NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-I), CHANDIGARH

IA(IBC)(PLAN)/11/(CH)/2024
In
CP(IB) No. 199/Chd/Pb/2020
(Admitted)

(Application under section 30(6) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016)

IA(IBC)(PLAN)/11/(CH)/2024

Mohit Chawla
Resolution Professional ("RP")
For Best Zone Builders & Developers Private Limited
Having office at: Unit No.203-204 Elante Offices
Industrial Area, Chandigarh-160002
Email- ip.bestzone@gmail.com

...Applicant/Resolution Professional

AND

In the matter of

Adit Goel, Proprietor of Adit Collaboration

... Petitioner/Operational Creditor

Vs.

Best Zone Builders & Developers Private Limited

...Corporate Debtor

Order delivered on: 10.09.2026

CORAM: HON'BLE MR. KHETRABASI BISWAL, MEMBER (JUDICIAL)
HON'BLE MR. SHISHIR AGARWAL, MEMBER (TECHNICAL)

Present:-

For the Applicant/RP	: Mr. Abhishek Anand, Advocate Mr. Karan Kohli, Advocate Mr. Mohit Chawla, RP (Online)
For the SRA	: Mr. Atul V Sood, Advocate Mr. Rohan Sood, Advocate

ORDER

The present Application, bearing *IA(IBC)(PLAN)/11/(CH)/2024* has been filed on 16.09.2024 by **Mr. Mohit Chawla, Resolution Professional** *(hereinafter referred to as the "Applicant")* on 16.09.2026 under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 *(hereinafter referred to as the "Code")* and Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 *(hereinafter referred to as "CIRP Regulations"*) for seeking approval of the Resolution Plan of **CONSORTIUM OF M/S LEELA RESIDENCIES PRIVATE LIMITED AND MR. CHARANJIT SINGH ARORA** *(hereinafter referred to as the "Successful Resolution Applicant" or "SRA"),* in respect of Best Zone Builders & Developers Private Limited *(Corporate Debtor).*

CORPORATE INSOLVENCY RESOLUTION PROCESS- IN BRIEF:

2. The Corporate Insolvency Resolution Process ("CIRP") of the Corporate Debtor was initiated pursuant to an Application under Section 9 of the Code bearing *C.P. (IB) No. 199/Chd/Pb/2020*, filed by Adit Goel, Proprietor of Adit Collaboration, an Operational Creditor. This Adjudicating Authority, vide order dated 19.02.2021, admitted the Application and initiated CIRP against the Corporate Debtor. By the said order, moratorium was declared and Mr. Parvinder Singh was appointed as the Interim Resolution Professional ("IRP").

3. Pursuant to the commencement of CIRP, the IRP made a public announcement in Form-A dated 25.02.2021 inviting claims from the creditors of the Corporate Debtor. The claims received from the creditors were thereafter verified and collated and the CoC was constituted in accordance with the

provisions of the Code and the CIRP Regulations. The CoC comprised solely of the Financial Creditors in a class, namely, the homebuyers/allottees of the Corporate Debtor.

4. The 1st meeting of the CoC was convened on 15.05.2021, wherein the CoC was apprised of the status of the project and the claims received from the homebuyers. In the subsequent meetings, the CoC considered various matters relating to the conduct of the CIRP, including appointment of valuers, forensic audit, publication of Form-G, eligibility criteria for prospective resolution applicants and the Request for Resolution Plans.

5. In its 3rd meeting held on 06.08.2021, the CoC considered the delay in the CIRP on account of the COVID-19 pandemic, delay in filing of claims by the homebuyers and the delay occasioned in the appointment of the Authorised Representative. The CoC accordingly authorised the RP to take appropriate steps for extension/exclusion of the CIRP period.

6. Form-G was thereafter published on 08.08.2021 for inviting Expressions of Interest (EOI) from prospective resolution applicants. However, no EoI was received within the stipulated period. In its 4th meeting held on 18.08.2021, the CoC accordingly considered re-issuance of Form-G and also authorised the erstwhile RP to seek extension of the CIRP period. An application bearing I.A. No. 496 of 2021 was filed seeking extension of the CIRP period by 90 days beyond the period of 180 days. This Adjudicating Authority, vide order dated 15.12.2021, allowed I.A. No. 496 of 2021 and extended the CIRP period by a further period of 90 days. The period of pendency of I.A. No. 496 of 2021 was

also excluded from the CIRP period pursuant to I.A. No. 650 of 2021, keeping in view that the said Application could not be taken up on certain dates of hearing. Thus, the CIRP period stood extended beyond the initial period of 180 days.

