

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.02

I.A (Plan) 03/24, 502 & 535/26

C.P (IB) No.113/BB/2022

IN THE MATTER OF:

Apartment Buyers Consumer Association ... Petitioner
Vs
M/s Dreamz Infra India Limited ... Respondent

Petition under Section 7 of I & B Code, 2016

Order delivered on: 25.06.2026

CORAM:

**SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)**

COUNSELS PRESENT:

For the RP : Ms Chithra Nirmala
For the R2 in IA.502/2026 : Shri Theerthesh B.S
For the Applicant in IA.502/2026 : Shri Anupam Aggarwal

ORDER

1. Heard Ld. Counsels for the parties.
2. **I.A (PLAN) No.03/2024:** Plan submitted by Bharat Hi-Tech Builders Private Limited and Noida Holding Private Limited has **been approved vide separate order. I.A accordingly allowed.**
3. **I.A. No.502/2026:** Vide separate order, the application filed by the Suspended Director has been **dismissed with cost of Rs.5,00,000/- (Rupees Five Lakh only) to be deposited in CD account within two weeks.** The contention raised on behalf of the Suspended Director that her settlement proposal has not been placed before the CoC for its

consideration, as it was proposing to offer more value than SRA has been countered by the Ld. Counsel for the RP contending that the proposal had directly been made to Homebuyers who have appropriately considered it and conveyed their rejection to the Applicant. The RP and some of the Homebuyers, about five in No., present in the Court declined to reconsider the plan as her earlier two settlement proposals had not taken of. Reliance is placed on the judgement passed by *Hon'ble NCLAT, Principal Bench, New Delhi in Company Appeal (AT) (Insolvency) No.1803 of 2024 in the case of Pratham Expofab Private Limited vs. Mr. Anil Matta, Resolution Professional where it was held that settlement proposal by Ex-Promoter of CD, after the approval of resolution Plan by the CoC, cannot be entertained.*

In view of the above plea on behalf of the Applicant is repelled.

4. **I.A No.535/2026:** Ld. Counsel for the Respondent/Suspended Director confirms having received the copy of the complete application. Let reply thereto be filed in three weeks with copy to the RP who shall file rejoinder in another three weeks.
5. List the case on **12.08.2026.**

-Sd-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

-Sd-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

I.A. No. 502/2026

in

C.P. (IB) No. 113/BB/2022

*(filed under Section 60 (5) of the Insolvency & Bankruptcy Code, 2016
Read with Rule 11 of the National Company Law Tribunal Rules, 2016)*

IN THE MATTER OF:

Ms. Disha Choudhary

Suspended Director of

Dreamz Infra (India) Limited

R/o 2C-74, Windermere CHS Ltd,

Oshiwara Meera Tower, Andheri (West),

Azad Nagar, Mumbai, Maharashtra – 400053

...Applicant

Versus

Ms. Ramanathan Bhuvaneshwari

Resolution Professional for

Dreamz Infra India Limited (Samhita Project),

Having registered address at C-006,

Pioneer Paradise, 24thMain Road,

7th Phase, JP Nagar, Bangalore – 560078

..... Respondent No.1

Apartment Buyer's Consumer Association

No.31, II Main, Gururaja Layout,

Behind Vidyapeeta Temple,

Thyagarajanagar, Bengaluru – 560028

..... Respondent No.2

IN THE MAIN MATTER OF:

Apartment Buyer's Consumer Association

No.31, II Main, Gururaja Layout,

Behind Vidyapeeta Temple,

Thyagarajanagar, Bengaluru – 560028

.....Petitioners/ Financial Creditor

Versus

Dreamz Infra India Limited (Samhita Project)

577 /B, 2nd Floor, Outer Ring Road, Teachers

Colony, Konnangala, Bangalore –560034

... Respondent/ Corporate Debtor

I.A. No. 502/2026

in

C.P. (IB) No. 113/BB/2022

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Order delivered on: 25.06.2026

Coram: Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

Parties/Counsels Present:

