

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**COURT-III, NEW DELHI**

**Plan IA-38/2024**  
**In**  
**IB-477(ND)/2021**

**IN THE MATTER OF IB-477(ND)/2021:**

(Under Section 7 of Insolvency and Bankruptcy Code, 2016)

**Mr. UMESH CHANDER AND ORS.**

**..... Financial Creditor**

**VERSUS**

**M/s. GRJ DISTRIBUTORS AND DEVELOPERS PRIVATE LIMITED**

(Avalon Rosewood Project- A Unit of M/s. GRJ Distributors and Developers Pvt. Ltd.)

**.....Corporate Debtor**

**AND IN THE MATTER OF Resolution Plan IA-38/2024:**

(Under Section 30(6) read with Section 31(1) of IBC, 2016 read with Regulation 39(4) of IBBI (CIRP Regulations), 2016)

**Mr. Sanjeet Kumar Sharma**

Resolution Professional of Avalon Rosewood Project-Unit of Corporate Debtor  
(Having Registration No. IBBI/IPA-001/IP-P01132/2018-2019/11827)

**..... Applicant/Resolution Professional**

**Pronounced On: 01.10.2024**

**CORAM:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the RP : Mr. Sunil Fernandes, Sr. Adv., Mr. Milan Singh Negi,  
Mr. Nikhil Kumar Jha, Ms. Aakriti Gupta, Ms. Diksha Dadu,  
Adv., Mr. Sanjeet Kumar Sharma, RP in person.

**Resolution Plan IA-38/2024 In IB-477(ND)/2021**  
**Date of Order: 01.10.2024**

**ORDER**

**PER: BENCH**

**1.1.** The present application has been filed by Mr. Sanjeet Kumar Sharma, Resolution Professional (“RP”) of Avalon Rosewood Project- A Unit of M/s. GRJ Distributors and Developers Private Limited (“Corporate Debtor”) under the provisions of Section 30(6) read with Section 31(1) of the Insolvency & Bankruptcy Code, 2016 (“the Code” or “IBC”) read with Regulation 39(4) of the Insolvency Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”) for approval of the Resolution Plan in respect of the Avalon Rosewood Project- A Unit of M/s. GRJ Distributors and Developers Private Limited (“Corporate Debtor”) submitted by Successful Resolution Applicant (“SRA”) namely Mr. Vivek Gupta.

**1.2. Brief Background of the Case:**

- i.** An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") was filed by the Financial Creditor i.e., Mr. Umesh Chander & Ors. against the Avalon Rosewood Project- A Unit of Corporate Debtor i.e., M/s. GRJ Distributors and Developers Private Limited. The Corporate Insolvency Resolution Process ('CIRP') of the Corporate Debtor, limited to only one project i.e. Avalon Rosewood Project, was initiated by this Adjudicating Authority vide order dated 16.02.2023 and a moratorium was declared and Mr. Piyush Garg was appointed as an Interim Resolution Professional. Subsequently, Mr. Sanjeet Kumar Sharma, the applicant herein was appointed as Interim Resolution Professional in place of Mr. Piyush Garg vide Order dated 23.03.2023 passed by this Adjudicating Authority, who carried forward the CIRP of the Avalon Rosewood Project- A Unit of Corporate Debtor.
- ii.** A Resolution Plan was submitted by the Successful Resolution Applicant namely Mr. Vivek Gupta which was approved by the CoC in its 14<sup>th</sup> meeting dated 19.07.2024 and 22.07.2024 (adjourned meeting) by 66.89% voting share in respect of the CIRP of Avalon Rosewood Project- A Unit of Corporate Debtor after considering its feasibility and viability.

### **1.3. Background of the Avalon Rosewood Project- A Unit of Corporate Debtor:**

- i.** The Corporate Debtor was incorporated on 23.11.1998, as a Private Company Limited by Shares (Non-govt. Company) having CIN: U51396DL1998PTC097177, under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana. The Authorized Share Capital of the Corporate Debtor is Rs. 7,50,00,000/- and the Paid-up Share Capital of the Corporate Debtor is Rs. 7,03,64,000/-. The Registered Office Address of the Corporate Debtor is at 64, Scindia House, Connaught Place, New Delhi, Delhi, India, 110001.
- ii.** The Corporate Debtor developed various projects in the name of Avalon Group which was started by Mr. Ajay Singal and Mr. Ajay Gupta, Directors, having more than 30 years of experience in construction field and real estate.
- iii.** Further, the Corporate Debtor was developing one residential project namely Avalon Rosewood, but failed to abide by the terms and conditions of the Builder Buyer Agreement and deliver possession of the flats to the Home Buyers who booked flats in the Avalon Rosewood Project within the prescribed period of 42 months and grace period of six months.

