2026 INSC 104

Reportable

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

Civil Appeal No. 13628 of 2025

SATINDER SINGH BHASIN … Appellant

versus

COL. GAUTAM MULLICK & ORS … Respondents

with

Civil Appeal No. 13779 of 2025

&

Civil Appeal No. 13812 of 2025

J U D G M E N T

SANJAY KUMAR, J

1. By order dated 04.12.2023 passed in Company Petition IB (IBC) No. 646/PB/2021, the National Company Law Tribunal, Court – V, New Delhi Bench[1], initiated corporate insolvency resolution process under Section 7 of the Insolvency and Bankruptcy Code, 2016[2], against M/s. Grand Venezia Commercial Towers Private Limited[3] and M/s. Bhasin Infotech and Infrastructure Private Limited[4]. Assailing the said order, Company Appeal (AT)(INS) Nos.1593 and 1594 of 2023 came to be filed

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Reason:

[1] For short, ‘the NCLT’
[2] For short, ‘the Code’
[3] For short, ‘Grand Venezia Ltd.’
[4] For short, ‘Bhasin Ltd.’

before the National Company Law Appellate Tribunal, Principal Bench, New Delhi[5]. Ashok Kumar, the appellant in Company Appeal (AT)(INS) No.1593 of 2023, is an erstwhile Director of Grand Venezia Ltd., while Satinder Singh Bhasin, the appellant in Company Appeal (AT)(INS) No.1594 of 2023, is an erstwhile Director of Bhasin Ltd. On 07.12.2023, the NCLAT took note of the appellants' claim that the constructions were complete and the units were ready to occupy and directed that no further steps should be taken pursuant to the order admitting the company petition. The appellants were also directed not to create third party interests in respect of the respondents' units. However, by common judgment dated 29.10.2025, the NCLAT dismissed both the appeals. Civil Appeal Nos. 13779 and 13812 of 2025 were filed by the appellants therein against the said judgment.

2. Notably, during the pendency of the proceedings before the NCLAT, Satinder Singh Bhasin filed I.A. No. 5936 of 2025 in his appeal seeking permission to deposit ₹15,62,00,000/- to prove his *bonafides*. This I.A. was filed after judgment was reserved in the appeals. By order dated 07.10.2025, the NCLAT rejected his application. Aggrieved, Satinder Singh Bhasin filed Civil Appeal No. 13628 of 2025.

3. Though Civil Appeal No. 13628 of 2025 filed by Satinder Singh Bhasin was earlier in point of time, the substantial appeals are the later

[5] For short, 'the NCLAT'

ones, i.e., Civil Appeal Nos. 13779 and 13812 of 2025, and we propose to deal with them in the first instance.

4. Company Petition IB (IBC) No. 646/PB/2021 was filed by 141 individuals against Grand Venezia Ltd. and Bhasin Ltd., the corporate debtors, seeking initiation of corporate insolvency resolution process against them under Section 7 of the Code. They claimed to be financial creditors, being allottees in the commercial complex, named 'Grand Venezia Commercial Tower', which formed part of a composite and integrated real estate project launched by Bhasin Ltd. in the year 2005. This project comprised three sections, namely, a luxury five-star hotel, including integrated office spaces; a mall having food courts, gaming zones, gondola rides, etc.; and a cineplex for screening of movies. The petitioners in the company petition were allottees of office spaces. The land on which this project was to be erected was leased to Bhasin Ltd. by the Uttar Pradesh State Industrial Development Authority[6] (formerly, Uttar Pradesh State Industrial Development Corporation). The possession of the units was to be delivered to the allottees by May, 2013.

5. The complaint of the petitioners before the NCLT was that the units allotted to them were not made ready and were unfit for occupation. They asserted that there was no completion certificate provided by the UPSIDA in relation to their portion of the project and that the part-

[6] For short, 'the UPSIDA'

completion certificate which had been issued was only in respect of the showrooms, food courts, gaming zones and the cinema hall, which were of no relevance to them. According to them, the corporate debtors had not even applied for the final completion certificate, as per the RTI reply dated 24.03.2018 received by them from the UPSIDA. They asserted that, as per the Rules of the UPSIDA, in the absence of a completion certificate and without the clearance of the UPSIDA, no conveyance/sublease deed could be executed or registered, and actual possession could not be delivered. They pointed out that the property in question was leasehold land and it was necessary that the UPSIDA, being the lessor, and the developer, being the lessee, confirmed the status of the allottees as sublessees, by way of tripartite sublease deeds. They relied upon their allotment letters which posited that possession could not be given without such tripartite sublease deeds. They further asserted that the developers had stopped payment of assured returns from January, 2014, though the same were to be given till final completion was accomplished and tripartite sublease deeds were executed. They, accordingly, sought initiation of insolvency proceedings against the corporate debtors.

