

Government of UP

Industrial Development Department; Section -4

No. 1877/77-4-26/103 Appeal/25

Lucknow: Dated 20.04.2026

M/s Le Garden Welfare Association Revisionist

Vs

Greater Noida Industrial Development Authority (GNIDA) Respondent

The instant Revision Petition has been filed on behalf of M/s Le Garden Welfare Association. challenging the cancellation order dated 20-05-2022 passed by the Respondent Authority on Plot No. GH-02, Sector-16, Greater Noida admeasuring 8178 sq.m.

Heard Mr. M.P. Sahay, advocate on behalf of the Revisionist and Mr. Saumya Srivastava, ACEO, GNIDA on behalf of Respondent Authority, both are present through VC.

The following issues arise for determination in the instant revision petition:

- a) Whether the Revisionist falls under the purview of aggrieved persons who can challenge the impugned order of cancellation dated 20-05-2022 of the Respondent Authority.
- b) Whether commencement of corporate insolvency resolution process admitted under Section 7 & moratorium imposed under Section 14 of the Insolvency and Bankruptcy Code (IBC), 2016 would have an overriding effect on the impugned order of cancellation of lease deed passed on 20-05-2022.

We now proceed to deal with the issues one by one –

A perusal of the impugned order makes it clear that the developer M/s Ajnara Realtek Ltd has failed to deposit the dues on account of land premium & additional compensation as governed by the conditions of the lease. He has further failed to complete the projects in the time frame as specified, the penal consequences of this default have been mentioned in the lease deed. Having been in flagrant breach of the lease conditions, the developer cannot escape its consequences as entered into the contract with the Respondent Authority. It is understood that the developer also filed a

revision against the said cancellation order in the Government & failed to obtain any relief from the Government and also from the High Court. Now the Revisionist claim that they also fall under the purview of aggrieved persons and as such they should now be heard under Section 41(3) of the UP Urban Planning & Development Act 1973 read with Uttar Pradesh Industrial Area Development Act, 1976. In my view, the Revisionist have no direct connection with the Respondent Authority in that their contract is with the developer and any remedy that they seek must be against the developer and not against the Respondent Authority. As such I find merit in the contention of the Respondent Authority that the Revisionist do not fall under the definition of the aggrieved person & therefore do not have the right to challenge the impugned order. I have also carefully perused the order of UPRERA cited by the Revisionist; the cited order is in respect of only Towers K, L, M, & N whereas the relief sought in the revision is with respect to tower P which has no reference in the cited RERA order. Therefore, this contention of the Revisionist that Para-6 the RERA order dated 30-06-2023 somehow confers upon them a right to challenge the impugned order does not stand to scrutiny.

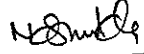
The next issue to be settled is whether the moratorium order passed by the NCLT on 15-04-2024 impacts the impugned cancellation order passed by the Respondent Authority dated 20-05-2022. The Development Authorities are classified under the IBC as secured operational creditors by virtue of Section 13(A) of UP Industrial Area Development Act, 1976, as held by the Hon'ble Supreme Court in Greater Noida Vs Prabhojot Singh Soni reported in (2024) 6 SCC 767. If the Authority have lawfully cancelled the lease deed due to the defaults before the admission of petition for insolvency, the corporate debtor's rights over the leased land are extinguished before the commencement of insolvency process. Since the lease hold land no longer belongs to the corporate debtor on the insolvency commencement date it cannot form a part of the insolvency estate without explicit approval on the part of leasing authority. In municipal corporation of Greater Mumbai Vs Abhilash Lal (2020) 13 SCC 234 the Supreme Court has clarified that IBC does not override the statutory powers of a local authority to control how its property is to be dealt with. Consequently, the Resolution Professional (RP) cannot include such property in a resolution plan without explicit consent of the authority. It is a well-settled principle that if a development authority cancels the lease deed on account of non-payment

of outstanding premium instalments prior to the date of admission of insolvency proceedings, the cancelled plot cannot form a part of the resolution plan (Lords Social Welfare Association Vs New Okhla Industrial Development Authority) (2025)255 COMP CAS 699. Since, in the instant case the Respondent Authority cancellation predates the moratorium order of NCLT the land in question cannot form a part of the Insolvency process based on the ratio of the orders cited above. Therefore, I do not find any merit in the contention raised by the Revisionist. The Respondent Authority is directed to implead itself in the cited NCLT Proceedings so that their interests/rights are protected in those proceedings. Based on the discussions above, the revision petition is devoid of merit and is accordingly dismissed.

Sd/-
(Alok Kumar)
Additional Chief Secretary

Letter No. 1877/77-4-25 /103 Appeal/25 Dated:as above

1. Chief Executive Officer, GNIDA
2. M/s Le Garden Welfare Association
3. Director I.T. Invest U.P. – to upload it on the department's website.
4. Guard File

By Order

(Nirmesh Kumar Shukla)
Joint Secretary

