the corporate debtor;

(b) the order under clause (b) of sub-section (5) to the financial creditor, within seven days of admission or rejection of such application, as the case may be.

64. Further, for a better understanding of the preceding paragraph, we may refer to the definitions of "allottees" and "real estate project" as defined under the RERA Act, 2016:

"Section 2

…

(d) "allottee" in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;

….

(zn) "real estate project" means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartments, as the case may be, for the purpose of selling all or some of

the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;"

65. An application under section 7 of the Code may be initiated by a FC either by himself or jointly with other FC's for initiation of Corporate Insolvency Resolution Process (CIRP) against CD, where there exist a 'debt' and a 'default', meaning thereby, when a debt becomes due and is not paid, the FC under section 7 has a right to file an application under Section 7 of the Code. Under Section 7(2) of The Code read with The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (in short ***'AA' Rules, 2016***), a FC is required to apply in the Form 1 (*as provided in Rule 4 of 'AA' Rules, 2016*) accompanied with documents and records as specified in the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016 (in short ***" CIRP Regulations,"***). The Form-1 comprises Part 1 to V, where Part IV and V require particulars of '***Financial Debt***' and the '***Date of Default'***.

66. It is pertinent to note that the jurisdiction of this Adjudicating Authority under Section 7 of the IBC is limited to examining whether there exists a "financial debt" and whether a "default" has occurred in respect thereof.

67. The Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank* (2018) 1 SCC 407 has categorically held that once the Adjudicating Authority is satisfied that a default has occurred, the application shall be admitted unless it is incomplete. The relevant portion of the judgment is attached below for perusal:

"29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code.

Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."

68. Further, taking into consideration the submissions made by Ld. Counsels, and documents filed on behalf of both the parties, the following three issues have been framed for consideration:

Issue I: Whether there exists a "financial debt" and "default" within the meaning of Section 7 of the Code, and whether the present Application satisfies the threshold requirement prescribed under the proviso to Section 7(1) of the Code?

69. Further, the proviso to Section 7(1) of the Code mandates that an application filed by allottees under a real estate project must be filed jointly by not less than one hundred allottees or not less than ten per cent of the total number of allottees under the same project, whichever is less.

70. The petitioners have specifically averred that the total number of units in the Project is 932, as reflected in FORM REP-I filed before the RERA Authority. The present petition has been filed by 176 allottees holding 99 units in the Project. Therefore, the threshold requirement contemplated under the proviso to Section 7(1) stands satisfied.

71. Further, Explanation to Section 5(8)(f) of the Code, as per which the amounts raised from allottees under a real estate project are deemed to be financial debt. The petitioners have placed on record allotment letters, Agreements to Sell, payment receipts, and statements evidencing payment of substantial amounts towards the consideration of their respective units. The petitioners have paid sums towards the construction of Project, which admittedly has not been delivered on time and as such the sum paid towards construction was entitled for refund along with the interest to homebuyers.

72. The Corporate Debtor has not disputed the execution of the Agreements to Sell nor the receipt of monies from the allottees. The record further reveals that under the Agreements to Sell, the Corporate Debtor had undertaken to hand over possession within 36 months in respect of TAPAS floors and within 48 months in respect of SURYA Towers from the date of execution of the Agreement. However, admittedly, possession has not been handed over till date.

73. In the present case, the debt is clearly evidenced from aforesaid documents, whereas the default stands established from the admitted non-delivery of possession despite expiry of the timelines assured in the agreement. Therefore, the petitioners have successfully established the existence of a financial debt and a default within the meaning of Section 7 of the Code and that the present Application satisfies the twin-fold requirement of Section 7 thereof.

Issue II: Whether the default is attributable to the Corporate Debtor?

74. The principal defense of the Corporate Debtor is that the delay occurred on account of a lack of external infrastructure, such as roads, sewerage, electricity and other approvals from Government Authorities. According to the Corporate Debtor, the delay was beyond its control and therefore cannot constitute a default under Section 7 of the Code. In particular, reliance has been placed upon Clauses 4.2 and 4.3 of the Agreements to contend that the timeline for completion was contingent upon the availability of external infrastructure and that no compensation would be payable for delays attributable to authorities or force majeure circumstances.