6. Significantly, Bhasin Ltd. failed to file a reply before the NCLT. Grand Venezia Ltd., however, filed a reply claiming that it was a broker having purchase/sale rights of the entire building of which Bhasin Ltd.

was the developer. According to it, the petitioners before the NCLT were persons who had refused to clear their dues and take possession. It alleged that the corporate debtors had received complete payment of the principal amounts due from 56 allottees/petitioners but they had failed to pay stamp duty, while 30 allottees/petitioners had not paid even the principal amounts. It stated that the hotel in the project was being undertaken by a separate party while construction of the Grand Venice Mall and Grand Venezia Commercial Tower was completed by Bhasin Ltd. in 2015. The completion certificate in that regard was stated to have been issued by the UPSIDA on 16.04.2015 certifying that the units were completed and, accordingly, it had issued possession letters to the allottees. Grand Venezia Ltd. claimed that possession had already been taken by some allottees, in the light of the UPSIDA's clarification letter dated 03.03.2017 that the part-completion certificate could be treated as a part-occupancy certificate. It further claimed that letters had been sent to the allottees, intimating the compliances achieved and requesting them to initiate the process of registration of the sublease deeds.

7. After considering the material placed before it and upon hearing the learned counsel for the parties, the NCLT noted that insofar as admission of the petition under Section 7 of the Code was concerned, it was necessary to ascertain whether there was a debt owed to the financial creditors; whether there was a default with respect to such debt;

and, as the financial creditors were allottees of a real estate project, to ascertain whether they fulfilled the threshold requirement stipulated by Section 7 of the Code so as to maintain their application.

8. The second *proviso* to Section 7(1) of the Code prescribes the threshold requirement in this regard and states to the effect that when the financial creditors who apply for initiation of corporate insolvency resolution process are allottees in a real estate project, such an application should be jointly filed by not less than one hundred such allottees in the same real estate project or not less than 10% of the total number of allottees in the same real estate project, whichever is lesser.

9. The company petition was filed on 07.07.2021 by 145 individuals but as some of them were joint allottees of a single unit, they had to be counted as one and not as two applicants. An advance copy thereof was served upon the corporate debtors on 07.06.2021 itself. Thereafter, when the company petition was returned for curing of defects, 12 allottees who figured as petitioners in the company petition were removed from the array of parties and 8 fresh allottees' names were added. The petition was then registered and numbered on 22.10.2021 and at that time, 141 allottees figured therein as petitioners. The petition was listed before the NCLT on 27.10.2021 and notice was issued to the corporate debtors on 21.02.2022. The company petition was admitted on 04.12.2023. Considering the joint allottees amongst the named petitioners, the NCLT recorded that, in actual terms, allottees of 103

units had filed the petition. The NCLT noted that settlements were arrived at, subsequently, between some of those allottees and the corporate debtors and such allottees withdrew their names from the petition. It was contended by Grand Venezia Ltd. that 56 such allottees paid the principal amounts in full but were yet to pay the stamp duty while 30 such allottees had not paid even the principal amounts, but the NCLT noted that no supporting documents had been produced in proof of these statements. Reliance was placed by the NCLT upon the judgment of this Court in ***Manish Kumar vs. Union of India***[7], wherein it was held that the required minimum of 100 allottees was to be ascertained as on the date of presentation of the application and not at the time of its hearing or admission. In view thereof, the NCLT opined that as allottees of 103 units had filed the application, it fulfilled the threshold of a minimum of 100 allottees, in terms of Section 7 of the Code.