The details of the said Project are as follows: -

Address: Sector 16, Alwar Bypass Road, Bhiwadi, Rajasthan – 301019

Plot Area: 67,600.00 Sq. Mtr.

Net Plot Area: 58,703.88 Sq. Mtr.

Total Units: 1564 Units

Sold Unit: 743 Units

Unsold Unit: 821 Units

Admitted Claimed: 514 Units

RERA Registration: RAJ/P/2017/170

### **2. Collation of claims by Resolution Professional:**

- i.** In pursuance of Order dated 23.03.2023, the applicant took charge of the Avalon Rosewood Project of the Corporate debtor as the IRP and in terms of Regulation 6 of the CIRP Regulations, the applicant made the public announcement on 07.04.2023, thereby calling upon the creditors/ stakeholders to submit their claims with the applicant/then IRP.

**Resolution Plan IA-38/2024 In IB-477(ND)/2021**

**Date of Order: 01.10.2024**

- ii. In pursuance whereof, claims were received from the stakeholders/creditors of the Avalon Rosewood Project-A Unit of Corporate debtor by the applicant, which were collated and verified by the applicant and a CoC was constituted. The CoC so constituted, approved the appointment of the applicant herein as the Resolution Professional in its 1<sup>st</sup> meeting held on 15.05.2023, which appointment was also confirmed by this Tribunal on 24.08.2023.
- iii. The CoC was reconstituted by the applicant on several occasions, in view of the receipt of the claims from the financial creditors (including the allottees) and in terms of the latest CoC constitution report as on 15.07.2024, as filed before this Tribunal, the composition of CoC stands as under:

<b>S. No.</b>	<b>Financial Creditors</b>	<b>Count</b>	<b>Claimed Amount (in Rs.)</b>	<b>Provisionally Admitted Amount</b>	<b>Inadmissible</b>	<b>Voting Share (%)</b>
1.	Allotees of Real Estate Unit	514	2,62,43,04,383	2,45,12,91,152	17,30,13,231	66.89%
2.	Banks/ Financial Institutions- LIC Housing Finance Limited	1	1,21,32,14,577	1,21,32,14,577	-	33.11%
	<b>Grand Total</b>		<b>3,83,75,18,960</b>	<b>3,66,45,05,729</b>	<b>17,30,13,231</b>	<b>100.00%</b>

### **3. Evaluation and voting**

- i. The applicant published the Form G i.e., invitation for expression of interest ('EOI'), on 19.07.2023, in pursuance of which, only two EOI's were received by the applicant herein from the following parties:
- a. M/s. Amrapali Fincap Ltd.
  - b. M/s. Puma Realtors Private Limited

- ii. Thereafter, M/s. Amrapali Fincap Ltd., one of the Prospective Resolution Applicants (“**PRA**”) requested for extension of the last date for submission of Resolution Plan, which was accepted by the CoC and the time for submission of resolution plan was extended till 06.11.2023. The other PRA i.e. Puma Realtors Private Limited, did not show interest in the process of submission of resolution plan and had withdrawn its name from the process.
- iii. The Resolution Plan from M/s. Amrapali Fincap Ltd. was received by the applicant on 06.11.2023, which was considered by the CoC in its 5th meeting held on 15.11.2023, wherein M/s. Amrapali Fincap Ltd. was asked to submit the revised/modified resolution plan with improved financial proposal.
- iv. In the 9<sup>th</sup> CoC meeting, held on 28.03.2024 and 30.03.2024 (adjourned meeting), the applicant informed the CoC members that no further changes/addendums to the revised Resolution plan shall be made and accordingly, the Resolution Plan of the PRA (Amrapali) was put for voting, however it was rejected by the CoC as the same received only 33.49% votes in its favour.
- v. In the 10<sup>th</sup> CoC meeting, held on 16.04.2024, wherein the CoC discussed the case concerning over 514 homebuyers/units holders who filed their claims out of total 743 sold units, and it was also decided that given the market situation, if a fresh Form G is issued, many new PRAs may turn up, and there was a likelihood of receiving a feasible and viable Resolution Plan.
- vi. It was also deliberated upon that a request for extension of 90 days (beyond 380 days) must be made before the Tribunal, so as to enable issuance of fresh Form G in the present case. As the extended time period for completion of CIRP was expiring on 20.04.2024, the CoC, in the 10th meeting dated 16.04.2024, approved the agenda for extension of CIRP time period by 90 days with 100% voting share, subject to the directions of this Tribunal.
- vii. In view of the Resolution passed by the CoC and in interest of all stakeholders of the Avalon Rosewood Project-A Unit of Corporate Debtor, the applicant preferred an application IA 2143 of 2024 for extension of 90 days beyond the 380 days time period, which was allowed by this Tribunal on 07.05.2024, thereby extending the CIRP period by 107 days upto 05.08.2024.