7. In the meantime, in the 6th meeting of the CoC held on 13.11.2021, the issue of replacement of the erstwhile Resolution Professional, Mr. Parvinder Singh, was considered. Thereafter, in the 7th meeting of the CoC held on 04.01.2022, the CoC considered the proposal for appointment of Mr. Mohit Chawla as the new Resolution Professional. The proposal was put to e-voting in accordance with Section 27 of the Code.

8. Pursuant thereto, I.A. No. 100 of 2022 was filed seeking replacement of the erstwhile Resolution Professional with Mr. Mohit Chawla. An application bearing I.A. No. 148 of 2022 was also filed seeking exclusion of the period spent in the proceedings relating to replacement of the Resolution Professional and further extension of the CIRP period. During the pendency of the aforesaid applications, the 8th meeting of the CoC scheduled on 04.03.2022 could not transact any business for want of quorum, as the members of the CoC had declined to participate in the meeting until replacement of the erstwhile Resolution Professional.

9. This Adjudicating Authority, vide order dated 24.03.2022 passed in I.A. Nos. 100 of 2022 and 148 of 2022, appointed Mr. Mohit Chawla as the Resolution Professional of the Corporate Debtor in place of Mr. Parvinder Singh. The Adjudicating Authority further directed Mr. Mohit Chawla to take

over charge of the records and assets of the Corporate Debtor and perform his duties in accordance with the Code and the Regulations. By the same order dated 24.03.2022, this Adjudicating Authority excluded the period from 20.01.2022 till 24.03.2022, observing that the CIRP could not be effectively carried out during the pendency of the application for replacement of the Resolution Professional. Further, considering that the Resolution Professional had been changed during the CIRP, the period of the CIRP was extended by a further period of 60 days with effect from 15.03.2022.

10. Mr. Mohit Chawla took charge as the Resolution Professional and proceeded with the CIRP. In the 9th meeting of the CoC held on 09.04.2022, the CoC considered the appointment of an Authorised Representative for the Financial Creditors in a class and resolved to appoint Mr. Bhupinder Sethi. In the subsequent meetings, the RP continued to take steps for conduct of the CIRP and for implementation of the resolutions approved by the CoC.

11. The RP also took steps for obtaining cooperation and assistance from the suspended management and for securing the assets of the Corporate Debtor. Applications were filed before this Adjudicating Authority, inter alia, under Section 19(2) of the Code and in relation to the attachment over the immovable properties of the Corporate Debtor. The RP also pursued the applications relating to avoidance of transactions.

12. In the 11th meeting of the CoC held on 06.07.2022, the RP apprised the CoC regarding the timeline of the CIRP and the steps required for its further conduct. In view of the pendency of proceedings relating to the cooperation of

the suspended management, the CoC decided that an application for exclusion of the relevant period be filed before this Adjudicating Authority. Accordingly, I.A. No. 818 of 2022 was filed under Section 60(5) of the Code seeking exclusion of the period spent in the proceedings relating to I.A. No. 507 of 2021. This Adjudicating Authority, vide order dated 30.09.2022, allowed I.A. No. 818 of 2022 and excluded the period from 06.09.2021, being the date of filing of I.A. No. 507 of 2021, till 30.09.2022, amounting to 389 days, from the CIRP period. The RP thereafter continued the CIRP and pursued the pending avoidance proceedings.

13. In the 13th meeting of the CoC held on 09.06.2023, the CoC was apprised that the period of exclusion granted by this Adjudicating Authority was nearing completion and that no Resolution Plan had been received. The proposal for liquidation of the Corporate Debtor was placed before the CoC; however, the same was unanimously rejected. In the subsequent 14th meeting held on 30.06.2023, the CoC resolved to pursue a further resolution process and approved the Evaluation Matrix and Request for Resolution Plans for issuance of a fresh Form-G. Pursuant to the aforesaid decision, a fresh Form-G dated 04.07.2023 was published inviting Expressions of Interest. Thereafter, the Consortium of M/s Leela Residencies Private Limited and Mr. Charanjit Singh Arora submitted its Resolution Plan, which was considered and approved by the CoC with 100% voting share in its 16th meeting held on 29.09.2023. The RP thereafter filed I.A. No. 2591(CH) of 2023 under Sections 30(6) and 31 of the Code seeking approval of the said Resolution Plan.