10. As to the *sine qua non* for initiation of insolvency process under Section 7 of the Code, i.e., whether there was a financial debt with a corresponding default, the NCLT found on facts that the payment receipts issued by the corporate debtors evidenced that the allottees had made payments in connection with the units allotted to them and, therefore, the existence of the financial debt stood substantiated. As to the plea of Grand Venezia Ltd. that the project had been completed and

[7] (2021) 5 SCC 1

that it was the allottees who had failed to take possession of their units, the NCLT observed that the documents placed before it did not manifest completion of construction. Further, the NCLT also took note of the reply dated 24.03.2018 of the UPSIDA under the Right to Information Act, 2005, that the developer had not applied for a final completion certificate and that only a part-completion certificate had been issued. The NCLT, accordingly, concluded that the corporate debtors had failed to hand over possession of the units to the allottees and, in consequence, the default in respect of the financial debt stood proved.

11. Dealing with the contention advanced on behalf of the corporate debtors that the application was not maintainable as it sought to initiate insolvency process against two separate corporate entities by way of one application, the NCLT noted that the Code was silent on initiation and conducting of insolvency process of related parties in a consolidated manner. The NCLT opined that interlinkage of related corporate debtors would be beneficial for value maximization and to continue such companies as going concerns after completing their insolvency processes. Reference was made in this regard to the NCLAT's decision in ***Edelweiss Asset Reconstruction Company Limited vs. Sachet Infrastructure Private Limited***[8]. The NCLT, accordingly, admitted the petition filed against both the corporate debtors. This order of admission

[8] 2019 SCC OnLine NCLAT 592

was subjected to appeal by the erstwhile Directors of the corporate debtors before the NCLAT but, as stated earlier, without success.

12. In the impugned judgment dated 29.10.2025, the NCLAT first dealt with the contention that two separate legal entities could not be subjected to insolvency resolution process through a single company petition. It was argued that, if taken separately, the allottees of the two corporate debtors would not meet the threshold requirement of 100 allottees stipulated in Section 7 of the Code. It was also argued that there was no default on the part of the corporate debtors, as they had executed 21 bipartite lease deeds with some of the petitioning allottees even before the filing of the company petition and had also settled with some other allottees by refunding their amounts to them. According to the appellants, the only issue that remained was the execution of tripartite sublease deeds by the corporate debtors, the UPSIDA and the allottees. It was stated that a writ petition was filed before the Allahabad High Court by the management of the corporate debtors to sort out this issue. Reliance was placed on the part-completion certificate dated 16.04.2015 issued by the Executive Engineer of the UPSIDA and the clarificatory letter dated 27.06.2015 certifying that the part-completion certificate was issued for the project, excluding the hotel portion, i.e., it was issued for the multiplex and the shopping centre. It was pointed out that it was recorded therein that the building had been constructed with

good quality as per the sanctioned plan. According to the appellants, these documents settled the issue as to whether the subject portion of the project stood completed or not.

13. The next issue addressed before the NCLAT was whether the threshold limit of 100 allottees stood satisfied at the time the company petition was filed. According to the appellants, the allottees of the two corporate debtors had been clubbed together to bring the number above the threshold and this was irregular, being contrary to the prescribed statutory procedure. Another issue that was argued before the NCLAT was that a single company petition could not have been entertained against two corporate debtors.

14. The NCLAT noted that no document had been filed in support of the plea that settlements had been arrived at with some of the petitioning allottees even prior to the filing of the company petition. In the absence of such proof, the NCLAT was inclined to accept the finding of the NCLT that the allottees of 103 units, who had filed the company petition, met the threshold requirement of a minimum of 100 allottees. While dealing with the contention that a joint company petition could not be maintained against two corporate debtors, the NCLAT committed an error by attributing to the corporate debtors something that was stated by the allottees in their rejoinder in the company petition. By doing so, the NCLAT mistakenly inferred that the corporate debtors had themselves admitted that both the companies were controlled by a single

management group. Notwithstanding this mistake, the NCLAT also took into account allotment letters in favour of allottees which mentioned the names of both the corporate debtors. Reference was made in one such letter issued by Bhasin Ltd. to the application submitted by the allottee to Grand Venezia Ltd. for booking a commercial office space in Grand Venezia Commercial Tower. On the same lines, the payment receipts issued to the allottees by Bhasin Ltd. mentioned the payment received from such allottees for booking spaces in the Grand Venezia Commercial Tower.