For the Applicant : Shri Anupam Agarwal
For the Respondent No.1 : Mrs. Chithra Nirmala
For the Respondent No.2 : Shri Srihari N.S

ORDER

1. The present Application has been filed on 29.05.2026 by Ms. Disha Choudhary (“Applicant/Suspended Director of Corporate Debtor”) under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “IBC/Code”) read with Rule 11 of the NCLT Rules, 2016 against the Respondents for following reliefs

- a. *Recall and set aside the Order dated 24.08.2023 passed in CP (IB) No.113/BB/2022 initiating CIRP against Dreamz Samhita Project;*
- b. *Recall and set aside: all consequential proceedings arising pursuant thereto, including constitution of the Committee of Creditors, conduct of CIRP proceedings, and IA (Plan) No.03/2024;*
- c. *Hold that initiation and continuation of CIRP against Dreamz Samhita Project were contrary to and in violation of the operative Stay Order dated 07.11.2022 passed by the Hon'ble High Court of Karnataka in W.A. No.1343/2021;*
- d. *Hold that the Respondents suppressed material jurisdictional facts concerning the applicability and legal effect of the Order dated 07.11.2022 passed in W.A. No.1343/2021*
- e. *Hold that the admission and interpretation made by the common Resolution Professional before the Learned CCH-92 Court in proceedings relating to Dreamz Sneh Project, regarding applicability of the Order dated 07.11.2022 to all projects except Dreamz Sumadhur Project, equally applies to Dreamz Samhita Project;*
- f. *Pending disposal of the present Application, stay all further proceedings in IA (Plan) No.03/2024 and restrain the Respondent/Resolution Professional from taking any further steps pursuant to the CIRP initiated vide Order dated 24.08.2023;*
- g. *Pass such other or further order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case, in the interest of justice and equity*

2. The facts of the case as narrated in the application are reproduced hereinbelow:
- a) The Applicant is the Suspended Managing Director of the Corporate Debtor, M/s Dreamz Infra India Ltd., which had entered into real estate sector in March 2011 and gained prominence by offering affordable apartments in Bengaluru with amenities like swimming pools and gyms, aiming to make homeownership accessible. During this time the Corporate Debtor had achieved market success across diverse projects, encompassing economically affordable, luxury, and semi-luxury apartments thereby establishing a strong reputation for value-driven real estate development and the Corporate Debtor had floated many housing projects, approximately around 94 projects, some of them which could not be completed and still pending construction are Dreamz Sumadhur, Dreamz Samhita, Dreamz Sneh, Dreamz Om, Dreamz Namah etc.
 - b) In December 2016, Bengaluru Police arrived at the Applicant's Mumbai residence, alleging numerous complaints for dishonour of cheques issued on behalf of the Corporate Debtor; the Applicant was completely taken aback, learning only then of a massive fraud perpetrated by her husband using her name in connivance with the former Chartered Accountant and upon visiting the Bengaluru Police Station, she discovered that her husband, **Sachin Naik** in connivance with the Corporate Debtor's former Chartered Accountant, had forged her signatures on multiple documents, including before various authorities, to misuse funds and siphon off monies through several bank accounts operated in her name. Such transactions involved forged signatures due to which the Applicant had endured a considerable period of jail time for these fraudulent deeds committed by her husband in collusion with other employees of the Corporate Debtor. She thus underwent personal hardships and all the projects including the Samhita Project of the Corporate Debtor came to a halt and the Key managerial persons of the Corporate Debtor absconded and the registered office of the Company had to be locked with the Home buyers of various projects of the Corporate Debtor filing Police Complaints. The Applicant suffered significant emotional, medical, and physical turmoil,

requiring substantial time to comprehend the legal processes and regain control over the state of affairs.

