

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.09  
IA (Plan) 09/2024 in  
C.P. (IB) No. 87/BB/2021**

**IN THE MATTER OF:**

Mr. Aravindan Devarajan & Ors. ... Petitioners

Vs.

M/s. Lalith Gangadhar Constructions Pvt. Ltd. .... Respondent

**Petition under Section 7 of I & B Code, 2016**

**Order delivered on: 20.11.2025**

**CORAM:**

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

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

**COUNSELS PRESENT:**

For the RP : Shri Vishwajith A.S  
For Homebuyers of LGCL : Shri Tushar Tyagi

**ORDER**

IA (Plan) 09/2024 is **allowed** vide separate order.

For submission of implementation report, **list the case on 19.01.2026.**

- Sd/-  
**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

-Sd/-  
**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

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

**I.A. (PLAN) NO. 09/2024**

**IN**

**C.P. (IB) NO. 87/BB/2021**

*(filed under Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with  
Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons)  
Regulations, 2016)*

**IN THE MATTER OF:**

**LALITH GANGADHAR CONSTRUCTIONS PRIVATE LIMITED**

*Represented by its Resolution Professional,*

**Mr. Ratnakar Shetty**

Address: Skyline Towers, 16, III Floor,  
Malleshwaram, Bangalore 560003

.... Resolution Professional/Applicant

**IN THE MATTER OF:**

**Mr. Aravindan Devarajan and Others,**

.... Financial Creditors

*Versus*

**LALITH GANGADHAR CONSTRUCTIONS PRIVATE LIMITED,**

Regd. Office: No. 12/1, Rest House Road,  
Bangalore - 560025

.... Corporate Debtor

**Order delivered on: 20.11.2025**

**Coram:**

1. Hon'ble Shri Sunil Kumar Aggarwal, Member (Judicial)
2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

**ORDER**

1. This Application is filed by Mr. Ratnakar Shetty (hereinafter referred to as 'Applicant/Resolution Professional') under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 and Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 seeking approval of the Resolution Plan dated 01.08.2024 submitted by Kumar Properties Private Limited (hereinafter referred to as 'Successful Resolution Applicant/SRA'), approved by the CoC in its 15th

meeting, held on 30.07.2024 where voting lines closed on 07.08.2024, with 100% voting share.

2. The corporate insolvency resolution process (CIRP) for Lalith Gangadhar Constructions Private Limited was initiated on an application filed by the financial creditor for a default amount of INR 7,48,37,351/-. The application under Section 7 of the Insolvency and Bankruptcy Code(IBC), 2016, was admitted by the NCLT on 26.04.2022, marking the commencement date of CIRP. Mr. Ratnakar Shetty was appointed as the Interim Resolution Professional (IRP) upon admission of the petition and was subsequently confirmed as the Resolution Professional (RP) by the Committee of Creditors(CoC). This process also triggered the imposition of a moratorium under Section 14 of the Code and public announcement inviting claims from creditors as per regulatory compliance.

### 3. ABOUT THE CORPORATE DEBTOR

The Corporate Debtor Lalith Gangadhar Constructions Private Limited, was admitted into CIRP vide order dated 26.04.2022 in CP (IB) No. 87/BB/2021, wherein Mr. Ratnakar Shetty was appointed as the IRP.

The key dates and events during the CIRP period are tabulated as hereunder:

| S. No. | Date                      | Particulars   |
|--------|---------------------------|---|
| 1.     | 26.04.2022                | Date of Initiation of CIRP (Order admitting the petition)                   |
| 2.     | 28.04.2022                | Date of Publication of Public Announcement (Form A)                         |
| 3.     | 10.05.2022                | Last Date for Submission of Claims  |
| 4.     | 24.05.2022                | Date of Constitution of Committee of Creditors (CoC)                        |
| 5.     | 31.05.2022                | <i>1st CoC Meeting</i>  |
| 6.     | 07.10.2022                | <i>Date of Appointment of Resolution Professional (RP approved by NCLT)</i> |
| 7.     | 13.07.2022-<br>15.07.2022 | Appointment of Registered Valuers   |
| 8.     | 14.07.2022                | Publication of 1st Form G (Invitation for Expression of Interest)           |
| 9.     | 22.09.2022                | <i>Publication of 2nd Form G for EOI</i>                                    |
| 10.    | 23.08.2022                | Receipt of Expressions of Interest (EOIs) for 1st Form G                    |
| 11.    | 07.10.2022                | <i>Receipt of EOIs for 2nd Form G</i>                                       |
| 12.    | 11.10.2022                | Issue of Request for Resolution Plan (RFRP) + Provisional List of PRAs      |
| 13.    | 18.10.2022                | <i>Final List of Prospective Resolution Applicants (PRAs)</i>               |
| 14.    | 21.10.2022                | <i>NCLT Order Extension of CIRP by 90 days</i>                              |
| 15.    | 23.10.2022                | <i>Scheduled Expiry of First 180 Days CIRP</i>                              |

|     |            |  |
|-----|------------|--|
| 16. | 03.03.2023 | NCLT Order Exclusion of CIRP period by 60 days (Jan–Mar 2023)      |
| 17. | 27.04.2023 | NCLT Order Extension of CIRP by further 60 days                    |
| 18. | 27.06.2023 | <i>NCLT Order Extension of CIRP by another 60 days</i>             |
| 19. | 22.01.2024 | NCLT Order Dismissal of further extension applications             |
| 20. | 20.06.2024 | NCLAT Order Extension of CIRP by 45 days (from upload: 09.07.2024) |
| 21. | 09.07.2024 | <i>Upload of NCLAT Order on portal</i>                             |
| 22. | 20.08.2024 | Filing of Approved Resolution Plan with Adjudicating Authority     |
| 23. | 22.08.2024 | Expiry of last extended CIRP period                                |