14. While considering the aforesaid Resolution Plan, this Adjudicating

Authority, vide order dated 05.06.2024, remanded the Resolution Plan to the CoC for making provision for payment of the claim of the workmen and employees in priority and for undertaking fresh valuation of all the assets, including land, buildings, inventory and the amount available in the accounts of the Corporate Debtor, through a valuer.

15. In compliance with the aforesaid directions, the RP convened the 18th meeting of the CoC on 13.06.2024, wherein the directions contained in the order dated 05.06.2024 were considered. The RP thereafter appointed registered valuers for undertaking fresh valuation of the assets of the Corporate Debtor. The valuation reports were furnished by the appointed valuers by 31.07.2024. Based on the valuation reports submitted by the registered valuers, the average Fair Value and average Liquidation Value of the Corporate Debtor were determined at ₹17,49,121/- and ₹16,07,412/-, respectively.

16. Thereafter, in the 19th meeting of the CoC held on 03.08.2024, the fresh valuation reports and the revised Resolution Plan dated 31.07.2024 were placed before the CoC. The revised Resolution Plan incorporated the modifications made pursuant to the directions of this Adjudicating Authority, including provision for payment towards the claim of the employee. Upon consideration, the CoC approved the revised Resolution Plan with 100% voting share and authorised the RP to submit the same before this Adjudicating Authority for approval.

17. The salient features of the Resolution Plan, submitted by SRA and as approved by the CoC, are as follows:

(i) **Brief background of the SRA:** The Resolution Plan has been submitted by a consortium comprising Mr. Charanjit Singh Arora, having around 20 years' work experience including approximately two years in the real estate sector, and M/s Leela Residencies Private Limited, a real estate company engaged in the development of "Leela Orchid Greens", adjoining the project of the Corporate Debtor. The SRA proposes to merge the project "Orchid Greens" with its adjoining project and deploy experienced professionals for completion of the project.

M/s Leela Residencies Private Limited has been stated to be an independent third-party entity and not a related party of the Corporate Debtor under Section 5(24) of the Code. The RP's due diligence disclosed no commonality of directors, shareholders, management or control. It has further been clarified that there has been no transfer of the housing project, project rights, development rights or any asset of the Corporate Debtor in favour of M/s Leela Residencies Private Limited. The only transaction was the purchase of 40 Kanals of land by M/s Leela Residencies Private Limited from the erstwhile Director, Late Mr. Manmohan Singh in his individual capacity during 2019–2020, pursuant to a registered sale deed, for its adjoining project "Leela Orchid Green".

(ii) **Total Resolution Plan Value:** The total value of the Resolution Plan has been capped at **Rs. 206,40,000/-** (Rupees Two Crores six Lakh and forty thousand only). It is to be distributed as follows:

Distribution Proposed under the Resolution Plan

S. No	Stake-holder Category	Sub-category of the Stakeholder	Amount Claimed (₹)	Amount Admitted (₹)	Proposed Amount under Resolution Plan (₹)	% of Admitted Claim
CIRP COST					**16,00,000**	
1	Secured Financial Creditors	a. Creditors not having a right to vote under sub-section(2) of Section 21	-	-	-	-
		b. Other than (a) above:	-	-	-	-
		Total (a)+(b)	-	-	-	-
2	Unsecured Financial Creditors	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	NA	NA	NA	NA
		ii. Who voted in favor of the Resolution Plan	19,09,56,609.67	19,09,56,609.67	The estimated cost of completing the flats is Rs. 1,90,00,000 /-. The SRA is proposing to complete the flats and hand over possession to all homebuyers and also giving an option to buy back.	10% The SRA is proposing to complete the flats and to hand over possession to all homebuyer and also giving an option to buy back.
		Total (a)+(b)	19,09,56,609.67	19,09,56,609.67	1,90,00,000	100%
3	Operational Creditors	a. Related Party of the Corporate Debtor	Nil	Nil	Nil	Nil

		b. Other than (a) above:				
		.Government	Nil	Nil	Nil	Nil
		.Workmen and Employees	1,90,920	1,90,920	40,000	20.95%
		.Other Operational Creditors	3,94,85,699	3,13,65,586	Nil	Nil
		Total (a)+(b)	39676619	31565586	40,000	Nil
4	Other Debts and Dues		Nil	Nil	Nil	Nil
TOTAL			23,06,33,228.67	22,25,22,195.67	2,06,40,000	

The SRA is proposing to complete the flats and to hand over possession to all homebuyers and also giving an option to buy back.