- c) Meanwhile, the home buyers of Dreamz Sumadhur Project initiated the Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor before this Authority bearing number **CP(IB) No.84/BB/2019** and the same was admitted by way of order dated 20.08.2019. However vide order dated 04.09.2020 the said CIRP was limited only to the Dreamz Sumadhur Project due to which M/s Apartment Buyer’s Consumer Association, formed for the welfare of the homebuyers of the Dreamz Samhitha Project had filed the present C.P (IB) 113/BB/2022 seeking to initiate CIRP against the Dreamz Samhitha Project of the Corporate Debtor. Vide Order dated 24.08.2023 the Dreamz Samhitha Project of the Corporate Debtor was also admitted into CIRP and the Respondent was appointed its Interim Resolution Professional who was subsequently confirmed as the Resolution Professional.
- d) It took the Applicant considerable time to engage a Lawyer in Bengaluru as all her properties and offices here had been seized and attached by the Competent Authority under KPIDFE, Bengaluru and the accounts of Corporate Debtor and the Applicant were also seized and frozen.
- e) Meanwhile, Respondent No.1 keeping in mind the timelines prescribed under the Code had started its discussions with Committee of Creditors from the 1st meeting regarding the resolution of the Corporate Debtor and in its 4th meeting the resolution plans submitted by four Prospective Resolution Applicants, namely Consortium of M/s Noida Holdings Private Limited & Bharat Hitech Builders Private Limited, H. K Kumaraswamy, Nir Nidhi Vyapaar Private Limited and Vijay Oswal were discussed and deliberated in detail and the Resolution Plan submitted by Consortium of M/s Noida Holdings Private Limited & Bharat Hitech Builders Private Limited was approved with the voting of 83.05% by the Committee of Creditors in its 5th meeting held on 14.02.2024. Subsequently, the Respondent RP filed the IA (Plan) 3/2024 on 18.02.2024 under Section 30(6) of the Code seeking approval of this Authority

for the Resolution Plan submitted by the SRA i.e. Consortium of M/s Noida Holdings Private Limited & Bharat Hitech Builders Private Limited

- f) Applicant is the Suspended Director of Dreamz Infra India Limited in respect of the Dreamz Samhita Project and is directly affected by the Corporate Insolvency Resolution Process initiated against the said project pursuant to the Order dated 24.08.2023 passed in CP (IB) No.113/BB/2022. The present Application is not a challenge to the commercial wisdom of the Committee of Creditors but is a jurisdictional challenge seeking recall of proceedings which, according to the Applicant, was initiated and continued in violation of a subsisting order passed by the Hon'ble High Court of Karnataka.
- g) The Applicant submits that the proceedings concerning Dreamz Infra India Limited were the subject matter of litigation before the Hon'ble High Court of Karnataka in W.P. No.13477/2020. By an Order dated 24.05.2021, Hon'ble Single Judge of the High Court is stated to have set aside the proceedings initiated by the Competent Authority in Misc. No.02/2020 relating to KPIDFE proceedings, thereby permitting continuation of insolvency proceedings against the Corporate Debtor.
- h) The said Order dated 24.05.2021 was challenged before the Hon'ble Division Bench of Hon'ble High Court of Karnataka in W.A. No.1343/2021 wherein by an Order dated 07.11.2022, the Hon'ble Court had stayed the operation of the Order dated 24.05.2021 while specifically excluding only Dreamz Sumadhur Project from the scope of the stay. According to the Applicant, all other projects of Dreamz Infra India Limited, including Dreamz Samhita Project, continued to remain covered by the protection of the said stay order.
- i) The Applicant submits that notwithstanding the subsistence of the Order dated 07.11.2022 passed by the Hon'ble High Court of Karnataka, CIRP was initiated against Dreamz Samhita Project by this Authority vide Order dated 24.08.2023 in CP (IB) No.113/BB/2022. The Applicant contends that the initiation of CIRP and all consequential proceedings undertaken thereafter were contrary to the operative directions issued by the Hon'ble High Court of Karnataka.