viii. The consolidated table depicting the timelines of CIRP in the instant case is provided herein below:

<b>Date</b>	<b>Days</b>	<b>Particulars</b>
16.02.2023	0	The CIRP in the instant case was initiated.
15.08.2023	180	Expiry of 180 days as per Section 12(1) of IBC.
02.10.2023	180	After applying the exclusion of 48 days (from 16.02.2023 to 05.04.2023), as granted by this Tribunal vide order dated 24.08.2023, passed in I.A. No. 2345 of 2023.
31.12.2023	270	After applying the 90 days extension beyond 180 days granted by this Tribunal vide order dated 19.09.2023, passed in I.A. No. 4923 of 2023.
29.02.2024	330	After applying the 60 days extension beyond 270 days granted by this Tribunal vide order dated 27.02.2024 passed in I.A. No. 905 of 2024.
30.03.2024	360	After applying the 30 days extension beyond 330 days granted by this Tribunal vide order dated 05.03.2024 passed in I.A. No. 1102 of 2024.
20.04.2024	380	After applying the 20 days extension beyond 360 days granted by this Tribunal vide order dated 05.04.2024 passed in I.A. No. 1584 of 2024.
05.08.2024	487	After applying the extension of 107 days (90 days extension + 17 days exclusion) beyond the 380 days, granted by this Tribunal vide order dated 07.05.2024 passed in I.A. No. 2143 of 2024.

ix. Thereafter, as per the provisions of Regulation 36A of the CIRP Regulations, the applicant again prepared the eligibility criteria for PRA to submit the resolution plan which was duly approved by the CoC in the 11<sup>th</sup> CoC meeting held on 10.05.2024 and further, the CoC approved the publication of Fresh Form G.

- x. In pursuance of the said Form G published on 14.05.2024, the Applicant received 21 enquiries from the parties showing interest in the Avalon Rosewood Project- A Unit of Corporate Debtor and out of the same only 3 PRA submitted their Expression of Interest (“**EOI**”) along with the refundable Earnest Money Deposit (“**EMD**”).

The Details of the same are provided herein below:

<b>S. No.</b>	<b>Name of PRA</b>
1.	Vivek Gupta
2.	Metro Waste Handling Private Limited
3.	Power Infra Consortium (Rosewood) Lead Member- Mona Vij and Member-Ajay Mehra

- xi. On 31.05.2024, the applicant issued the provisional list of PRAs and thereafter, the final list of PRAs was issued on 05.06.2024, whereby all the 3 PRA who submitted the EOIs were found to be eligible.
- xii. In terms of the provisions of Regulation 36B of the CIRP Regulations, the applicant also prepared the evaluation matrix and the Request for Resolution Plan (“**RFRP**”) documents for submission of the resolution plans by the PRA, which was duly approved by the CoC in its 12<sup>th</sup> meeting held on 01.06.2024.
- xiii. In pursuance of the RFRP issued by the applicant to the PRAs, the applicant received 2 (two) resolution plans till 05.07.2024 from the PRAs namely (a) Vivek Gupta and (b) Power Infra Consortium (Rosewood). However, one of the PRAs, namely, Metro Waste Handling Private Limited had sought further 20 days-time for submission of the resolution plan, which was not allowed by the CoC, keeping in view limited time period available in the present CIRP.
- xiv. In the 13<sup>th</sup> CoC meeting held on 06.07.2024, the applicant placed the Resolution Plans before the CoC for consideration, whereby it was decided that the PRA shall present their Resolution Plans to the CoC members and the tentative timelines were agreed amongst the members of CoC. Thereafter, the necessary due-diligence on the resolution plans were conducted in accordance with the legal requirements as per IBC and the said observations were duly circulated to the respective PRAs on 16.07.2024 and in view of the said observations, the PRAs were requested to submit their revised Resolution Plans, which were submitted by the PRAs on 18.07.2024.