#### 4. APPOINTMENT OF REGISTERED VALUERS:

- Following Registered Valuers were approved by the CoC to be appointed for Land and Building on 13th July 2022 and 15th July 2022 -
  - SVEE Valuation and Advisory LLP
  - Anand Kumar C
- Following Registered Valuers were approved by the CoC to be appointed for Securities and Financial assets on 13th July 2022 -
  - Rajesh Yanamandram
  - SVEE Valuation and Advisory LLP
- Following Registered Valuers were appointed for Plant & Machinery on 13th July 2022 and 14th July 2022 -
  - Rajkumar Sarda
  - SVEE Valuation and Advisory LLP
- The Fair Value and Liquidation value of the Corporate Debtor is as follows:

|                   |                  |
|-------------------|------------------|
| Fair Value        | INR 264.34 Lakhs |
| Liquidation Value | INR 244.85 Lakhs |

#### 5. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

The Kumar Properties Private Limited is a leading real estate development and renting company, incorporated over 55 years ago and having its registered office at Kumar Capital, 2413, East Street, Camp, Pune 411 001, Maharashtra, India. The Successful Resolution Applicant (SRA) is recognized for its substantial land bank of 1,000–1,250 acres in and around Pune, exceptional technical expertise in both real estate and biotechnology, and for constructing more than 18 million square feet across various

prime locations. The SRA's track record includes executing large construction contracts for institutional clients and pioneering technical collaborations with specialized firms, reflecting a significant learning curve in delivering quality infrastructure solutions through its substantial pool of engineering and management talent.

As of the date of the Resolution Plan, the principal shareholders of the SRA are Mr. Hitesh Kewal Kumar Jain, holding 74.80% equity, and Mr. Kewal Kumar Kesarimal Jain, holding 25.20% equity, together holding 100% of the company's shares. The SRA's leadership team includes directors and senior managers with postgraduate backgrounds in finance, civil engineering, and business administration, with prior experience in reputed business ventures both domestically and internationally.

The SRA's considerable human resource strength includes 200 in real estate engineering, 50 in marketing, 60 in administration, as well as dedicated technical, marketing, and administration teams in its biotechnology vertical. Kumar Properties Private Limited is a widely trusted brand in Pune, renowned for resilience in fluctuating market conditions and for reliably delivering projects on schedule.

The Resolution Applicant meets the eligibility criteria provided by the Committee of Creditors and, on affidavit, confirms eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016. Further, all requisite declarations under Regulation 39(1)(c) and Regulation 38(1B) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 have been provided, and the due diligence report under Regulation 36A(8) has been submitted, confirming the eligibility and capability of the SRA.

#### **6. FEASIBILITY AND VIABILITY:**

The RP has filed a memo on 20.05.2025 explaining the **feasibility and viability of the Plan**. The Committee of Creditors (CoC), acting in its commercial wisdom, thoroughly deliberated on the Resolution Plan submitted by Kumar Properties Private Limited in its 7th, 9th, 11th, 12th, and 15th meetings. Following extensive discussions and consideration of the financial, operational, and managerial aspects of the plan, the CoC, at its 15th meeting held on 30 July 2024 (with voting lines closing on 7 August 2024), unanimously approved the plan with a 100% voting share.

The Resolution Plan demonstrates clear feasibility and viability. The Resolution Applicant, Kumar Properties Private Limited, has a robust financial standing, with over 15 years of experience in the real estate development sector, having constructed more than 18 million square feet and maintaining a substantial land bank. The plan provides for the infusion of INR 31,53,55,885 (Rupees Thirty-One Crores Fifty-Three Lakhs Fifty-Five Thousand Eight Hundred and Eighty-Five only) towards the revival of the Corporate Debtor, with supporting documentation for sources of funds, including a Letter of Comfort from Union Bank of India. The promoters have a proven track record, strong net worth, and have contemplated securing term loans if required for construction finance.

Operationally, the Resolution Plan lays out a turnaround strategy focusing on the completion of the “One Street English Styled Townhouses” and “Happy Days” projects. This includes mechanisms for the timely completion of pending construction, planned contributions from homebuyers into a designated RERA account, and projected completion timelines within 21–24 months from NCLT approval. Strategic transfer of assets, such as the “Happy Days” project from the subsidiary LGCL Urban Homes (India) LLP back to the Corporate Debtor, is also contemplated.