- j) The Applicant further submits that the same Resolution Professional, namely Ms. Ramanathan Bhuvaneshwari, was also acting in proceedings relating to Dreamz Sneh Project before the Learned CCH-92 Court. According to the Applicant, in the said proceedings, the Resolution Professional had filed objections/affidavit on 28.06.2023 acknowledging that the Order dated 07.11.2022 passed in W.A. No.1343/2021 applied to all Dreamz projects except Dreamz Sumadhur Project.
- k) The Applicant contends that the Resolution Professional specifically admitted before the said forum that Dreamz Sumadhur Project had been excluded from the operation of the Hon'ble High Court order because CIRP had already been initiated in respect of that project and that exclusion from the High Court proceedings was being sought in relation to the project under consideration therein. According to the Applicant, the said admission demonstrates that the Resolution Professional had herself understood and interpreted the Order dated 07.11.2022 as applicable to all other Dreamz projects, including Dreamz Samhita Project.
- l) The Applicant submits that no exclusion, clarification, modification, or liberty was ever obtained from the Hon'ble High Court of Karnataka in respect of Dreamz Samhita Project before initiation of CIRP. It is contended that in the absence of such exclusion or clarification, the CIRP proceedings initiated against Dreamz Samhita Project could not have been lawfully commenced or continued.
- m) The Applicant further submits that despite having full knowledge of the legal effect of the Order dated 07.11.2022 and despite adopting a particular interpretation of the said order before another judicial forum, the Respondents failed to disclose the true legal effect of the said order before this Adjudicating Authority while pursuing CIRP proceedings against Dreamz Samhita Project. According to the Applicant, such non-disclosure amounts to suppression of material jurisdictional facts.
- n) The Applicant submits that the proceedings initiated and continued in violation of a binding order passed by a superior court, are without jurisdiction, coram

non judice and void ab initio. It is contended that a subordinate forum could not have ignored, diluted, or proceeded contrary to an operative order passed by the Hon'ble High Court unless the same was clarified, modified, or vacated by the court which had passed the order.

- o) The Applicant further submits that suppression of material facts affecting jurisdiction vitiates judicial proceedings and that the alleged defect in the present case goes to the root of the matter. Hence, every consequential step undertaken pursuant to the Order dated 24.08.2023, including constitution of the Committee of Creditors, conduct of CIRP proceedings, consideration of the Resolution Plan and pendency of IA (Plan) No.03/2024, stand vitiated.
 - p) The Applicant also contends that the admission made by the common Resolution Professional before the Learned CCH-92 Court constitutes a substantive admission against interest and represents the best contemporaneous interpretation of the Order dated 07.11.2022 by the very professional administering project-specific CIRP proceedings. She cannot be permitted to take inconsistent stands before different judicial forums.
 - q) The Applicant claims to have become aware of the pleadings and admissions made before the Learned CCH-92 Court only subsequently and thereafter collected the relevant documents, including the objections filed by the Resolution Professional, the recall application filed before the said Court and the Order dated 12.03.2026 passed by this Authority in IA No.925/2024.
 - r) In view of the aforesaid circumstances, the present Application has been filed under Section 60(5) of the Code read with Rule 11 of the NCLT Rules, 2016 seeking recall of the Order dated 24.08.2023 passed in this petition and all consequential proceedings arising therefrom, including reject IA (Plan) No.03/2024 seeking approval of the Resolution Plan in the interest of justice.
3. The Respondents have not filed any formal objections to this application but during the hearing strongly objected to it stating that the Applicant is reagitating the same issue which has already undergone one round of the litigation before this Authority by the erstwhile RP of the Dreamz Sumadhur Project of the Corporate Debtor by

Shri Ashok Kriplani in IA 397/2024, M/s Dreamz GK Investors Welfare Association in IA 543/2024 and the applicant herself in IA 925/2024. Further, the applicant, said erstwhile RP and Dreamz GK Investors Welfare Association have filed numerous Writ Petitions, miscellaneous applications and other cases before different forums i.e. Hon'ble High Court of Karnataka, KPID Special Court and appeals against CIRP admission orders and other orders passed by this Authority before Hon'ble NCLAT in this petition as well as other petitions concerning the same Corporate Debtor in CP IB 83/BB/2021 and CP IB 84/2019. Moreover, proceedings against the applicant are also being undertaken by the **Enforcement Directorate**. The Respondents also stated that the stay operating in WA No.1343/2021 (connected with WA No.207/2022) is against the order dated 24.05.2021 in WP 13477/2020 passed by Hon'ble Single Judge of the High Court and in no manner affects the order dated 24.08.2023 admitting the Dreamz Samhita Project of the Corporate Debtor to CIRP.