As per the Resolution Plan, the total amount proposed is ₹2,06,40,000/-, against admitted claims of ₹22,25,22,195.67/-, comprising ₹16,00,000/- towards CIRP Costs, ₹1,90,00,000/- towards completion of the flats and treatment of homebuyers' claims, and ₹40,000/- towards the Workmen/Employees.

Against the admitted homebuyers' claims of ₹19,09,56,609.67/-, the Resolution Applicant proposes to complete the flats and hand over possession, with an option for buy-back. The amount of ₹1.90 Crores represents the estimated cost of completion of the flats and the proposed settlement mechanism, and is not a cash distribution equivalent to the admitted claims. For the Workmen/Employees, ₹40,000/- is proposed against the admitted claim of ₹1,90,920/-, while no amount is proposed for the other Operational Creditors.

(iii) **CIRP Cost:** The CIRP Costs have been stated to be ₹18,24,100.94/-. The Resolution Plan initially provided for payment of CIRP Costs up to



₹10,00,000/-, including future CIRP Costs, as discussed and agreed in the CoC meeting held on 08.09.2023. Subsequently, pursuant to the directions of this Adjudicating Authority, the fees and expenses of the erstwhile Resolution Professional, Mr. Parvinder Singh, were considered by the CoC, and he agreed to accept ₹6,00,000/- towards the same. Accordingly, the revised Resolution Plan provides for CIRP Costs of ₹16,00,000/-, including ₹6,00,000/- towards the fees and expenses of the erstwhile Resolution Professional. Any CIRP Costs incurred beyond ₹16,00,000/- are proposed to be borne by the members of the CoC in proportion to their respective voting shares.

(iv) **Treatment of Unsecured Financial Creditors in the Class of Creditors (Homebuyers):** The Information Memorandum records the admitted claims of the Financial Creditors in a class, i.e. the homebuyers, at ₹19,09,56,609.67/. The Resolution Plan proposes to complete the project and provides the following options to the homebuyers:

Category 1: The homebuyer shall pay the outstanding amount reflected in the books of account of the Corporate Debtor, as reconciled with the Resolution Applicant, in two equal instalments, the first within 30 days and the second within 180 days from the date of approval of the Resolution Plan. The Resolution Applicant shall thereafter complete the flat in accordance with the specifications contained in the agreement and within the timeline stipulated in the Resolution Plan.

Category 2: A homebuyer desirous of completing the flat/apartment on his/her own may do so without paying the outstanding amount towards the



flat to the Resolution Applicant/Corporate Debtor.

Category 3: A homebuyer who does not wish to retain the flat may seek refund of the amount paid, as reconciled with the Resolution Applicant, upon furnishing an undertaking extinguishing his/her rights in the flat. The Resolution Applicant shall make such refund within six months from the date of the refund application and has undertaken to honour such requests either from its own sources or through sale of the concerned flat.

Category 4: Where the flat is complete but remains unregistered in the name of the allottee, the Resolution Applicant shall have the same registered in favour of the allottee upon issuance of the completion/occupation certificate, with the applicable registration charges being borne by the homebuyer. Transfer of the flat prior to registration is also permitted subject to the terms specified in the Resolution Plan.

Category 5: A homebuyer desirous of exchanging his/her flat with a flat in the Leela Orchid Greens Project may have the amount paid to the Corporate Debtor adjusted towards the sale consideration of the alternate flat. The sale consideration of such flat shall be 10% less than the prevailing price offered by Leela Residencies Private Limited to the general public.

The Resolution Plan further provides that the accounts of all homebuyers shall be reconciled within 30 days from the date of approval of the Resolution Plan. In respect of the two shops which have already been sold and registered in favour of the allottees, no further action is proposed. No amount is proposed towards any penalty or damages for delay in handing

over possession, assured return, pre-EMI interest, assured rent or similar compensation.

(v) **Status of the Project / Flats:** As regards the status of the 120 dwelling units, registered sale deeds have been executed in respect of 50 units and possession thereof has been handed over to the respective allottees. In respect of another 41 units, possession/keys have been handed over, but registered sale deeds are pending. In respect of the remaining 29 units, neither registration has been completed nor possession has been accepted by the allottees on account of pending finishing/completion works. Several homebuyers are presently residing in their respective flats.