- xv. The revised Resolution Plans were presented before the CoC in its 14<sup>th</sup> meeting held on 19.07.2024 & 22.07.2024, which were duly deliberated and discussed by the CoC and accordingly the same were put to voting by the applicant from 24.07.2024 (08:00 Pm) till 31.07.2024 (08:00 Pm), which was further extended till 02.08.2024 (08:00 Pm) on the request of LIC Housing Finance Limited (one of the CoC members holding 33.11% voting share). Further, the applicant/Resolution Professional, in terms of Regulation 39(3B) of the CIRP regulations, indicated that since there are two resolution plans in the present case, therefore, the tie breaker formula has to be adopted to, which shall be based on the score of the resolution plans based on the evaluation matrix, which was approved by the CoC in its 14<sup>th</sup> meeting.
- xvi. After the conclusion of the voting on 02.08.2024, the applicant shared the voting results with the CoC members, whereby the resolution plan of Mr. Vivek Gupta (Resolution Applicant) was approved by the CoC with 66.89% voting share. Whereas the resolution plan of other PRA i.e., Mona Vij and Ajay Mehra (consortium) could not garner requisite vote.
- xvii. On the approval of the resolution plan of Mr. Vivek Gupta, the applicant/Resolution Professional issued the Letter of Intent dated (“**LOI**”) dated 03.08.2024 to the Resolution Applicant, which has been unconditionally accepted by the Resolution Applicant. The Resolution Applicant has issued a communication dated 03.08.2024, thereby requesting the applicant to treat the EMD of Rs. 1,00,00,000/- submitted by the Resolution Applicant with the Corporate Debtor to be treated as PBG, which was duly accepted by the applicant/CoC members.
- xviii. In these circumstances where the CoC has approved the resolution plan with 66.89% voting share in terms of Section 30(4) of IBC, the applicant, in its capacity as the resolution professional, has filed the instant application for approval of resolution plan submitted by Mr. Vivek Gupta, as approved by the CoC in its 14<sup>th</sup> meeting held on 19.07.2024 & 24.07.2024 (adjourned meeting) with 66.89% voting share.

xix. The RP has submitted that a total of 14 (Fourteen) CoC meetings have been held during the CIRP period which are as follows:

<b>S. No.</b>	<b>Sequence of Meeting of CoC</b>	<b>Date of Meeting</b>	<b>CoC Members Present</b>
1.	First Meeting of CoC	15.05.2023	Yes
2.	Second Meeting of CoC	12.07.2023	Yes
3.	Third Meeting of CoC	25.08.2023	Yes
4.	Fourth Meeting of CoC	02.11.2023	Yes
5.	Fifth Meeting of CoC	15.11.2023	Yes
6.	Sixth Meeting of CoC	27.12.2023	Yes
7.	Seventh Meeting of CoC	22.02.2024	Yes
8.	Eight Meeting of CoC	23.03.2024	Yes
9.	Ninth Meeting of CoC	30.03.2024	Yes
10.	Tenth Meeting of CoC	16.04.2024	Yes
11.	Eleventh Meeting of CoC	10.05.2024	Yes
12.	Twelfth Meeting of CoC	01.06.2024	Yes
13.	Thirteenth Meeting of CoC	06.07.2024	Yes
14.	Fourteenth Meeting of CoC	22.07.2024	Yes

xx. The List of the Financial Creditors of the Avalon Rosewood Project (A unit of GRJ Distributors and Developers Pvt. Ltd.) being members of the CoC and distribution of voting share is as under:

<b>S. No.</b>	<b>Name of CoC Member</b>	<b>Voting Share%</b>	<b>Yes%</b>	<b>No%</b>	<b>Total%</b>
1.	Allotees of Real Estate Unit	66.89%	66.89%	-	66.89%
2.	LIC Housing Finance Limited	33.11%	-	33.11%	33.11%
	Total	100%	100%	-	100%

#### **4. Valuation of the Avalon Rosewood Project- A Unit of Corporate Debtor**

In terms of Regulation 27 of CIRP Regulations, the Applicant appointed registered valuer who was entitled to determine the fair and liquidation value of the Avalon Rosewood Project- A Unit of Corporate Debtor. As per Form-H dated 03.08.2024, the fair value and liquidation value of the assets of Avalon Rosewood Project- A Unit of Corporate Debtor are as follows: The Fair Value is Rs. 59,82,64,166/- and the Liquidation Value is Rs. 47,86,11,333/-.