4. The Respondents further submit that the Applicant has filed the instant Application at a highly belated stage, and this is merely a subterfuge and another futile attempt to prevent the timely and successful resolution of the Corporate Debtor and if this application were allowed, CIRP will never culminate into a successful process and the Corporate Debtor will get stuck in the cycle for perpetuity and suffer potential erosion of value diagonally opposite to the spirit of IBC, at the behest of parties such as the promoter who was herself responsible for bringing the Corporate Debtor to the doors of insolvency.
5. The Respondents, therefore, submitted that the Applicant has approached this Authority with unclean hands and distorted facts; she is the sole cause of the Samhita Project's failure, having failed to satisfy liabilities, complete the project, and hand over apartments to home buyers despite receiving substantial payments and has made repeated attempts since 2023 to derail the successful resolution of the Corporate Debtor with the sole intention to harass the innocent home buyers, derailing the resolution of Dreamz Samhita Project. The application otherwise is not maintainable either on facts or on law and is liable to be dismissed in limine.
6. We have heard the submissions on behalf of the Applicant, the Respondents and perused the material on record

7. While the Applicant claims to have right of being heard in the background of window provided in *Vijay Kumar Jain V. Standard Chartered Bank & Ors., (2019) 20 SCC 455* holding that *the suspended board of directors play a vital role in the insolvency process of the Corporate Debtor and thus, have a right of audience*, the Respondents expressed reservation thereto in the hindsight of order dt.10.01.2023 in *Ramesh Kesavan vs. CA Jasin George, Company Appeal (AT)(CH) Ins No. 422/2023* and *Ravi Shankar Vedam vs. Tiffins Bartyes Abestos and Paints Limited and Others, 2023 SCC Online NCLAT 274* to reiterate the extant principle of law that ex-promoters/shareholders have no locus standi to challenge the resolution plan which is already approved by CoC. The matter of *Ravi Shankar Vedam* had been taken to the Hon'ble Supreme Court in *C.A.No.5516/2023*, which was dismissed.
8. The law regarding locus of the suspended director in challenging the Resolution Plan has been elucidated by the decision of the Hon'ble Supreme Court in *Kalyani Transco v. Bhushan Power and Steel Ltd. and Ors (2025) ibclaw.in 388 SC* wherein at Para 63 of judgement dated 26.09.2025 it has been stated that
- “63..... since the Resolution Plan also affects the rights of the guarantors, we find that the SRA – JSW and the CoC are not right in submitting that the appeals at the instance of the appellants would not be maintainable. In any case, rather than non-suiting the appellants on the ground of locus, we propose to decide the appeals on merits after considering the submissions made on behalf of all the parties. However, while doing so, it will also be apposite to consider the conduct of the erstwhile promoters during the CIRP.*
- Further, at Para 66 of the same judgement it was observed that
- 66. It can thus clearly be seen that the entire attempt of the appellants has been to thwart the CIRP and to not permit the same to be taken to a logical end. Having observed the conduct of the Appellants, we shall now proceed to deal with their contentions on merit.*
9. In that context, while examining the conduct of the Applicant during CIRP, it will not be out of place to mention here that the Applicant has repeatedly been found to have been placing hindrance in the smooth progress of the CIRP. She had filed appeals/applications before the Hon'ble NCLAT and Hon'ble Supreme Court. Her conduct during and prior to CIRP is telling and undermines her claims. Despite her narrative of fraud victimization, her undertaking dated 12.03.2017 before the

Hon'ble Chief Minister of Karnataka binds her to project completion and liabilities; the ED press release implicates systemic siphoning under her directorship; project halts in November 2015, absconding KMPs, and locked offices (leading to police complaints) point to managerial lapses attributable to the suspended board.