(vi) **Liquidation Value / Section 30(2)(b):** It has further been clarified that all 120 dwelling units had been sold/allotted prior to commencement of CIRP and, accordingly, the liquidation value of the sold/allotted units has been taken as NIL. The only realizable asset forming part of the liquidation value is the receivable of ₹16,96,910/- pertaining to 9 units. Claims have been received from 66 homebuyers. The RP has stated that, on this basis, the Resolution Plan value exceeds the realizable liquidation value and satisfies the requirement of Section 30(2)(b) of the Code.

(vii) **Approval Date:** Approval Date means the date of approval of this Resolution Plan by the NCLT under Section 31 (1) of the Code.

(viii) **Measures for Supervision and Implementation of the Resolution Plan:** The Resolution Plan provides for constitution of a three-member Monitoring Committee comprising of

(1) the Resolution Professional, subject to his consent, or any other experienced professional

(2) one nominee each of the homebuyers and

(3) the Resolution Applicant or its nominee.

The Monitoring Committee shall supervise and oversee implementation of the Resolution Plan and meet at intervals not exceeding 60 days. The Committee shall also undertake the reporting requirements relating to implementation of the Resolution Plan, including reporting of any breach or failure in implementation thereof. The tenure of the Monitoring Committee shall be co-extensive with the period prescribed for implementation of the Resolution Plan, as amended pursuant to the clarification/addendum. Upon constitution of the Monitoring Committee, the Resolution Professional shall stand relieved of his statutory duties, except such duties as are required to be performed under law.

(ix) **Reconstituted Board of Directors**: The Resolution Plan provides for reconstitution of the Board of Directors of the Corporate Debtor with such number of directors as may be determined and nominated by the Resolution Applicant, in substitution of the erstwhile Board, with effect from the Approval Date. None of the directors of the reconstituted Board shall be having disqualfication under Section 29A of the Code. The reconstituted Board shall be responsible for statutory compliances and preparation of the financial statements for the succeeding financial period, and the directors appointed thereto shall be responsible for the day-to-day affairs of the Corporate Debtor and for protecting and preserving its value in accordance with applicable law.

The Plan further provides that the directors of the reconstituted Board shall not be liable for any past non-compliance with applicable laws attributable to the erstwhile Board.

(x) <u>Management and Implementation:</u> The Resolution Plan shall remain valid from the date of its submission until approved by this Adjudicating Authority. The tenure of the Resolution Plan is 13 months from the Approval Date, with the Completion Date being the date, not later than 12 months from the Approval Date, by which the Resolution Applicant proposes to complete the project and make the payments contemplated under the Plan. The Plan shall be deemed to have been implemented upon completion of the project. The Monitoring Committee shall continue till completion of registration of sale deeds in favour of all the homebuyers**.** The project is to be completed, as per the original specifications, within 12 months from the Approval Date, while obtaining the occupancy certificate and registration of sale deeds in favour of the homebuyers shall be completed during the subsequent 12 months, in terms of the order dated 04.06.2026. The principal activities and timelines prescribed under the Resolution Plan are as follows:

S. No	Activity	Timeline
1.	Constitution of Monitoring Committee	Upon approval of the Resolution Plan
2.	Intimation of approval of Resolution Plan to regulatory authorities	Within 30 days
3.	Modification of charges of existing charge-holders	Within 60 days
4.	Payment of CIRP Costs	Within 30 days from Approval Date
5.	Payment to Operational Creditors	Within 60 days from Approval Date
6.	Payment to Financial Creditors	By handing over the flats within 12 months from Approval Date or by refund of the amount to the homebuyer within 6 months of the application
7.	First meeting of Monitoring Committee	Within 10 days of its constitution

8.	Finalisation of financial statements as on Approval Date	Within 30 days
9.	Reconstitution of Board of Directors o the Corporate Debtor	Within 120 days from Approval Date
10.	Allotment of Equity Shares	Within 150 days from Approval Date
11.	Meetings of Monitoring Committee	At intervals not exceeding 60 days during the implementation period
12.	Final reports of completion and implementation of Resolution Plan	Upon completion of registration of sale deeds in favour of all homebuyers
13.	Execution of sale deeds and handing over of the project to RWA	Within 12 months from the Completion Date

The Resolution Applicant's obligations under the Resolution Plan shall commence from the Approval Date and continue until the Completion Date, subject to the aforesaid provisions relating to regulatory actions and Force Majeure.