For management and implementation, the plan establishes an Implementation and Monitoring Committee and provides for the reconstitution of the Board of Directors with nominees of the Resolution Applicant, ensuring experienced oversight and effective execution post-approval. The Plan complies fully with Section 30(2) of the Code and relevant CIRP regulations, and specific schedules in the plan confirm feasibility, viability, and the intent to balance claim serviceability with the practicalities of cash flow.

In conclusion, the CoC has given due consideration to the feasibility and viability of the Resolution Plan and, using its commercial judgement, has found the plan to be both sound and suitable for the revival of the Corporate Debtor. The Resolution Applicant commands the necessary resources, experience, and execution plan to revive the Corporate Debtor as a going concern and maximize stakeholder value. Approval of the Resolution Plan is in the best interest of all stakeholders and is critical to preventing the Corporate Debtor from entering liquidation.

## 7. SOURCE OF FUNDS:

The RP has filed a memo dated 03.01.2025 stating that Kumar Properties Private Limited has received a Letter of Comfort from Union Bank of India to fund the proposed project. The promoters possess substantial net worth, and the group has been engaged in the real estate business for over five decades. In addition to internal resources, term loans and construction finance have been arranged and availed from various banks, financial institutions, and reputed NBFCs, with supporting documentation evidencing these sources of funds.

The documents reflecting the fund position include:

1. Financial statements of Kumar Properties Private Limited as of March 2024
2. Net worth certificate of promoters as of March 2023
3. Letter of Comfort from Union Bank of India
4. Details of existing loans in the group

Outstanding term loan and finance facilities as on 30.11.2024 include:

- a. Piramal Enterprises Ltd: Sanctioned amount ₹58 Cr, outstanding ₹17.64 Cr,
- b. Kotak Mahindra Bank Ltd: Sanctioned amount ₹47.00 Cr, outstanding ₹25.26 Cr
- c. Kotak Investment Advisors Limited: Sanctioned amount ₹145 Cr, outstanding ₹77 Cr
- d. State Bank of India: Sanctioned amount ₹40 Cr, outstanding ₹29.45 Cr
- e. SMFG India Home Finance Co. Ltd: Sanctioned amount ₹30.00 Cr, outstanding ₹7.49 Cr

The above documentation has been produced as Document Nos. 1 to 4 in *Annexure-A* of Diary number 127 filed on 07.01.2025 and establishes that Kumar Properties Private Limited has sufficient and credible sources of funds to implement the resolution plan. This financial arrangement provides comfort for creditors and stakeholders regarding the completion of the proposed revival scheme for the Corporate Debtor.

## 8. AVOIDANCE TRANSACTIONS, PENDING LITIGATION & IBBI FEE:

At Clause 29(i) of the Resolution Plan the resolution applicant declared that any amount recovered out of the application filed by the Resolution Professional under

section 43,45,50 and 66 of the code, shall be retained by Corporate Debtor/ Resolution Applicant. It was further clarified that the Resolution applicant may at its own discretion decide to pursue the proceedings as may be necessary.

Further, the Applicant has filed an affidavit listing the Pending Litigation marked as **Annexure D**, in Memo dated 07.01.2024.

Regarding IBBI fee the applicant has stated in affidavit dated 07.01.2025 that Clause 16 mentions that the Resolution Applicant has made a provision of INR 2,00,00,000/- (Indian Rupees Two Crores Only) in total, towards CIRP Cost borne by the CoC members including the amount for interim finance cost (if required) and other regulatory fees as may be required to be paid (e.g., IBBI Fees etc.).

9. Heard Sh. A S Vishwajit, Advocate, learned counsel for the Resolution Professional and carefully perused the pleadings on record.

10. On 03.12.2024, following order had been passed:

*“2. On perusal of the records, it is noticed that the following clarifications and documents are required with regard to the Resolution Plan:*

*a. Since the Source of Funds is based on potential cash flows as mentioned in Schedule-IV of the Plan, the Applicant Counsel is directed to clarify the same. Page 2 of 2*

*b. Affidavit regarding, whether Due Diligence Report of the Resolution Applicant submitted by RP complies with the requirement under Regulation 36A (8) of the IBBI (CIRP) Regulations, 2016;*

*c. Affidavit regarding Regulation 31A of IBBI (CIRP) Regulations, 2016;*

*d. Affidavit regarding pending litigations;*

*e. Affidavit as per Reg.38(2)(d) regarding the avoidance transactions as to how the proceeds will be distributed among various stakeholders of the Corporate Debtor in the event of its realisation;*

*f. Latest audited Balance Sheet of SRA Company as on 31.03.2024;*

*g. Performance Bank Guarantee in proper format as per Regulation 36B (4A) of CIRP Regulations;*

*h. Affidavit clarifying the payment to dissenting Financial Creditor, as per Section 30 (2) (b) of the Code, read with Regulation 38 of the IBBI (CIRP) Regulations.*

*i. Affidavit regarding the undertaking by the PRA as per Reg.39 (1) (c) of the IBBI (CIRP) Regulations 2016.*

*j. Since in Para-9 of Form-H (Page No.305), the table of Compliance for Resolution Plan is not proper, the Applicant is directed to file Amended Form-H.*

11. On 27.01.2025, the Authority had given the following order:

*“As per Form-H, the Bank Guarantee is of Rs.25 Lakhs, but Bank Guarantee submitted is for Rs.15 Lakhs. Therefore, the Applicant Counsel is directed to file an affidavit clarifying the same within one week.”*

In compliance, the Applicant has filed affidavits dated 07.01.2025 and 18.02.2025.