75. We are unable to accept the aforesaid contention. The obligation to complete the Project and hand over possession within the stipulated timeline flows directly from the contractual obligations undertaken by the Corporate Debtor. Merely because certain approvals or external infrastructure were delayed cannot extinguish the rights accrued in favour of the allottees who had paid substantial consideration over a decade ago.

76. Hence, the allottees cannot be made to wait indefinitely on the ground that external development works were pending. The same has been held by the Hon'ble Supreme Court in the case of ***Ireo Grace Realtech Pvt. Ltd.* v. *Abhishek Khanna & Ors.*** (Civil Appeal No. 5785 of 2019).

    Furthermore, it has not been shown properly what steps have been taken on behalf of the CD since the beginning to obtain approvals and pursue the government authorities for making available the external facilities. Only in 2023 has a writ petition been filed by the CD before the Hon'ble Punjab & Haryana High Court for enforcing its rights against government authorities.

77. The Corporate Debtor has itself admitted that despite receipt of approximately Rs. 826 Crores from customers and expenditure of approximately Rs. 1119 Crores towards the Project, the Project remains incomplete and possession has not been offered. The said admission clearly establishes that the Project has not been completed within the promised timelines.

78. Further, the petitioners have also placed reliance upon proceedings before HRERA wherein adverse findings were recorded against the Corporate Debtor, and directions were issued in favour of certain allottees. The Corporate Debtor has neither complied with the said directions nor delivered possession.

79. The record additionally reflects that the Corporate Debtor entered into settlement arrangements with certain allottees acknowledging delay in handing over possession and agreeing to pay compensation. However, even those settlement obligations were admittedly not honoured. Such conduct further fortifies the existence of debt and default.

80. It is also noteworthy that the latest status report dated 07.05.2026 filed by the Corporate Debtor itself proceeds on the basis that construction activities in the Project are continuing and that completion is yet to be achieved. The said report therefore lends support to the position that the Project has not attained completion yet.

81. The Corporate Debtor has placed reliance upon the *force majeure* clause contained in the Agreement to Sell to contend that the delay was occasioned by circumstances beyond its control. However, the plea of force majeure is not applicable to the facts of the present case as the difficulties cited by the Corporate Debtor cannot be said to be circumstances beyond its control or of such an unforeseeable nature as would attract the said clause. The hurdles referred to by the CD in its reply, affidavits and written submissions are practical situations which the CD was required to address

and resolve in the ordinary course. While external factors may have had some bearing on the progress of the Project, the material placed on record indicates that the Project remains incomplete and possession has not been handed over till date despite a substantial lapse of time beyond the contractual timelines. In such circumstances, the said defence cannot, by itself, defeat the claim of default raised by the petitioners.

82. The Hon'ble Supreme Court in *Pioneer Urban Land and Infrastructure Ltd. v. Union of India* (2019) 8 SCC 416 has held that homebuyers are financial creditors and that failure to hand over possession within the stipulated period constitutes default, entitling the allottees to invoke Section 7 of the Code.

83. In view of the foregoing discussion, we are satisfied that the Corporate Debtor failed to hand over possession of the units within the stipulated timelines despite receipt of substantial consideration from the allottees. The defence sought to be raised on the basis of external infrastructure constraints does not displace the admitted fact of prolonged non-delivery of possession. Accordingly, we hold that such default is attributable to the Corporate Debtor.

Issue III: Whether pendency of proceedings before HRERA and other fora, including settlement arrangements entered into between the parties, bars or affects maintainability of the present petition under Section 7 of the Code?

84. The pendency of any proceedings before HRERA or NCDRC does not create any bar against initiation of CIRP under the Code. The remedies available under the Code are independent and concurrent in nature.

85. The Corporate Debtor has contended that several proceedings relating to the Project are pending before HRERA and other fora, and that certain allottees have already sought reliefs of refund, possession and compensation before such authorities.