(xi) **Mandatory contents of the Plan:** The Resolution Plan provides for payment of the CIRP Costs in priority, treatment of Operational Creditors and dissenting Financial Creditors in accordance with Section 30(2) of the Code, implementation and supervision of the Resolution Plan through the Monitoring Committee, management and control of the affairs of the Corporate Debtor after approval of the Resolution Plan, and the sources of funds for implementation of the Resolution Plan. Clause 30 of the Resolution Plan records the compliance of the requirements of Section 30(2) of the Code and Regulations 31A, 37 and 38 of the CIRP Regulations. The Resolution Plan has been placed on record as Annexure A-36, the affidavit under Section 29A of the Code as Annexure A-27, the undertaking under Regulation 39(1)(c) of the CIRP Regulations as Annexure A-28, and the Compliance Certificate in Form H as Annexure A-38.

(xii) **Management of the business of the Corporate Debtor:** The Resolution

Plan provides that, from the Approval Date, the Corporate Debtor shall be managed by professionals/experts nominated by the Resolution Applicant. The Resolution Applicant has further proposed that the managerial personnel so appointed shall not be liable for any past non-compliance by the erstwhile key managerial personnel. The Resolution Applicant has also reserved the right to change the name, registered office and constitution of the Corporate Debtor, if considered necessary, after the Approval Date. As per the Information Memorandum, there are presently no employees of the Corporate Debtor.

(xiii) **Entitlements on Approval of the Resolution Plan:** Clause 19 at Page No. 48 of the Resolution Plan provides detailed entitlements sought on Approval of the Resolution Plan. It is relevant to mention here that the plan is not conditional on the grant of such reliefs and concessions and the SRA undertakes to implement and apply for necessary approvals and consents form the appropriate authorities.

Compliance Certificate in Form – H

(xiv) Pursuant to Regulation 39(4) of the Said IBBI (CIRP) Regulations, 2016, Form H is annexed to the Application as Annexure A-38 which is reproduced as follows:

Provision	Requirement	Compliance under the Resolution Plan
Section 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 the Corporate Debtor.	Yes, the Resolution Applicant is already in the business of Real Estate projects and is already constructing a society near the CD project.
Section 29A	The Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or	Yes, Resolution Applicants have provided a separate affidavit for the same.

	Order, if any, of the Adjudicating Authority	
Section 30(1)	The Resolution Applicant has submitted an affidavit stating that it is eligible as per Code	Yes, ---
Section 30(2)(a)	Provides for the payment of insolvency resolution process costs	Yes, as per Clause 7.1 "we propose to pay a CIRP Cost maximum to the tune of Rs. 16,00,000/- including the future CIRP Cost if any. The CIRP cost over and above Rs. 16,00,000/- shall be borne by the CoC in proportion of their voting rights."
Section 30(2)(b)	Payment to Operational Creditors	Yes, Clause 7.3 & 7.6 of the Plan states "The amount of liquidation value due to the operational creditors has not been advised to the Resolution Applicant by the COC or the Resolution Professional. As per our calculation there may not be any liquidation value available for operational creditors since as per regulation, operational creditors come at no. 5 in order of priority in distribution of assets under section 53 of the code. So nothing is proposed to be paid to the Operational Creditors. The liquidation value due to operational creditors has been arrived at by the Resolution Applicant based on its own estimates, if the proposed payment falls below the liquidation value due to the operational creditors the Resolution Applicant shall infuse such further funds as may be required to bring the payment due to operational creditors at least equal to the liquidation value as per section 30(2) (b)."
Section 30(2)(c)	Provides for payment to the financial creditors who did not vote in favour of the resolution plan	Not Applicable
Section 30(2)(d)	Provides for management of the affairs of the corporate debtor	Yes, Clause 16 of the plan states "(a) With effect from the approval date, the Corporate Debtor shall be managed by professionals/experts as nominated by the Resolution Applicant at its sole discretion. (b) Managerial personnel appointed by the Resolution Applicant pursuant to this Clause shall not be liable for any past non-compliance with the