15. Significantly, the allotment letter dated 05.08.2006 issued in favour of Bhasin Ltd. by the UPSIDA, apropos the lease of the subject land, specifically mentioned that tripartite lease deeds of the built-up premises had to be executed by the UPSIDA with the ultimate allottees of the developer, on the request of the developer in writing. Therein, such allottees were to be shown as the lessees and the UPSIDA would transfer the proportionate undelivered interest in the land while the developer would transfer the interest in the built-up space. It was categorically mentioned in the said allotment letter that the lease deed of the built-up space would be executed only after issuance of a completion certificate for that built-up space. The NCLAT noted that the admitted position was that no tripartite deed was executed since 2006 even for a single allottee.

16. The NCLAT also noted that the Code did not prohibit the filing of a petition for initiating insolvency process against two corporate entities jointly and referred to its earlier judgment in ***Mist Avenue Pvt Ltd vs. Nitin Batra and others***[9]. In that case, three companies joined hands to develop a project. The project was not completed and the companies ran into rough weather culminating in insolvency proceedings. The NCLAT held, upon taking a holistic view, that joint insolvency had to be initiated against all three of them as not doing so would put their allottees to severe loss and hardship. It was noted that insolvency resolution process in relation to a real estate project would have different contours and ramifications and if two or more companies are shown to be closely connected with the construction and implementation of the project, a joint petition for initiating insolvency proceedings against such companies would be maintainable.

17. In this regard, the NCLAT also referred to the Joint Venture Agreement dated 14.12.2009 between Bhasin Ltd. and Grand Venezia Ltd. Therein, it was stated that the UPSIDA had allotted land in favour of Bhasin Ltd. on 05.08.2006; Bhasin Ltd. was constructing a commercial/ shopping complex on the said land; Bhasin Ltd. desired to grant exclusive marketing rights for the purpose of selling units in the said commercial complex; Grand Venezia Ltd. approached Bhasin Ltd. and expressed its willingness and consent to do so; Bhasin Ltd. granted

[9] (2025) 261 Comp Cas 516 = 2023 SCC OnLine NCLAT 2915

exclusive marketing rights for selling the commercial units constructed by it; and Grand Venezia Ltd. was authorized to receive and collect payments on behalf of Bhasin Ltd. only as its agent.

18. This, according to the NCLAT, clearly showed that both the companies were involved in the project and could not claim to be independent of each other in relation thereto. The NCLAT also noted that, though delivery of possession of the units was to be made within five years from the date of allotment, the same had not taken place till date as no tripartite sublease deeds had been executed. The NCLAT opined that the construction had not been completed and found that assured returns were, admittedly, not paid to allottees since 2014. Reference in that regard was made to the letter addressed to the allottees by Grand Venezia Ltd., stating that the possession of the units would be delivered shortly, as the structure was nearing completion, but due to a recent slow-down of the real estate market, the revenue generated was needed and, therefore, difficulty was being faced in paying the monthly returns to allottees. It was proposed that, in lieu of the monthly returns for the balance period, i.e., upto the date of handing over, extra space would be offered after adjusting the balance amount due from the allottee or the monthly returns would be adjusted against the outstanding dues for purchase of the unit.

19. The NCLAT also took note of the Status Report dated 11.09.2024 filed by the Interim Resolution Professional appointed by the NCLT on

admission of the company petition, which reflected that the construction of the project was incomplete. The report reflected that the units from the 3rd floor to the 8th floor were bare-shell structures with raw concrete and debris scattered all around and even basic elements, such as doors, were missing. It was further recorded therein that no constructions had taken place from the 9th floor to the 15th floor. Reference was also made to the NCLAT-appointed-Observer's Report dated 15.05.2025 and the UPSIDA's Report dated 01.05.2025, which affirmed the findings of the Interim Resolution Professional. Concluding that the construction was not complete even as on the date of the order, the NCLAT dismissed the appeals filed by the erstwhile Directors of both the corporate debtors.

20. The core question raised before us on behalf of the appellants is whether the threshold limit of 100 allottees prescribed by the second *proviso* to Section 7(1) of the Code stood fulfilled in the case on hand. It is contended that, out of the 103 allottees who had applied to the NCLT, 28 allottees had taken possession while 13 allottees were refunded their monies by the time of passing of the admission order. It is further claimed that 7 allottees signed settlement deeds but did not take possession due to registration formalities. Therefore, according to the appellants, the petitioning allottees with unsettled claims were only 55 in number. It is on this basis that Satinder Singh Bhasin filed an interlocutory application before the NCLAT, after judgment was reserved

in the appeals, offering to pay ₹15.62 crores to settle the claims of those 55 allottees.