86. It is not in dispute that HRERA has also passed orders in favour of certain allottees who had approached it. However, the material placed on record indicates that possession has not been handed over yet and as such cause for filing application under section 7 continues to survive in the wake of well admitted debt and default.

87. The Hon'ble Supreme Court in ***Pioneer Urban*** supra has categorically recognized that remedies under the Code and RERA are concurrent remedies. The relevant portion of the judgment is extracted below:

> *"86.*
>
> *.....*
>
> *ii. The RERA is to be read harmoniously with the Code, as amended by the Amendment Act. It is only in the event of conflict that the Code will prevail over the RERA. Remedies that are given to allottees of flats/apartments are therefore concurrent remedies, such allottees of flats/apartments being in a position to avail of remedies under the Consumer Protection Act, 1986, RERA as well as the triggering of the Code."*

88. Therefore, pendency of proceedings before HRERA and other fora does not create any legal impediment to maintainability of the present petition under Section 7 of the Code.

89. Moving further, it is noted that Project-wise initiation of CIRP has been permitted by the Hon'ble NCLAT in the case of CD itself qua other projects, namely Raheja Shilas and Raheja Krishna Housing Scheme. In case of real estate insolvency, "project-wise insolvency" has become a norm as reference can be further drawn from the judgment of the Hon'ble NCLAT

in the case of "*Surender Singh* v. *IDBI Trusteeship Services Ltd.* and *Anr.*", Company Appeal (AT) (Insolvency) No. 266 of 2026, wherein it was held that:

29. This Tribunal in ***'Gagan Tandon & Ors.' (supra)*** has noticed the judgement of Hon'ble Supreme Court in paragraphs 77 to 80 and in paragraph 81, this Tribunal in ***'Gagan Tandon & Ors.' (supra)*** held as follows:

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

32. Paragraph 86 further notices the paragraph 21 of the judgement of the ***'Flat Buyers Association Winter Hills – 77, Gurgaon' (supra).*** Paragraph 86 of the judgement is as follows:

> ***"86.*** *The Hon'ble Supreme Court in the above case has also noticed the concept of "reverse corporate insolvency resolution process". This Tribunal in the above judgment, which was delivered on 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:*
>
> *IV.* ***The view of the adjudicating authority that insolvency cannot be project-wise in case of Real Estate Company and only resolution can be project-wise, is not in accordance with law laid down by this Tribunal and the Hon'ble Supreme Court."***
>
> **[Emphasis supplied]**

90. It is also necessary to consider the manner in which insolvency proceedings against the Corporate Debtor have been dealt with by the Hon'ble NCLAT in relation to its other projects. As noticed hereinabove, the admission order pertaining to Project "Raheja Shilas (Low Rise)" was modified by the Hon'ble NCLAT in Company Appeal (AT) (Ins.) No. 2168 of 2024 and confined only to the said project vide order dated 20.03.2026. Likewise, by order dated 10.04.2026 passed in Company Appeal (AT) (Ins.) No. 1276 of 2025, the CIRP initiated in respect of "Krishna Housing Scheme", was also restricted to that project alone.

91. The Appellate Authority has thus recognised the feasibility of undertaking project-specific insolvency resolution in the case of the Corporate Debtor as well, having regard to the distinct nature of its real estate projects and the interests of the stakeholders concerned therein. In view of the aforesaid orders and the liberty granted by the Hon'ble NCLAT to allottees of other projects to pursue independent proceedings under Section 7 of the Code, we are of the considered opinion that any insolvency resolution process arising from the present petition ought likewise to remain confined to Project "Raheja Revanta". Accordingly, while admitting the present petition, the CIRP shall be restricted to the Project "Raheja Revanta", and thus, we pass the following order.