		provisions of applicable laws by the erstwhile key managerial personnel of the Corporate Debtor. (c) The Resolution Applicant reserves the right to change the name, place of registered office, constitution of the Corporate Debtor, if thought necessary, after the approval Date. (d) Retention of employees: As per IM presently no employee is there in corporate debtor."
Section 30(2)(e)	Provides for implementation and supervision of the resolution plan	Yes, Clause 15 of the Plan provides that "A monitoring committee consisting of 3 members namely, the Resolution Professional (Subject to consent by Resolution Professional) or any other experienced professional, One nominee of Homebuyers and Resolution Applicant or nominees of the Resolution Applicant ("Monitoring Committee") shall be constituted on the Approval date which will supervise the Corporate Debtor during the Interim Period."
Section 30(2)(f)	Does not contravene any of the provision of the law for the time being in force	Clause 30(i)(6) of the Plan states that "The resolution plan complies with the requirement as below; The resolution applicant has provided an undertaking to the resolution professional that the resolution plan does not contravenes any of the provisions of the code."
Section 30(4)(a)	The Resolution Plan is feasible and viable, according to the CoC	Yes, The CoC has approved the Resolution Plan after satisfying its feasibility and viability
Section 30(4)(b)	The Resolution Plan has been approved by the CoC with 66% voting share	Yes, the Resolution Plan has been approved by the CoC with 100% of voting share
Section 31(1)	The Resolution Plan has provisions for its effective implementation plan, according to the CoC.	Yes, under Clause 17 of the Resolution Plan

Compliance with Regulation 38 of the CIRP Regulations		
Regulation 38(1)	The amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors.	Not Applicable as the RA offers the 100% possession by way of completion of their Flats or buyback by RA as the case may be.
Regulation 38(1A)	The resolution plan includes a statement as to how it has	Yes, the plan includes statement on how it has dealt with the interest of all stakeholders in clause 8 of the plan.

	dealt with the interests of all stakeholders.	
Regulation 38(1B)	Neither the Resolution Applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If applicable, the Resolution Applicant has submitted a statement giving details of any such non-implementation.	Yes, Clause 4.5 of the Resolution Plan states that "The Resolution Applicant has provided declaration that neither it nor any of his related parties has failed to implement or not contributed to the failure of implementation of any other resolution plan approved under the IBC 2016 by the Adjudicating Authority at any time in the past, have been given in Appendix annexed with this Plan as required under the process document issued by the Resolution Professional."
Regulation 38(2)(a)	The resolution plan provides the term of the plan and its implementation schedule.	Yes, in Clause 17 of the Resolution Plan
Regulation 38(2)(b)	The resolution plan provides for the management and control of the business of the corporate debtor during its term.	Yes, in Clause 4.8 and Schedule 2 of the Resolution Plan
Regulation 38(2)(c)	The resolution plan provides adequate means for supervising its implementation.	Yes, in Clause 15 of the Resolution Plan
Regulation 38(3)(a)	The resolution plan demonstrates that it addresses the cause of default.	Yes, in Clause 2.2(vi) & Schedule 3 of the Resolution Plan
Regulation 38(3)(b)	The resolution plan demonstrates that it is feasible and viable.	Yes, in Clauses 2.2 & 14 of the Resolution Plan
Regulation 38(3)(c)	The resolution plan has provisions for its effective implementation.	Yes, in Clause 15 of the Resolution Plan
Regulation 38(3)(d)	The resolution plan has provisions for approvals required and the timeline for the same.	Yes, as mentioned in Schedule 4 of the Resolution Plan
Regulation 38(3)(e)	The Resolution Applicant has the capability to implement the resolution plan.	Yes, in Clause 4 & Schedule 3 of the Resolution Plan

Compliance with Regulation 39 of the CIRP Regulations		
Regulation 39(2)	Whether the Resolution Professional has filed applications in respect of transactions observed, found or determined by him/her.	Yes

Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of Regulation 36B.	Yes, the SRA is required to deposit 16 lakhs as an additional amount towards the performance security since 5 lakhs is already been deposited by the SRA as EMD. Therefore, 21 Lakhs have been received from the SRA.

ANALYSIS AND FINDINGS:

18. Upon submissions made by the Learned counsel for the RP, and after examining the records available. The core point for consideration arises in the case whether the Resolution Plan in question satisfies the requisite conditions prescribed under the provisions of Section 30 of the Code and whether it is in compliance with the settled position of law or not.

19. As detailed supra, the Resolution plan in question meets the requirement as referred to in sub-section (2) of Section 30 of the Code, and the Application is filed strictly in accordance with law.