10. . As observed in *Kalyani Transco (supra)*, such persistent thwarting of CIRP, including unsubstantiated fraud pleas without disowning board liabilities, erodes credibility and justifies dismissal. The unclean hands doctrine applies squarely, rendering the Application an abuse of process. Further, the Applicant was prompt in challenging the admission order dated 24.08.2023 before Hon'ble NCLAT in **Company Appeal (AT) (CH) (Ins) No.27/2024 which was dismissed vide order dated 05.03.2024** which makes it clear that the Applicant's only goal is to obstruct, stall, frustrate the CIRP proceedings and exhaust the homebuyers, who are the real victims, by preventing or at least substantially delaying the Resolution of Samhita Project of the Corporate Debtor.
11. This application though filed to bring on record the purported stay of the CIRP of Dreamz Samhita project by the Hon'ble High Court of Karnataka yet filed with a malafide intention to object the Resolution Plan and the CIRP and looking into her obstructionist conduct, applying the ratio in *Kalyani Transco (supra)*, the Application can be straightaway dismissed in limine, yet we proceed to consider her contentions on merits.
12. The primary grievance of the Applicant is that the order dated 24.08.2023 admitting the Corporate Debtor's Dreamz Samhita Project into CIRP is contrary to the interim order dated 07.11.2022 passed by the Hon'ble High Court of Karnataka in WA No.1343/2021 (connected with WA No.207/2022) and without jurisdiction as the Hon'ble High Court had stayed the proceedings whereas the Respondent/Resolution Professional has argued that the stay operating in WA No.1343/2021 (connected with WA No.207/2022) is against the order dated 24.05.2021 in WP 13477/2020 passed by Hon'ble Single Judge of the High Court and in no manner affects the order dated 24.08.2023 admitting the Dreamz Samhita Project of the Corporate Debtor to CIRP. In view of the contrary

assertions of both the parties it is necessary to refer to the relevant portion of Judgement dated 24.05.2021 in *M/s Dreams Infra India Pvt. Ltd Vs. The Competent Authority Dreamz Infra India Pvt. Ltd., and other Allied Companies/Entities WP 13477/2020* passed by Hon'ble Single Judge of the High Court:

22. *It is also important to note that the Apex Court in Innoventive Industries Limited's case had discussed with regard to the repugnancy of State law and in Anand Rao Korada, Resolution Professional's case, the Apex Court discussed with regard to Sections 14 and Section 238 of the Code in respect of the moratorium which has got overriding effect over other laws and so also in Alchemist Asset Reconstruction Company Limited's case, the Apex Court held that the IBC prevails over the State enactment. In the case on hand, already the matter has been seized before the NCLT before initiating the present proceedings. The Apex Court recently in J. Manivannan's case held that there cannot be any other civil proceedings when the matter has been ceased and already some homebuyers have approached the NCLT and so also the Resolution Professional was also appointed. Under the circumstances, I am of the opinion that there is a force in the contention of the petitioner's counsel that the provisions of the IBC is having overriding effect over other laws and the same would prevail in view of Section 238 of the Code. Hence, the petitioner has made out grounds to quash the proceedings initiated against the petitioner under Section 7(1) of the Act, 2004.*

23. *In view of the discussion made above, I pass the following: -*

ORDER

- (i) *The writ petition is hereby allowed.*
- (ii) *(ii) The proceedings initiated against the petitioner herein in Miscellaneous No.2/2020 are hereby quashed.*
- (iii) *The other reliefs sought to hand over the properties to Sri. Ashok Kriplani Resolution Professional does not arise as he has already been replaced by the NCLT vide its order dated 17.12.2019.*
- (iv) *The petitioner can seek appropriate order/orders from the NCLT where the matter is still pending.*
- (v) *The respondent can also proceed in accordance with law after the disposal of the matter pending before NCLT, if need arises.*

13. The Division Bench of Hon'ble High Court of Karnataka in WA No.1343/2021

(connected with WA No.207/2022) has passed the following order on 07.11.2022:

WP NO. 7500/2020 Connected Cases: WA NO. 1343/2021, WA NO. 207/2022

Party-in-person in WP.No.7500/2020 is present before this Court

ORDER IN WA.Nos.1343/2021 & 207/2022

Heard learned Additional Government Advocate for appellant-competent authority.