**Resolution Plan IA-38/2024 In IB-477(ND)/2021**  
**Date of Order: 01.10.2024**

## **5. Details of Resolution Plan/Payment Schedule**

The Successful Resolution Applicant has to the extent possible, taken into account the interests of all stakeholders of Avalon Rosewood Project- A Unit of Corporate Debtor. The total Resolution Plan value is **Rs. 3,67,06,00,000/-** (Rupees Three Hundred Sixty Seven Crore Six Lakh Only). The Breakup of the Plan Value is as follows: -

<b>Particulars</b>	<b>Amount (In Rs. Crore)</b>
Construction Cost (all tower area)	257.92
Construction Cost (non-tower area & External Development)	28.81
Brokerage & Marketing on New sales @ 10%	27.47
Unpaid Insolvency Resolution Process Cost	1.50
Payment to Secured Financial Creditor	46.36
Operations & maintenance	5.00
<b>Total</b>	<b>367.06</b>

### **5.1 Source of Funds**

All funding to be arranged by Successful Resolution Applicant (“SRA”) through his own sources & means. The SRA’s Net worth is Rs. 62.87 crore which includes movable assets amounting to Rs. 19,58,980/- and Shareholding in M/s. Lord Vardhman Buildtech Private Limited amounting to Rs. 62,67,73,888/- as on 27.05.2024. Further, the cash inflow statement also depicts as to how construction cost along with other costs shall be met.

### **5.2 CIRP Cost**

The CIRP Cost, as approved by CoC and incurred over the CIRP period is estimated to be Rs. 1.50 Crore, and shall be paid in full within 30 days from the date of the Final Order approving the Resolution Plan.

### **5.3 Capital Structure**

The Successful Resolution Applicant shall infuse Rs. 4 Crore as Fresh Capital in the form of equity share, into the special purpose vehicle (SPV), set up for the project. All the rights of all the existing shareholders for Avalon Rosewood Project- A Unit of Corporate Debtor shall be extinguished and nothing shall be payable to them.

#### **5.4 Additional Funds towards Working Capital and Capital Expenditure**

The Resolution Applicant may infuse additional Rs. 15 Crore, as and when required for improving the operations of the SPV including requirement towards accelerating construction activities, payment to Financial Creditor.

#### **5.5 Admitted Claims of Creditors:**

##### **a. Debt Owed to Financial Creditors**

The total claims filed by the Financial Creditors amount to Rs. 3,83,75,18,960/- out of which claims aggregating to Rs. 3,66,35,30,454/- have been verified and admitted by the Resolution Professional.

##### **i. Financial Creditors of Homebuyer Class:**

The total amount of claim is Rs. 2,62,43,04,383/- out of which Rs. 2,45,03,15,877/- was admitted by the Resolution Professional for the Homebuyers. Out of the admitted claim of Rs. 2,45,03,15,877/-, admitted principal amount is Rs. 1,53,01,75,271/- and the same is proposed to be settled through handing over of possession of flats to the claimants in this project. The construction of the project named "Avalon Rosewood" at Sector-16, Alwar Bypass Road, Bhiwadi, Rajasthan will be completed as per the plan given in Business Revival Plan. The handover of Residential Units to homebuyers would be as follows: -

Phase-I: Tower A1 to A8, Tower B3, Basement and Parking within 30 months, extendable by another 6 months, from the date of approval by NCLT.

Phase-II: Tower A9 to A16, Tower B4, B5, B6, EWS and LIG, Central Lawn and Club withing 60 months from the date of approval by NCLT.

Phase-III: Tower C1 to C3, SRA may its own discretion launch and complete this phase.