21. However, as noted by the NCLT, no documentary evidence was produced before it in proof of settlements having been arrived at with any of the allottees shown as petitioners in the company petition, prior to the filing thereof. In any event, the day of reckoning stands settled by this Court in ***Manish Kumar*** (*supra*), wherein it was held that the crucial date for ascertaining whether the threshold is adequately met is the date of filing of the petition and not the date of the admission or hearing thereof.

22. Another argument that has been fervently urged is that the allottees could not have made substitutions in the company petition after the filing thereof on 07.07.2021, even if the same was returned for curing of defects. It is the admitted position that alterations were, in fact, made in the cause-title with regard to the names of the allottees who appeared as petitioners therein and the refiled petition did not reflect the same names as were there in the petition initially filed on 07.07.2021. As an advance copy of the earlier petition was sent to the corporate debtors on 07.06.2021, the appellants would contend that such changes were made without the authority of law. They assert that the same amounts to an abuse of process, warranting rejection of the company petition *in limine*. We may note, at this stage, that this argument was not advanced either

before the NCLT or even before the NCLAT. However, we propose to deal with the same as it touches upon and impacts the maintainability of the company petition. In this context, Rule 28 of the National Company Law Tribunal Rules, 2016[10], assumes significance. It reads as under:

> **"28. Endorsement and scrutiny of petition or appeal or document.-**
> (1) The person in charge of the filing counter shall immediately on receipt of petition or appeal or application or document affix the date stamp of Tribunal thereon and also on the additional copies of the index and return the acknowledgement to the party and he shall also affix his initials on the stamp affixed on the first page of the copies and enter the particulars of all such documents in the register after daily filing and assign a diary number which shall be entered below the date stamp and thereafter cause it to be sent for scrutiny.
> (2) If, on scrutiny, the appeal or petition or application or document is found to be defective, such document shall, after notice to the party, be returned for compliance and if there is a failure to comply within seven days from the date of return, the same shall be placed before the Registrar who may pass appropriate orders.
> (3) The Registrar may for sufficient cause return the said document for rectification or amendment to the party filing the same, and for this purpose may allow to the party concerned such reasonable time as he may consider necessary or extend the time for compliance.
> (4) Where the party fails to take any step for the removal of the defect within the time fixed for the same, the Registrar may, for reasons to be recorded in writing, decline to register the pleading or document."

23. The above Rule reflects that the registration of the pleading or document, as the case may be, is to take place only after the removal of the defects therein. Rule 28(2) makes it clear that if, upon scrutiny, the appeal or petition or application or document is found to be defective, the same should be returned to the party for compliance. However, Rule 28(3) goes further and states that a party may be allowed to not only

[10] For short, 'NCLT Rules'

rectify but also amend such returned appeal or petition or application or document. Rule 28(4) manifests that it is only after the refiling, upon curing of the defects, that the Registrar would register the pleading or document. Rule 29 of the NCLT Rules is titled 'Registration of proceedings admitted' and states that on admission of an appeal or petition or caveat or application, the same shall be numbered and registered in the appropriate register maintained in that behalf and the number shall be entered therein.

24. *Ergo*, the mere filing of the company petition on 07.07.2021 did not result in the same being 'registered' on the file of the NCLT and it was only after rectification/amendment of the petition and upon its refiling, with the defects therein cured, that the same would have been registered. Notably, in ***Surendra Trading Company vs. Juggilal Kamlapat Jute Mills Company Limited and others***[11], this Court held that till the objections in an application filed under Sections 7, 9 or 10 of the Code are removed, it is not to be treated as an application validly filed, as it is only after the application is complete in every respect that it is required to be entertained. Therefore, the alteration in the memorandum of parties in the company petition after it was filed on 07.07.2021, but returned for curing the defects therein, did not amount to an abuse of process as is being contended by the appellants. It was only after 'registration' of the company petition takes place under Rule 28(4)

[11] (2017) 16 SCC 143

of the NCLT Rules that it would have been impermissible for the petitioning allottees to make any changes therein without the leave of the NCLT. As the changes in question were made by them prior to that event, no adverse inference can be drawn against them to non-suit them on that ground. Reliance placed on ***Gurdial Singh and others vs. Raj Kumar Aneja and others***[12] is of no avail to the appellants as the *ratio* laid down therein that a pleading, once filed, forms part of the Court record and could not be touched/modified/ substituted/amended except with the leave of the Court, has no application on facts, in the light of the procedure prescribed under the NCLT Rules.