**SALIENT FEATURES OF THE RESOLUTION PLAN:**

12. Post commencement of CIRP, CoC was constituted by the RP. The details of the creditors, the distribution of voting share among them and the position of voting for the Resolution Plan is as under (**Para 5** of Form H):

| Sl. | Name of Creditor   | Voting Share (%) | Voting for Resolution Plan (Voted for/ Dissented/ Abstained) |
|-----|--|------------------|--|
| 1.  | M/s Royale Metro   | 19.32            | Voted for  |
| 2.  | Asset Care and Reconstruction Enterprise Limited(ACRA)           | 32.95            | Voted for  |
| 3.  | India Real Estate Investment Fund (IREIF)                        | 35.02            | Voted for  |
| 4.  | Authorised Representative of Class of Creditors,i.e., Homebuyers | 12.70            | Voted for  |
|     | <b>Total</b>   | <b>100.00</b>    |  |

13. The details of stakeholders and the amounts provided for them under the Resolution Plan is given in **Para 7** of Form H, given below:

| Sl. No. | Category of Stakeholder              | Sub-Category of Stakeholder  | Amount Claimed   | Amount Admitted  | Amount Provided under the Plan | Amount Provided to the Amount Claimed (%) |
|---------|--------------------------------------|--|------------------|------------------|--------------------------------|---|
| 1       | <b>Secured Financial Creditors</b>   | (a) Creditors not having a right to vote under sub- section (2) of section 21. | -                | -                | -                              | -   |
|         |                                      | (b) Other than (a) above:  | -                | -                | -                              | -   |
|         |                                      | (i) who did not vote in favour of the Resolution Plan                          | -                | -                | -                              | -   |
|         |                                      | (ii) who voted in favour of the Resolution Plan.                               | 13,462.39        | 13,462.39        | 2,450.00                       | 18.20                                     |
|         |                                      | <b>Total (a+b)</b>   | <b>13,462.39</b> | <b>13,462.39</b> | <b>2,450.00</b>                | <b>18.20</b>                              |
| 2       | <b>Unsecured Financial Creditors</b> | (a) Creditors not having a right to vote under sub- section (2) of Section 21. | -                | -                | -                              | -   |

|                    |                              |  |                   |                   |   |               |
|--------------------|------------------------------|--|-------------------|-------------------|---|---------------|
|                    |                              | (b) Other than (a) above:<br>(i) who did not vote in favour of the Resolution Plan<br>(ii) who voted in favour of the Resolution Plan. | -<br><br>2,192.47 | -<br><br>1,958.69 | -<br><br>Completi<br>on of<br>pending<br>litigation | -<br><br>N.A. |
|                    |                              | <b>Total[(a) + (b)]</b>  | 2,192.47          | 1,958.69          | <b>0</b>  | <b>0</b>      |
| 3                  | <b>Operational Creditors</b> | (a) Related Party of Corporate Debtor  | -                 | -                 | -   | -             |
|                    |                              | (b) Other than (a) above:<br>(i) Government  | 6.14              | 6.13              | 2.63  | 42.80         |
|                    |                              | (ii) Workmen   | -                 | -                 | -   | -             |
|                    |                              | (iii) Employees  | 16.21             | 4.89              | 0.05  | 0.31          |
|                    |                              | (iv) Other   | 66.09             | 53.17             | 0.53  | 0.80          |
|                    |                              | <b>Total[(a) + (b)]</b>  | <b>88.44</b>      | <b>64.20</b>      | <b>3.21</b>   | <b>3.63</b>   |
| 4                  | <b>Other Debts and Dues</b>  |  | 35.00             | 35.00             | 0.35  | 1.00          |
| <b>GRAND TOTAL</b> |                              |  | <b>15,778.30</b>  | <b>15,520.29</b>  | <b>2,453.56</b>                                     | <b>15.55</b>  |

#Amount provided overtime under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.]

14. The interest of existing shareholders in the Corporate Debtor has been altered by Resolution Plan as under, as per **Para 8** of Form H:

| Sl. No. | Category of Share Holder | No. of Shares held before CIRP | No. of Shares held after the CIRP | Voting Share (%) held before CIRP | Voting Share (%) held after CIRP |
|---------|--------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 1       | Equity                   | 21,808                         | Nil                               | 99.95                             | Nil                              |
| 2       | Series A Equity          | 10                             | Nil                               | 0.05                              | Nil                              |
| 3       | Preference               | NA                             | NA                                | NA                                | NA                               |
|         | TOTAL                    | 21,818                         | Nil                               | 100%                              | Nil                              |