ORDER

92. Having regard to the conspectus of the present case (as discussed above) we are inclined to **ADMIT** the present petition bearing No. CP (IB) 182(ND)/2024 under Section 7 of IBC, 2016. Accordingly, the petition bearing No. (IB)-182(ND)/2024 filed by Petitioner under Section 7 of the IBC, 2016 for initiating CIRP against Corporate Debtor, i.e. M/s. Raheja Developers Ltd. is hereby ADMITTED for its Project "Raheja Revanta". This Adjudicating Authority therefore orders the commencement of the Corporate Insolvency Resolution Process qua Project "Raheja Revanta" of

the Corporate Debtor (M/s. Raheja Developers Ltd). Accordingly, the following order is passed:

i. As a consequence, thereof, the petition being admitted in terms of Section 7 of the IBC, 2016, the moratorium as envisaged under the provisions of Section 14(1) of the IBC, 2016 shall follow in relation to the Project Raheja Revanta of the Corporate Debtor as per clauses (a) to (d). However, during the pendency of the moratorium period, terms of Section 14(2) to Section 14 (3) of the IBC, 2016 shall come into force. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or as the case may be.

ii. The Financial Creditor has proposed the name of Truue /IPE LLP, having registration no. IBBI/IPE-0151/IPA-1/2023-24/50052 as the IRP. The proposed IRP has submitted its written communication in Form-2, as required under Rule 9(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, with a copy of the registration annexed. A copy of the written consent has been annexed as Annexure-2 to the affidavit. Therefore, this Adjudicating Authority appoints Truue /PE LLP as the Interim Resolution Professional for Project Raheja Revanta of the Corporate Debtor. The details of the IRP are as under:

Name- Truue/IPE LLP

Registration No.-IBBI/IPE-0151/IPA-1/2023-24/50052

Email Id- jain_cp@yahoo.com

Address- D-501, Ganesh Meridian, Opp. High Court S.G. Road Ahmedabad 380060

iii. In pursuance of Section 13 (2) of the IBC, 2016, we direct the IRP to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days, as clarified by the Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

iv. During the CIRP period, the management of Project Raheja Revanta of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this Order, in default of which coercive steps will follow. There shall be no further opportunity given in this regard.

v. The IRP is expected to take full charge of Project Raheja Revanta of the Corporate Debtor without any delay whatsoever. He is also free to take police assistance, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

vi. Since the present CIRP stands confined to Project "Raheja Revanta", the IRP shall open and maintain a separate project account in respect of the said Project. All receivables, recoveries and cash inflows pertaining to Project "Raheja Revanta" shall be deposited in designated project account and detailed records of all inflows and outflows shall be maintained.

vii. The IRP shall take all necessary steps to preserve and continue Project "Raheja Revanta" as a going concern and shall endeavour to ensure that construction and development activities relating to the Project are appropriately monitored and carried forward in accordance with the provisions of the Code.

viii. No bank account relating to Project "Raheja Revanta" shall be operated except in accordance with the provisions of the Code and without the authority, control and supervision of the IRP/RP. All expenditures relating to the Project shall be subject to scrutiny and approval in accordance with law.

ix. The IRP shall ensure that project funds, receivables, unsold inventory and other assets relatable to Project "Raheja Revanta" are dealt with separately from assets and receivables of other projects of the Corporate Debtor, in consonance with the project-specific CIRP directed herein.

x. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of Project Raheja Revanta of the Corporate Debtor and the action taken in compliance of Section 17, 18, 20, 25 of the Code and Regulation 3A & 4 of the IBBI (CIRP) Regulations, 2016.

xi. The Registry is hereby directed to communicate a copy of the order to the Financial Creditors, to Project Raheja Revanta of the Corporate Debtor, the IRP and the Registrar of Companies, NCR, New Delhi, by Speed Post and by email, at the earliest but not later than seven days from today, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the status of the Project Raheja Revanta of the Corporate Debtor, and specific mention regarding the admission of this petition must be notified.

xii. The Registry is further directed to send a copy of the order to the IBBI also for their record.

xiii. The IRP shall also serve a copy of this order to the various departments, such as Income Tax, GST (centre), State Trade Tax, Provident Fund, etc., who are likely to have their claim against the Project Raheja Revanta of Corporate Debtor, as well as to the trade

unions/employees associations so that they are timely informed of initiation of CIRP against the Project Raheja Revanta of the Corporate Debtor;

xiv. A certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities. IRP to report compliance within four weeks.

Sd/-

(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-

(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)