25. As regards the contention that a joint company petition could not have been filed for initiation of insolvency process against two separate companies, we may note that the letter of allotment, in relation to the leased land, was issued by the UPSIDA on 05.08.2006 in favour of Bhasin Ltd alone. The project was, therefore, to be undertaken essentially by Bhasin Ltd. It was only thereafter, i.e., on 14.12.2009, that Bhasin Ltd. entered into an agreement with Grand Venezia Ltd., granting it marketing rights in relation to the sale of units in the project. It is a matter of record that the two companies had common directors, including Satinder Singh Bhasin, for some length of time. Further, demand notices and possession letters were issued by Bhasin Ltd. to the allottees of Grand Venezia Ltd. and the

[12] (2002) 2 SCC 445

correspondence/communications with the allottees were by both the companies interchangeably. Payment receipts also manifested the same. These documents formed part of the company petition.

26. Further, in its reply dated 07.07.2022 filed before the NCLT in the company petition, we find that Grand Venezia Ltd. had stated that it was a 'highly reputed marketer' and had acquired exclusive marketing rights for selling the units in the commercial complex constructed by Bhasin Ltd., *vide* the Agreement dated 14.12.2009. This claim stands decimated by the fact that Grand Venezia Ltd. was incorporated and came into existence only in November, 2009, barely a month earlier. It, therefore, had no reputation or experience as a marketer, so to speak of, and appears to have been incorporated only for the purpose of entering into an agreement with Bhasin Ltd. in relation to the subject project. Before us, the appellants have stated that Grand Venezia Ltd. purchased 1,114 units in the project from Bhasin Ltd. on 31.03.2016 for ₹218 crores. There is, thus, no possibility at this stage for either company to say that they are not jointly liable to the allottees of the project. The NCLT and the NCLAT were, therefore, justified in concluding that the corporate debtors were intrinsically linked and that it would be in their interest to have a joint insolvency process so as to maximise asset realisation.

27. Significantly, in ***Edelweiss Asset Reconstruction Company Ltd.*** (*supra*), the NCLAT was dealing with five companies which had jointly undertaken development of a township. The NCLAT opined that a 'Group

Corporate Insolvency Resolution Process' proceeding was required to be initiated against all five of them in such circumstances. This order stood confirmed, when Civil Appeal (Diary) No. 1010 of 2020, challenging the same, was dismissed by this Court on 10.02.2020. Earlier, in ***Mamatha vs. Amb Infrabuild P. Ltd. and others***[13], the NCLAT had observed that if two corporate debtors collaborate and form an independent corporate entity for developing land and allotting premises to allottees, the application under Section 7 of the Code would be maintainable against both of them jointly and not individually against one or the other. This judgment was confirmed by this Court when the Civil Appeal filed by one of the corporate debtors was dismissed, *vide* the order reported in ***AMB Infrabuild P. Ltd. vs. Mamatha and another***[14]. The argument that these were two completely independent and separate companies, therefore, falls to the ground. In any event, as they were jointly answerable to the allottees, the filing of a single company petition against them was justified.

28. We may now turn to the claim of the appellants that the construction was complete and that the units were ready for occupation before the date of filing of the company petition. According to the UPSIDA, which had allotted land to Bhasin Ltd. for erecting this project, the construction was to be put up within 5 years from the date of

[13] (2019) 5 Comp Cas-OL 130 = 2018 SCC Online NCLAT 785
[14] 2019 SCC Online SC 2410

allotment, which is long past. The project to be put up on the allotted land was a single project, comprising a mall up to the 3rd floor, commercial spaces from the 3rd to the 15th floor and a hotel in the adjacent structure. As per Clause 3(p) of the lease deeds dated 23.08.2006 and 30.09.2009, Bhasin Ltd. was required to construct the buildings on the leased land within 60 calendar months from the dates on which the lease deeds were executed or such extended period of time as was allowed by the UPSIDA in writing. The UPSIDA asserts that the delay in completion of the project and in execution of tripartite sublease deeds is attributable to the corporate debtors.