15. The compliance of the Resolution Plan as per **Para 9** of Form H as submitted by the applicant is hereunder:

| Section of Code/ Regulation No. | Requirement with respect to Resolution Plan  | Compliance Y/N | Clause of the Resolution Plan |
|---------------------------------|--|----------------|-------------------------------|
| 25(2)(h)                        | The Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of | Y              | -                             |

|                   |  |                                  |   |
|-------------------|--|----------------------------------|---|
|                   | the CD   |                                  |   |
| Section 29A       | The Resolution Applicant is eligible to submit a resolution plan as per the final list of Resolution Professional or Order, if any, of the Adjudicating Authority.                         | Y                                | -   |
| Section 30(1)     | The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code  | Y                                |   |
| Section 30(2)     | The Resolution Plan-   | Y                                | 16 r.w. Schedule-I  |
|                   | (a) provides for the payment of insolvency resolution process costs.   |                                  |   |
|                   | (b) provides for the payment of the operational creditors.   | Y                                | 18 & 20 r.w. Schedule-I   |
|                   | (c) provides for the payment to the financial Creditors who did not vote in favour of the resolution plan?   | Y                                | 17 r.w. 27(c) and Schedule-I                                    |
|                   | (d) provides for the management of the affairs of the Corporate Debtor.  | Y                                | 30  |
|                   | (e) provides for the implementation and supervision of the Resolution Plan.  | Y                                | 30  |
|                   | (f) does not contravene any of the provisions of the law for the time being in force.  | Y                                | 29(1)   |
| Section 30(4)     | Whether the Resolution Plan (a) is feasible and viable, according to the CoC   | Y                                | Discussed by CoC and concluded that plan is feasible and viable |
|                   | (b) has been approved by the CoC with 66% voting share   | Y                                | Approved by 100% vote   |
| Section 31(1)     | Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC   | Y                                | 30  |
| Regulation 38 (1) | Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors  | Y                                | 18 & 20   |
| Regulation 38(1A) | Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders   | Y                                | 25 & 28   |
| Regulation 38(1B) | (i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. | Y                                | 3.3 r.w. Schedule-I   |
|                   | (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?  | NA, since no failure in the past | -   |
| Regulation 38(2)  | Whether the Resolution Plan provides:  |                                  |   |
|                   | (a) the term of the plan and its implementation schedule   | Y                                | 27  |
|                   | (b) for the management and control of the business of the Corporate Debtor during its term   | Y                                | 30  |
|                   | (c) Adequate means for supervising its implementation  | Y                                | 30  |
| Regulation 38(3)  | Whether the resolution plan demonstrates that –  |                                  |   |
|                   | (a) it addresses the cause of default  | Y                                | 8, 10 and 25  |
|                   | (b) it is feasible and viable  | Y                                | 28  |
|                   | (c) it has provisions for its effective implementation   | Y                                | 30  |
|                   | (d) it has provisions for approvals required and the timeline for the same   | Y                                | 10.2.8 & 27   |

|                  |  |   |  |
|------------------|--|---|--|
|                  | (e) the resolution applicant has the capability to implement the resolution plan                           | Y | 1 to 6   |
| Regulation 39(2) | Whether the RP has filed applications in respect of transactions observed, found or determined by him?     | Y | -  |
| Regulation 39(4) | Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B. | Y | INR 25,00,000/- deposited with the Corporate Debtor* |

16. At this juncture it is necessary to refer to Section 30(2). The provisions of Section 30(2) of the I&B Code, 2016 are as follows:

*“30. Submission of Resolution Plan:*

.....

*(2) The resolution professional shall examine each Resolution Plan received by him to confirm that each Resolution Plan-*

*(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the 3[payment] of other debts of the corporate debtor;*

*(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than the:*

*i. amount to be paid to such creditors in the event of liquidation of the corporate debtor under section 53; or*

*ii. the amount that would have been paid to such creditors, if the amount to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of Section 53, whichever is higher; and provides for the payment of debts of financial creditors, who do not vote in favour of the Resolution Plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the Corporate Debtor.*

*Explanation 1. – For removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.*

*Explanation 2. – For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-*

*(i) where a Resolution Plan has not been approved or rejected by the Adjudicating Authority;*

*(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or*

*(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a Resolution Plan;*

*(c) provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan;*

*(d) The implementation and supervision of the Resolution Plan;*

*(e) does not contravene any of the provisions of the law for the time being in force*

*(f) conforms to such other requirements as may be specified by the Board.”*

### **17. REGULATORY COMPLIANCES:**

The compliance of Section 30(2) of the Code is given in Para no. 09 of the Form-H (supra). The same is being further examined as under:

- a) **Section 30(2)(a):** As per the Code, CIRP Costs at actuals shall be made in priority over other debts of the Corporate Debtor. As per the Information Memorandum, CIRP Costs are estimated to be Rs. 1,39,74,018/-. The Resolution applicant has made provisions of Rs. 2,00,00,000/- in total, towards CIRP Cost borne by the CoC members including the amount for interim finance cost and other regulatory fees as may be required to be paid. And in case the CIRP cost exceeds the threshold of Rs 2,00,00,000/-, such additional pay out will be adjusted from the Secured Financial Creditors Settlement Amount proposed under the Resolution Plan.
- b) **Section 30(2)(b):** As per Section 30(2)(b) of IBC Code, 2016 payment of debts of Operational Creditors should be in such a manner as may be specified by the Board, which shall not be less than the amount to be paid to the Operational Creditors in the event of liquidation of Corporate Debtor under Section 53. The Resolution Plan provides for payment to the operational creditors in Clause 18 and 20 of the Resolution Plan and the details of payment by the Resolution Applicant towards the claims of operational creditors is as follows.
- Operational Creditor (Other than Employees & Statutory Dues)**-Employees and workmen, whose claims aggregate to INR 4,89,186, will receive an upfront payment of INR 4,892 as per Schedule VI.
- Operational Creditor (Employees & Statutory Dues)**- Statutory creditors, holding claims of INR 6,13,181, will receive a total upfront payment of INR 2,62,822, prioritised in accordance with the ruling in State Tax Officer v. Rainbow Papers and in compliance with Regulation 38(1).
- c) **Section 30(2)(c):** Clause 30 of the Part-III of the Resolution Plan discusses the Mechanism regarding management and control of the affairs of the Corporate Debtor. Clause 30 A(a) states that, upon the NCLT Approval Date and until the Transfer Date, an Implementation and Monitoring Committee shall be constituted comprising the Resolution Professional, two representatives appointed by the Resolution Applicant, and one member appointed by the Committee of Creditors. The Committee will supervise the implementation of the Resolution Plan, and all existing directors of the Corporate Debtor will be deemed to have resigned, with a new board reconstituted by the Resolution

Applicant. Post-transfer, the new company management (Board and KMP designated by the Resolution Applicant) will be fully responsible for management in accordance with the governance standards and plan objectives. The plan explicitly commits to robust governance and regulatory compliance after the Transfer Date, in line with the objectives outlined for sustainable revival.

- d) **Section 30(2)(d):** The Monitoring/Implementation Committee, effective from the NCLT Approval Date until the Transfer Date, consists of the Resolution Professional, two nominees of the Resolution Applicant, and one of the Committee of Creditors. Quorum is a minimum of two members, with at least one from the CoC. The Committee's operational expenses are borne from the cash flows of the Corporate Debtor or, failing sufficiency, by the Secured Financial Creditors. This committee is empowered to effectuate the transition, facilitate the asset and management handover, and ensure compliance with the implementation schedule. Upon full implementation and after the Transfer Date, the Resolution Applicant assumes complete control, and all prior directors resign with no further action required.
- e) **Section 30(2)(e):** The Resolution Applicant at Clause 29(1) of the Resolution Plan confirms that the Resolution Plan is not in contravention of the provisions of any Applicable Law and contains customary legal compliance declarations.
- f) **Regulation 36B(4A)-** The Resolution Applicant has submitted the required Performance Bank Guarantee as per the bid process, maintained with validity and claim periods as set out in the schedule of the plan.
- g) It is submitted that the Resolution Plan complied with Regulation 38 of the Insolvency and Bankruptcy Board of India (Insolvency process for Corporate Persons) Regulations, 2016 which are as follows:
- 1) **Regulation 38(1):** Clause 20 of the plan provides that all amounts due to operational creditors (including employees and statutory dues) shall be paid in priority over the financial creditors in a full and final, upfront payment mode, as per the operation creditor and pay out schedules.

- 2) **Regulation 38(1A):** Clause 25 and 28 detail each stakeholder's payment, ensuring protection of all interests as per the Board's priority regime, with a breakdown for CIRP, secured creditors, homebuyer-completing units, and operational creditors (employees, workmen, statutory dues, and others).

| Stakeholder                                 | Admitted Claims (INR) | Proposal Figures (INR)   | Rationale  |
|---|-----------------------|--|--|
| CIRP Costs                                  |                       | ₹2,00,00,000/-<br>(Indian Rupees Two Crores Only)  | Full amount as per actuals has been proposed to be paid towards CIRP Costs, amounting to a maximum payment of INR 2 Crores   |
| Secured Financial Creditor                  | 1,34,62,39,746        | Royale Metro INR 2,00,00,000/-<br><br>India Real Estate Investment Fund- INR 22,00,00,000/-<br><br>Assets Care and Reconstruction Enterprise Ltd - INR 50,00,000.<br>Additionally, if ACRE opts for option 2, then a gross amount of INr 14.5 Crores shall be paid. If option 1 is opted by ACRE, then no payment shall be required to be made as per terms of this Resolution Plan. | Attempt has been made to pay to the Secured Financial Creditor an amount of INR 24,50,00,000/-.<br><br>As against the claim filed ACRE is proposed an amount of INR 50,00,000. Additionally, ACRE is offered 2 options as detailed in para 10.2.5, in the event ACRE opts for Option 2, then additional gross amount of INR 14,50,00,000/- shall be paid. This is subject adjustment of estimate tax implication as detailed in Clause 10.2.15 |
| Financial Creditors in a Class (Homebuyers) | 19,58,69,689          | Financial Creditors in a Class (Homebuyers) are required to contribute the balance amount which are payable by them to the Corporate Debtor for the respective pending installments  | Refer para 17 of this Resolution Plan  |