##### **ii. Financial Creditors other than Home Buyer & Related Parties: -**

As against the admitted claim of Rs. 121,32,14,577/-. Successful Resolution Applicant originally proposed to pay Rs. 50 crores in the manner specified herein below:

- First tranche of Rs. 2 Crore upfront within 90 days from the Final Order date.
- Second tranche of Rs. 6 Crore within 12 months from the Final Order date payable half-yearly in two instalments of Rs. 1 Crore and Rs. 5 Crores

starting 6 months from the Final Order date.

- Third tranche of Rs.12 Crores within 12 months from the payment of Second tranche payable half-yearly in two instalments of Rs. 2 Crore and Rs. 10 Crores starting 6 months from the final payment of Second tranche.
- Fourth tranche of Rs. 12 Crores within 12 months from payment of Third tranche payable quarterly in four equal instalments starting 3 months from the final payment of Third tranche.
- Fifth tranche of Rs. 18 Crores within 12 months from payment of Fourth tranche payable quarterly in four equal instalments starting 3 months from the final payment of Fourth tranche.
- Any delay in payment of any tranche will be paid with a delayed simple interest @ 10% p.a. Further, SRA shall ensure that this delay in payment is not carried forward beyond due date of next instalment and SRA shall infuse additional funds, if any, from his own sources to ensure timely payment of instalment along with due interest.

Since, the secured Financial Creditor- LIC Housing Finance Limited has dissented to the Plan, hence the value payable to them under Section 53 is now Rs.46.36 crore (Liquidation Value of Rs. 47.86 Crores minus CIRP Cost of Rs. 1.50 Crores). The said amount is proposed to be paid in priority. In terms of Clause 5(iii)(b) of the Resolution Plan, the above amount has to be paid prior to 3 years from the date of Approval of the Resolution Plan.

**b. Debt owed to Operational Creditors**

**i. Operational Creditors- Employees & Workmen: -**

- As per the Information Memorandum, since there are NO admitted claims related to Employees & Workmen, SRA has not made any provisions for the payment of such dues and all outstanding liabilities for such creditors related to Avalon Rosewood Project of Corporate Debtor shall be extinguished.

**ii. Operational Creditors - Statutory Liabilities: -**

- As per the Information Memorandum, since there are NO admitted claims related to Statutory Liabilities, the SRA has not made any provisions for the payment of such dues and all outstanding liabilities for such creditors related to Avalon Rosewood Project of Corporate Debtor shall be extinguished.

iii. Operational Creditors other than Statutory Liabilities, Related Parties & Employees and workmen: -

- The SRA based on the admitted claims of the Operational Creditor has concluded that the liquidation value for Operational Creditors (other than Workman & Employee) shall be NIL against the claim so filed and hence, SRA has not made any provisions for payment of such dues and all outstanding liabilities of such creditors related to Avalon Rosewood Project of Corporate Debtor shall be extinguished.

c. Related Parties both Financial Creditors as well as Operational Creditors: -

- Nothing shall be payable to related parties for Avalon Rosewood Project of Corporate Debtor and all their claims under any category shall be deemed to be satisfied and treated as paid upon approval of resolution plan by Adjudicating Authority.

**5.6 Non-Submitted/ Non-Admitted Claims for All Creditors:**

Any claims, under any category for Avalon Rosewood Project of Corporate Debtor, except as otherwise provided under this Plan, not filed during CIRP period and/or filed but not admitted by IRP/RP shall be paid zero and shall be treated as paid and settled fully and finally upon approval of resolution plan by Adjudicating Authority.

**5.7 Liabilities Due to Collaboration Agreement:**

Owing to the Collaboration agreement between M/s. GRJ Distributors and Developers Private Limited and M/s. Pink City Heights Private Limited (“PCHPL”) any past/future dues payable to any authority or department for any services availed related to Avalon Rosewood Project of Corporate Debtor will be limited to NIL. No dues will be payable in respect of the same by SRA.

**5.8 Project Completion Schedules:**

Project named Avalon Rosewood at Sector 16, Alwar Bypass Road, Bhiwadi, and Rajasthan will be completed as mentioned in the Business Revival Plan.

### 5.9 **Brief of Proposed Business Revival Plan:**

The main objective of the plan is to ensure completion of the project to ensure delivery of flats to home buyers. And revival plan is dependent on the support from home buyers. Home buyers to make the 100% payment as per the schedule provided based on the approval of the plan by Adjudicating Authority.