29. The UPSIDA claims that the corporate debtors committed default in payment of its outstanding dues and had not even furnished to it the final list of allottees. It further stated that it was never called upon to execute tripartite lease deeds and, on the other hand, Civil Suit No. 257 of 2018 was filed by Bhasin Ltd. challenging the clauses in the lease deeds which stipulate that such tripartite lease deeds had to be executed. The suit is stated to be pending. The list of allottees was communicated to the UPSIDA for the first time under letter dated 18.04.2024 but it was full of discrepancies and the final undisputed list of allottees is yet to be shared with it. This was stated to be the *sine qua non* for execution of tripartite lease deeds. It was stated that the project does not have a final completion certificate for the entire construction

and the hotel part of the project was not complete. The UPSIDA asserted that the part-completion certificate was conditional and was not for the whole project. According to it, affidavit dated 28.01.2022 was filed in the suit, stating that the part-completion certificates dated 07.05.2011 and 16.04.2015 were ineffective as the conditions stipulated therein were not complied with. The UPSIDA further stated that its dues of ₹54.38 crores were payable by Bhasin Ltd. The writ petition filed against it by Bhasin Ltd. in that regard was dismissed by the Allahabad High Court on 08.09.2025, granting liberty to the UPSIDA to approach the Interim Resolution Professional (IRP) to lodge its claim.

30. In this regard, we may note that Regulation 2.16.0 of the Uttar Pradesh State Industrial Development Area Building Regulations, 2004, falling in Chapter-2, titled 'Procedural Requirements for Building Permission', deals with 'Occupancy Certificate' and states that no building erected, re-erected or altered, shall be occupied in whole or in part until the issuance of an Occupancy Certificate by the Authorised Officer in the form given in Appendix-11. It is an admitted fact that an Occupancy Certificate in the prescribed format in Appendix-11 has not been issued by the UPSIDA till date for the project.

31. 'Handing over/Taking over of possession' letters issued by Bhasin Ltd. in favour of allottees, recording delivery of possession of particular units, have been placed on record. However, we find that some of those letters pertain to the 1st floor of the building, with which the petitioning

allottees in the company petition have no concern. Those letters, therefore, do not further the case of the appellants. A letter was issued in relation to a unit on the 7th floor in favour of one Sheetal Badhwar but the undertaking of that allottee records that the sublease deed with the UPSIDA was yet to be executed. Further, notional possession letters were also issued to allottees, which are of no significance whatsoever. These so-called letters of actual delivery of physical possession, in our considered opinion, have no legal import given the categorical stipulation by the UPSIDA in its allotment letter and also the lease deeds that physical possession should not be delivered to allottees without execution of the tripartite sublease deeds.

32. Though the appellants also place reliance on the part-completion and part-occupancy letters received from the UPSIDA in 2015 and earlier, coupled with the notional/physical delivery of possession letters issued to the allottees, the same have to be construed and understood in the context of the extant legal regime and the contractual clauses between the parties. The clauses in the allotment letter dated 05.08.2006 and the clauses in the lease deeds of the UPSIDA made it clear that possession could not be offered to allottees without tripartite sublease deeds being executed. This was clarified by the Regional Manager of the UPSIDA in his letter dated 21.02.2023 addressed to one of the allottees under the Right to Information Act, 2005. He confirmed

therein that no tripartite sublease deed had been executed in favour of any allottee till that date and in the event the builders had executed sublease deeds directly in favour of any allottees, the same would be in clear violation of the terms and conditions of the allotment letter and the lease deeds.

33. We may note that some of the letters issued in the year 2015 by Bhasin Ltd. merely offered notional possession to the allottees. Letter dated 13.10.2015 addressed to Kanwaljeet Singh, one such allottee, is placed on record in this regard. The part-completion/part-occupancy letters and the notional/physical possession delivery letters issued to the allottees, therefore, can be taken to be proof of completion of the construction in all respects, as is being claimed by the appellants. Further, their claim in that regard is also belied by the Commissioner's Report dated 17.05.2018 filed before the High Court of Delhi in an earlier winding-up proceeding. Therein, the Commissioner had recorded that none of the units were ready and fit for occupation as on the date of his inspection. This report formed part of the record before the NCLAT.