|                          |                    |  |   |
|--------------------------|--------------------|--|---|
|                          |                    | to be deposited in a designated RERA account to be maintained and operated by the Resolution Applicant. The money shall be utilised by the Resolution Applicant towards completion of the pending construction works in the timelines as per the mentioned under this Resolution Plan. |   |
| Employees/<br>Workman    | INR<br>4,89,186/-  | INR 4,892/-  | An amount of INR 4,892/-(Indian Rupees Four Thousand, Eight Hundred and Ninety-Two Only) which shall be paid in priority.   |
| Operational<br>Creditors | INR<br>53,17,142/- | INR 53,171/-   | Operational Creditors being unsecured and unlikely to receive any recovery under liquidation scenario however have been proposed INR 53,171/- which shall be paid in priority as per regulations 38(1) of CIRP Regulations.   |
| Statutory<br>Liabilities | INR<br>6,13,181/-  | INR 2,62,822/-   | In the light of the order passed by the Hon'ble Supreme Court in the matter of State Tax Officer et Rainbow Papers Limited, wherein the status of statutory creditors have been accorded within the definition of 'secured creditor. Therefore, the statutory creditors have been given priority in terms of payment.<br>ESIC has been given full payment as per judgement of NCLAT as stated in clause 21 of this Resolution Plan. This is proposed to be Upfront Payment. |
| Other<br>Creditors       | INR<br>35,00,000/- | INR 35,000/-   | Other Creditor liabilities, being unsecured and unlikely to receive any recovery under liquidation scenario, however have been  |

|                                     |   |  |  |
|-------------------------------------|---|--|--|
|                                     |   |  | proposed to be paid INR 35,000/-as an Upfront Payment.   |
| Other Dues                          | - | Nil  | Other Liabilities that may arise have been proposed to pay Nil, given the insufficient cash visibility for all stakeholders.   |
| Equity Shareholders                 | - | Nil  | Equity shareholders being the highest class of risk takers and last one to recover money in business, have not been proposed to be paid given the full erosion in value of the equity. |
| Contingent and Disputed Liabilities | - | Nil  | Contingent and disputed liabilities, disputed legal cases, have been assumed as deemed admitted and proposed to be paid NILvalue.  |
| <b>Total</b>                        |   | <b>INR 26,33,55,885 or INR 41,03,55,885 (If ACRE opts for option 2).</b> | This being the overall financial commitment of the Resolution Applicant towards overall settlement of all the dues of all the stakeholders of the Corporate Debtor.                    |

- 3) **Regulation 38(1B):** As mandated under Regulation 38(1B) of the CIRP Regulations, the Resolution Applicant confirms in *Clause 3.3 read with Schedule-1* that as on date neither it nor any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the adjudicating authority at any time in the past.
- 4) **Regulation 38(3)(a):** Clause 8 cites lack of funds, invalid registration for the project, and bad market conditions as the main causes of default. The turnaround plan involves infusing equity, bringing in new management and professional oversight, and completing the company's stalled projects in a time-bound manner.
- 5) **Regulation 38(3)(b):** The Resolution Plan demonstrates feasibility and viability as required under Regulation 38(3)(b) of the CIRP Regulations. Clause 28 of the plan sets out a turnaround strategy

involving equity infusion, project completion, reconstitution of management, and payment to creditors in a time-bound manner, supported by the sponsor's financial net worth and expertise in the real estate sector.

- 6) **Regulation 38(3)(c)** : Clause 30 of the plan sets out the mechanism for management and control of the affairs of the Corporate Debtor during and after the implementation of the resolution plan. Upon the NCLT Approval Date and until the Transfer Date, an Implementation and Monitoring Committee shall be constituted, comprising the Resolution Professional, two representatives appointed by the Resolution Applicant, and one member appointed by the Committee of Creditors. This committee will supervise the implementation of the plan. All existing directors of the Corporate Debtor will be deemed to have resigned, with a new board reconstituted by the Resolution Applicant. After the Transfer Date, the newly constituted Board and Key Managerial Personnel designated by the Resolution Applicant will be responsible for the management of the Corporate Debtor, in accordance with governance standards and the objectives of the revival plan. Further
- 7) **Regulation 38(3)(d)**: Clause 27 of the Plan lays down the Implementation Schedule produced below, for reference:

| Steps | Implementation of various Activity                                 | Indicative Term / Schedule                    |
|-------|--|---|
| 1.    | NCLT Approval Date and commencement of implementation of Y         | Y   |
| 2.    | Happy Days Transfer (Transfer Date')                               | Y+1 month.                                    |
| 3.    | ACRE Projects Transfer (If ACRE opts for Option 2)                 | Y+1 month                                     |
| 4.    | Time required for revalidation/renewal of statutory and regulatory | Y+3 months/ Y+ 6-9 months(for ACRE Projects). |

|    |  |                         |
|----|--|-------------------------|
|    | approvals/permission/consents/no-objection |                         |
| 5. | Payment to CIRP and other Upfront Payments | Y+ 90 days              |
| 6. | Payout to financial creditors              | As mentioned in Para 17 |

Clause 10.2.8. Following are the tentative timelines for completion of the Project:

| Particulars  | Timelines  |
|--|--|
| NCLT Approval Date   | Y  |
| Time required for revalidation/renewal of statutory and regulatory approvals /permission/consents/no-objection | Y+ 3 months  |
| Completion of construction and remaining works of the Project  | The construction and remaining works of the Project shall be completed in accordance with the payment-linked construction plan or as may be proposed by the Resolution Applicant in the interest of all stakeholders. Estimated time frame shall be 18 to 21 months from NCLT Approval Date. |
| Total tentative timelines  | Y+ 21 months to 24 months (subject to realization of receivables as stated in clause 10.2.6)   |