Learned Government Advocate invited our attention to certain grounds raised in appeal memo particularly, paras-20, 21 and 22. He has also invited our attention to order passed by the National Company Law Tribunal (for short 'NCLT'), Bengaluru Bench dated 04.09.2022 placed on record at page 194 on interim applications. Vide order dated 04.09.2020, learned Member of NCLT dismissed the applications, but permitted the applicant to take appropriate action in accordance with extant provisions of Code and the Rules made thereunder and complete CIRP in respect of

I.A. No. 502/2026 in C.P. (IB) No. 113/BB/2022

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Corporate Debtor with reference to Dreamz Sumadhur Project. It seems that though oral submissions were advanced before the learned Single Judge, the competent authority had not filed any statement of objections or reply affidavit before the learned Single Judge. As the writ appeals are tagged along with the Public Interest Litigation in WP. No. 7500/2020 and considering the orders of this Court in PIL dated 08.12.2020 as well as 31.03.2021, we deem it appropriate to grant stay to the order of the learned Single Judge dated 24.05.2021 except the project namely, Dreamz Sumadhur Project.

The matters be listed before this Court after three weeks.

The competent authority to submit a status report on the next day in respect of steps being taken by them.

14. Thus, a bare perusal of the judgements makes it evident that the interim stay granted by the Division Bench of the Hon'ble High Court of Karnataka on 07.11.2022 in WA No.1343/2021 (connected with WA No.207/2022) was limited to the operation of the order passed in WP No.13477/2020, which essentially dealt with the quashing of certain KPID proceedings and the larger question of interplay between the KPID Act, 2004 and the IBC, 2016 and no specific stay was granted against the CIRP proceedings concerning the Samhita Project and only in this background this project was admitted into CIRP on 24.08.2023.

15. Thereafter, **M/s Dreamz GK Investors Welfare Association** through its President Mr. Jawahar Singh, had filed Writ Petition No. 18811 of 2023 (GM-RES) before the Hon'ble High Court of Karnataka for transfer all the cases District/State Forum, NCLT, CCH-90 and City Civil Court pending against Dreamz Infra India Ltd., to the Hon'ble KPID Special Court, Bengaluru for repayment to all the depositors through a single window under KPID Act 2004 and to set aside the order dated 15/02/2023 passed by this Authority in C.P.(IB) no.83/BB/2021 admitting the Dreamz Sneh Project into CIRP amongst others. The said petition was rejected *in limine* by the Hon'ble High Court vide its Judgement dated 11.09.2023 in **Jawahar Singh vs State of Karnataka & Ors** of which relevant portion is reproduced below:

“3. We have heard the petitioner party-in-person and we have perused the petition papers. At the outset, this petition is liable to be rejected because admittedly the petitioner party-in-person happens to be one of the investors in the company in question. A petition brought with the personal interest cannot be treated as espousing the interest of the public at large. Secondly, there are no pleadings nor submissions in the course of hearing that would justify the espousal of interest of others who are not parties before the court. It is not that those who have been fighting the individual legal

battles are not capable of doing it effectively. It is also not the case of the petitioner that those who have not taken up the proceedings are hapless persons.

4. The text of the petition in general and that in particular point out the pendency of proceedings taken up by several persons individually before the Commercial Courts, National Company Law Tribunal, Consumer Dispute Redressal Forums, KPID Special Court, PLMA Court, etc., None of the parties to these litigations have been arrayed as respondents to this PIL nor any explanation is offered for not arraying them. Any order we are going to pass in favour of the petitioner would prejudice the interest of others. A writ court cannot afford to do it.

5. When the litigants have chosen their Forum created under the statutes like the Commercial Courts Act, 2015, the Consumer Protection Act, 1986, the Prevention of Money Laundering Act, 2002 and Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004, it is not permissible to this court to push them all to the KPID Special Court, forcibly. The right of dominant litis would be affected if the prayers in the petition are granted. Added, the petition suffers from non-joinder of necessary parties and mis-joinder of plural causes of action that can otherwise be agitated elsewhere in independent proceedings in accordance with law.