34. Though we would have ordinarily restricted the scope of enquiry in this regard to documents prior to the date of admission of the company petition and which formed part of the record before the NCLT, we may note that the appellants secured an interim order from the NCLAT on 07.12.2023 by claiming that the construction was complete and that the units were ready to occupy. This interim order continued to operate for

nearly two years thereafter. It was during the pendency of the proceedings that the NCLAT undertook the exercise of verifying this claim of the appellants and appointed an Observer to visit the premises and submit a report as to the situation actually obtaining. It was pursuant thereto that the Observer's Report dated 15.05.2025 came to be filed before the NCLAT leading to the dismissal of the appeals on 29.10.2025. We are, therefore, of the opinion that this report also warrants examination.

35. In his report dated 15.05.2025, the Observer stated that he had visited the subject premises on 10.05.2025, accompanied by the representatives of the suspended management of the corporate debtors, the financial creditors and the UPSIDA. With regard to the units on the 9th, 10th, 11th, 12th and 14th floors, the Observer noted that only 1 out of the 6 lifts in the office building/commercial tower was working but that lift also had accessibility only till the 9th floor. On that floor, the Observer found that no units had been constructed and was told by the representative of the suspended management that no units had been constructed on the 9th floor and above till the terrace, i.e., the 15th floor. As regards the units on the 3rd, 4th, 5th, 6th, 7th and 8th floors, the Observer noted that upon reaching the 8th floor, he found that the said floor was partly constructed but lacked basic amenities such as bathrooms, lighting, air-conditioning, etc. No fire safety equipment was installed on

the said floor. Similar was the situation with the 5th, 6th and 7th floors. On the 4th floor, the Observer found that the unit walls were made of gypsum-like material and not brick. Again, basic amenities were missing and the Observer opined that it would not be possible to hand over immediate possession to the allotees of the units on this floor. The units on the 3rd floor were also found to be in the same condition, as some units did not have partitions between them and a lot of construction material was stored in one unit. He concluded that, at present, the commercial tower/office building integrated with the mall was only partially built and lacked basic amenities. He further stated that the units situated on all the floors required substantial amount of work to be done before giving possession to the allotees in a fit and proper state. The pictures appended to the Observer's Report in relation to the 3rd floor show that there is no possibility of actual physical possession being delivered of any unit on that floor to the allotees.

36. Viewed thus in totality, the contention of the appellants that the construction was completed in all respects and possession was delivered to some of the petitioning allottees is found to be without merit and factual foundation. Notwithstanding the letters and documents sought to be relied upon in that regard, the ground reality is otherwise. Neither has the construction been completed nor could possession of

units be delivered to the allottees without fulfilling all necessary formalities in that regard after completion of the building in all respects.

37. On the above analysis, we hold that the company petition instituted under Section 7 of the Code against both the corporate debtors by the allottees of 103 units was maintainable on all counts. The petitioning allottees duly established their financial debt and also the default in connection therewith, inasmuch as the units for which they had paid valuable consideration were not made ready and delivered to them till date. We, accordingly, find no error having been committed either by the NCLT in admitting the company petition or by the NCLAT in confirming the same in appeal. Hence, Civil Appeal Nos. 13779 and 13812 of 2025 are bereft of merit and deserve to be dismissed.

38. Insofar as Civil Appeal No. 13628 of 2025 is concerned, the offer made by Satinder Singh Bhasin, the appellant therein, to deposit a sum of ₹15.62 crores was based on the premise that the said amount would suffice to settle the claims of the 55 alleged allottees who, according to him, still remained in the fray after settlement of the claims of the other petitioning allottees in the company petition. In the light of what has been stated by the NCLT and the NCLAT and what we have recorded hereinabove, this premise is itself found to be without basis. Therefore, the order passed by the NCLAT rejecting the offer made by Satinder Singh Bhasin, *vide* the order dated 07.10.2025, does not warrant

interference either on facts or in law. This appeal is equally devoid of merit.

All the three appeals are, accordingly, dismissed.

Pending applications shall also stand dismissed.

....., J.
SANJAY KUMAR

....., J.
K. VINOD CHANDRAN

February 2, 2026
New Delhi.