- 8) **Regulation 38(3)(e):** The plan sets out the details of the Resolution Applicant, Kumar Properties Private Limited, providing its registered address, business activity, and confirmation that there is no restriction on forming consortia; The shareholding pattern is detailed, with ownership fully disclosed between two individuals; Declarations are included stating that the applicant and its connected persons are not disqualified under Section 29A, that all information is true and

correct, and that neither the applicant nor any related party has failed to implement a prior resolution plan approved by an adjudicating authority; The credibility and financial capability of the Resolution Applicant are described, citing the applicant's over 55 years in real estate development and a land bank of 1000-1250 acres, with supporting technical collaborations and a history of large engineering projects; Key managerial personnel involved in implementing the plan are identified, with summaries of their professional qualifications and experience; The plan outlines key resources available to the applicant, including technical know-how, brand reputation, and a large team across engineering, marketing, administration, and biotechnology disciplines.

- h) It is observed in Para 12 of Form-H, the Resolution Professional has certified that the Resolution Plan is not subject to any contingency. Further, in Part 4 of Form-H, the Resolution Professional has certified that the said Resolution Plan complies with all the provisions of IBC, 2016 and the Regulations thereunder and does not contravene any of the provisions of the law for the time being in force. Further, the resolution applicant has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under Section 29A of the Code to submit Resolution Plan. It is further certified that the Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 100% of voting share after considering all the requirements specified by the CIRP Regulations.
- i) **Reliefs and Concessions:** Clause 14 of the plan on Reliefs Sought, provides that under Regulation 37(1) of the CIRP Regulations, a resolution plan may set out measures for implementation, including obtaining necessary approvals from government and other authorities. The Resolution Applicant accordingly requests reliefs, concessions, and dispensations as required for implementing the plan, such as renewal of licenses and approvals for the Corporate Debtor and its subsidiary, exemption and waivers of statutory and taxation

requirements, regularization of prior non-compliances, restructuring and reconstitution of management and share capital, exemption or waiver of stamp duties and penalties, and directions to government bodies including the Ministry of Corporate Affairs, Income Tax authorities, and RERA to give effect to these measures. The plan expressly reserves the right to seek additional reliefs until NCLT approval and provides that all such waivers and reliefs must be sought from and approved by the relevant statutory authorities as per applicable law and the NCLT's directions.

The Prayer has been examined and it is observed that for such reliefs and exemptions, the Resolution Applicant will have to approach the respective statutory authorities for being considered and decided as per the provisions of concerned existing laws and landmark judgements. Further, the approval of the Resolution Plan shall not in itself be construed as waiver of any statutory obligations/liabilities and any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in light of the Judgment of Supreme Court in *Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited (Civil Appeal no. 8129 of 2019)*.

#### **18. DECISION OF THE ADJUDICATING AUTHORITY:**

In the circumstances and for the aforesaid reasons, the incumbent application bearing **I.A. No. 09 of 2024 in CP (IB) 87/2021** is allowed and accordingly:

- i. **The Resolution Plan marked as Annexure A, submitted by Kumar Properties Private Limited in respect of the Corporate Debtor, is hereby approved.**
- ii. The representation of the Committee of Creditors in the Monitoring Committee, constituted for overseeing the implementation of the approved Resolution Plan, shall be undertaken by the Secured Financial Creditor and the Homebuyers expeditiously.
- iii. The Resolution Plan so approved shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, State Government or any local authority to whom a debt in respect of the

- payment of dues arising under any law for the time being in force such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.
- iv. Under the provisions of section 31(3) of the Code, **we also direct as under:**
- a. The moratorium imposed in the main Company Petition ceases to operate from the date of this order.
- b. The resolution professional shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the Board to be recorded/uploaded on its database.
- v. Further, the Resolution Professional is directed to handover the management, control and all the assets, documents/records in physical and/or digital form to the Successful Resolution Applicant immediately and the resolution professional will stand discharged of his responsibilities of such position.
- vi. It is clarified that this order shall not be construed as an order granting exemption from payment of stamp duty, taxes or charges, if any, payment due or required in accordance with law or in respect to any permission/compliance with or anything specifically required under any law to be done/performed etc for the time being in force.
- vii. In case of non-compliance/non-implementation/failure in implementation of this order or withdrawal of the Resolution Plan by the Successful Resolution Applicant, the RP shall forfeit the EMD/Performance Guarantee or any further amount paid as per the terms of the resolution plan without any recourse to this Authority. The Resolution Applicant shall also be liable to further compensate for the delay, deprivation and diminish prospects of CD in that event, as may be determined by this Authority.
- viii. The approved Resolution Plan is effective forthwith and the Monitoring Committee shall submit a **quarterly report** on implementation of Resolution Plan until conclusion of all obligations thereunder.

-Sd-

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

-Sd-

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

I.A. 09/2024  
in CP (IB) 87/BB/2021