[Emphasis Supplied]

In the above circumstances, this petition being thoroughly misconceived is liable to be and accordingly rejected in limine. This order shall not come in the way of petitioner taking up appropriate proceedings before the competent authority in accordance with law.

16. Thus, a careful reading of the afore-mentioned judgements placed on record in IA 543/2024 reveal that the interim stay granted by the Hon'ble Division Bench was confined to the operation of the order passed in WP No.13477/2020, which primarily dealt with the quashing of certain proceedings initiated under the KPID Act, 2004 and the larger issue of interplay/conflict between the KPID Act and the IBC. There is neither any explicit nor implied stay against the CIRP of the Samhita Project. This position is further fortified by the order of the Hon'ble High Court in WP No.18811/2023, wherein it was categorically clarified that homebuyers and other stakeholders have the liberty to choose their forum under different statutes, which would invariably include the proceedings initiated under the Code.

17. It is pertinent to note that Project-wise insolvency resolution in real estate cases involving multiple projects of the same corporate debtor is a well-accepted and recognised principle under the IBC to protect the interests of homebuyers of a particular project. After a detailed order dated 04.09.2020 in CP (IB) No.84/BB/2019 on this line confining the said CIRP only to the Dreamz Sumadhur Project, the CP (IB) No.113/BB/2022 came to be separately initiated

by the homebuyers of the Samhita Project and pertains exclusively to the said project.

18. Moreover, if the Applicant genuinely believed that an effective and subsisting stay under WA No.1343/2021 barred the CIRP proceedings, it would have undoubtedly pleaded and appropriately agitated this issue before the Hon'ble High Court and the Hon'ble NCLAT in **Company Appeal (AT) (CH) (Ins) No.27/2024**. Her conspicuous silence then and strategic filing of this application at this time by keeping assertions for delay completely vague, speaks volumes not only of her intentions but also that she herself was not convinced about the stay operating against the CIRP of the Samhita Project. The Applicant has otherwise also completely failed to produce any material or cogent evidence to establish that the said interim stay operates as a prohibition or embargo against the initiation or continuation of CIRP proceedings specifically in respect of the Dreamz Samhita Project.
19. The Judgements in *Swiss Ribbons Private Limited and Another V Union of India* and *K. Shashidhar V Indian Overseas Bank and Others* have established the finality and non-justiciability of the decisions of the Committee of Creditors as regard commercial feasibility and viability of a resolution plan and the applicant cannot raise flimsy reasons to dismiss a Resolution Plan approved by the Committee of Creditors, and cannot seek to dismiss the Application for approval of the resolution plan in I.A (Plan) No. 03/2024.
20. It is also important to note that a Resolution Plan submitted by the Consortium of M/s Noida Holdings Private Limited & Bharat Hitech Builders Private Limited has been approved by the Committee of Creditors with a significant majority of **83.05%** and is pending approval before this Authority for quite some time. At this advanced stage of the process, any interference on the basis of the present application would not only cause irreparable prejudice and hardship to hundreds of genuine homebuyers of the Samhita Project who have been waiting for resolution for several years, but also defeat the very object and purpose of the IBC, 2016 i.e., **time-bound resolution and maximisation of value of assets**.

21. In conclusion, the Application is found to be yet another attempt of the suspended director of Corporate Debtor to put spoke in the resolution endeavour of the subject project to the satisfaction of homebuyers, who are the main stakeholders, trying to salvage the project from doom, the state in which the concerned persons at its helm including the Applicant had left it more than a decade ago. The Application thus is **dismissed with a cost of Rs. 5,00,000/- (Rupees Five Lakh Only) which the Applicant is enjoined to deposit in CD account within two weeks and file receipt.**

-Sd-

**(RADHAKRISHNA SREEPADA)
MEMBER (TECHNICAL)**

-Sd-

**(SUNIL KUMAR AGGARWAL)
MEMBER (JUDICIAL)**