20. It is a settled position of law that once an application is filed in prescribed format furnishing all the required material facts and if the Resolution plan is approved with the requisite majority by CoC by exercising its commercial wisdom, the Adjudicating Authority can hardly have any jurisdiction to reject it. In this regard, it is relevant to refer the judgement rendered in the case of ***K. Sashidhar vs. Indian Overseas Bank*** in Civil Appeal No. (10673/2018), (2019) 12 SCC 150, where the Hon'ble Supreme Court has, inter alia, held that:

> *"If CoC had approved the Resolution Plan by the requisite percent of voting share, then as per Section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority. On receipt of such a proposal, the Adjudicating Authority (NCLT) is required to satisfy itself that the resolution plan as approved by CoC meets the requirements specified in Section 30(2). No more and no less".*



And held further in para 35 of the judgement that –

> *"the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements".*

Similarly, The Hon'ble Supreme Court reiterated this view in the case of ***Essar Steel Vs. Satish Kumar Gupta & Ors. in Civil Appeal No.8766 67/2019, decided on 15.11.2019: (2020) 8 SCC 531*** by holding that*:*

> *"…it is clear that the limited judicial review, which can in no circumstances trespass upon a business decision of the majority of the CoC, has to be within the four corners of section 30(2) of the Code, in so far as the Adjudicating Authority is concerned…."*

The above ratio is again reiterated in the recent case if ***Vallal RCK v. Siva Industries and Holdings Ltd. and Ors., (2022) ibclaw.in 63 SC***, wherein it is inter-alia held that:

"21. This Court has consistently held that the commercial wisdom of the CoC has been given paramount status without any judicial intervention for ensuring completion of the stated processes within the timelines prescribed by the IBC. It has been held that there is an intrinsic assumption, that financial creditors are fully informed about the viability of the corporate debtor and feasibility of the proposed resolution plan. They act on the basis of thorough examination of the proposed resolution plan and assessment made by their team of experts…."

Emphasizing yet again, that

> *"27. This court has, time and again, emphasized the need for minimal judicial interference by the NCLAT and NCLT in the framework of IBC."*

21. Therefore, when tested on the touch stone of the rulings, and considering the facts of the case, we are of the view that the Resolution Plan satisfies the

requirements of Section 30 (2) of the IBC and Regulations 37, 38 & 39 of CIRP Regulations. We also find that the Resolution Applicant is eligible to submit the Resolution Plan under Section 29A of IBC.

22. It is hereby clarified that approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/ liabilities of the Corporate Debtor and shall be dealt with by the appropriate Authorities in accordance with law. Any waiver/concession/ relief sought in the Resolution Plan, shall be subject to approval by the Authorities concerned. The Corporate Debtor has to approach the Authorities concerned for such reliefs, and we trust the Authorities concerned will do the needful. *"Approval of this plan by NCLT shall be deemed to be sufficient notice, which may be required to be given to any person for such matter and no further notice shall be required to be given"* as per the view taken by the Hon'ble Supreme Court in the case of ***Ghanashyam Mishra and Sons Private Limited Versus Edelweiss Asset Reconstruction Company Limited*** in ***Civil Appeal No.8129/2019 with Civil Appeal No.1554/2021 and 1550-1553/2021, decided on 13.04.2021.: (2021) 9 SCC 657.***

23. In the result, we hereby approve the Resolution Plan submitted by the ***Consortium of M/s Leela Residencies Private Limited and Mr. Charanjit Singh Arora,*** and accordingly IA(IBC)(Plan) 11 (CH) 2024 in CP(IB) No. 199/Chd/Pb/2020 is hereby **allowed** with the following directions:

I. The Resolution Plan shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any 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 is due, guarantors and other stakeholders involved in the resolution plan.

II. All crystallised liabilities and unclaimed liabilities of the Corporate Debtor as on the date of this order shall stand extinguished on the approval of this Resolution Plan.

III. If the SRA fails to pay the amount as envisaged in the Resolution Plan to the stakeholders within the timeline fixed in the Plan, the entire amount paid by the SRA shall be forfeited.

IV. The Performance Bank Guarantee furnished by the Resolution Applicant shall remain in force till the amount proposed to be paid to the creditors under this plan is fully paid off and the plan is fully implemented.

V. The Memorandum of Association (MoA) and the Articles of Association (AoA) shall accordingly be amended and filed with the concerned Registrar of Companies (RoC), for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

VI. Henceforth, no creditor of the erstwhile Corporate Debtor can claim anything other than the liabilities referred to in the Resolution Plan.

VII. The moratorium under Section 14 of IBC shall cease to have effect from the date of this Order.

VIII. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with a copy of this order for information.

IX. The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant.

X. The Registry shall communicate this Order to the concerned Registrar of Companies, for updating the master data and also forward a copy to IBBI.

24. Accordingly, the Application bearing **IA(IBC)(PLAN)/11/(CH)/2024** is **Disposed of.**

Sd/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

Sd/-

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)
Ruhani