

IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



**Alpha Corp Development Private Limited
Vs.**

Greater Noida Industrial Development Authority (GNIDA) and others

Brief Facts

The dispute arose from the corporate insolvency resolution process (CIRP) initiated against Earth Infrastructures Limited (EIL), which had undertaken multiple real estate projects on lands leased by the Greater Noida Industrial Development Authority (GNIDA) through its subsidiaries. Resolution plans submitted by Roma Unicon Designex Consortium and Alpha Corp Development Pvt. Ltd. were approved by the Committee of Creditors (CoC) and later by the National Company Law Tribunal (NCLT). GNIDA challenged these approvals before the National Company Law Appellate Tribunal (NCLAT), arguing that the leasehold lands belonged to subsidiaries and could not be transferred without its consent. The NCLAT set aside the NCLT's orders, holding that GNIDA was not bound by the resolution plans and directing recalculation of dues without penal interest. Multiple appeals followed, including by Alpha, Roma, GNIDA, and various homebuyer associations, leading to the matter being heard by the Supreme Court.

Decision

The Supreme Court examined whether assets of subsidiaries could be treated as those of the corporate debtor in CIRP, and whether resolution plans could mandate transfer of leasehold rights without GNIDA's approval. It upheld the principle that subsidiary assets are distinct and cannot be dealt with in the holding company's insolvency without the lessor's consent. The Court criticized GNIDA's inaction and delay in filing claims, noting its failure to monitor projects despite repeated defaults and complaints from homebuyers. While affirming that GNIDA's consent was essential for transfer of leasehold lands, the Court also recognized the rights of homebuyers and the need to protect their interests. It directed that fresh resolution plans be invited with GNIDA's participation, recalculation of dues excluding penal interest, and completion of stalled projects within a structured timeline, thereby balancing statutory authority with equitable relief for affected buyers.

Link of the Order

<https://ibbi.gov.in/uploads/order/0071c6eed9f705c27dbb60872012c993.pdf>



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