### 5.10 **Unclaimed Units:**

All unclaimed units for Avalon Rosewood Project of Corporate Debtor, along with the amount paid in respect of the said units if any, to be forfeited, if no claims for the unit have been received till approval of the plan by Adjudicating Authority. Upon such forfeiture, the unit will be available for sale.

The amounts provided for the stakeholders under the Resolution Plan as per Form H is as under: -

**(Amount in Rs. Lakhs)**

<b>S. No.</b>	<b>Category of Stakeholder</b>	<b>Sub-Category of Stakeholder</b>	<b>Amount Claimed</b>	<b>Amount Admitted</b>	<b>Amount provided under the Plan</b>	<b>Amount provided to the Amount Claimed (%)</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under Section 21(2)	-	-	-	-
		(b) Other than (a):				
		(i) who did not vote in favour of the Resolution Plan	12,132.15	12,132.15	5,000.00	41.21%
		(ii) who voted in favour of the resolution plan	-	-	-	-
		Total [(a) + (b)]	12,132.15	12,132.15	5,000.00	41.21%

2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under Section 21(2)	-	-	-	-
		(b) Other than (a):				
		(i) who did not vote in favour of the Resolution Plan	-	-	-	-
		(ii) who voted in favour of the Resolution Plan	26,243.04	24,512.91	Will be handed over Flats in the project subject to payment of balance outstanding and escalation as provided in the Resolution Plan.	
	Total [(a) + (b)]	26,243.04	24,512.91			
3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:				
		i. Government	-	-	-	-
		ii. Workmen	-	-	-	-
		iii. Employees	-	-	-	-
		iv. Other	86.62	86.62	NIL	0%
	Total [(a) + (b)]	86.62	86.62	NIL	0%	
4	Other Debts and Dues	3,733.91	3,733.91	NIL	0%	

**6. Capital restructuring and Management of Avalon Rosewood Project- A Unit of Corporate Debtor post approval of Resolution Plan**

Since it is a project-wise CIRP, the project ‘Avalon Rosewood’ would be transferred from M/s. GRJ Distributors and Developers Private Limited to newly formed Special Purpose Vehicle (“SPV”) held entirely by SRA or its

nominee Company/Companies subject to eligibility under Section 29A of the Code and submission of Section 29A Undertaking to the Monitoring Agency. The SRA proposes Mr. Arun Aggarwal, S/o Uttam Chand Aggarwal as Equity Shareholder and Director of SPV.

All the fees payable and expenses incurred (including any legal costs which have arisen or may arise out of or in connection with the CIRP of the Project for the company shall be met by the Successful Resolution Applicant.

All the existing contracts, license, agreements of the Avalon Rosewood Project- A Unit of Corporate Debtor will be transferred to the SPV, from the date of approval of plan by Adjudicating Authority, within 90 days from the date of application for transfer of such contracts, license, agreements of the Avalon Rosewood Project- A Unit of Corporate Debtor.

#### **7. Waivers, Reliefs, Concessions and Exemptions**

The Regulation 37(1) of CIRP Regulations provides that a Resolution Plan may provide for the measures required for implementing it, including but not limited to obtaining necessary approvals from central and state governments and other authorities. Accordingly, the SRA requested all government authorities to grant any relief, concession or dispensation as may be required for implementation of the transactions contemplated under the plan for Avalon Rosewood Project of Corporate Debtor in accordance with its terms and conditions. Upon approval of the Resolution Plan by this Adjudicating Authority, it shall be deemed that the reliefs, concessions and dispensations set out in Plan have been granted.

The Resolution Plan also provides details of Reliefs and Concessions as already set out in Chapter 9 (Concession, Relief and Dispensation sought by the Resolution Applicant, Page No. 38-46 of the Resolution Plan).

#### **8. Status of Preferential, Undervalued, Fraudulent and Extortionate (PUFE) transactions and how dealt with in the Resolution Plan, if any**

There is no record of Preferential, Undervalued, Fraudulent and Extortionate transactions in the present case. The Resolution Plan also provides details of Treatment of Amounts claimed under Ongoing Litigations as already set out in Chapter 6 Mandatory Contents of the Resolution Plan, Page No. 14-25 of the Resolution Plan.

## **9. Details on Management and Implementation as per Resolution Plan**

The Resolution Plan also provides details of the Implementation Schedule under Regulation 38(2)(a) of CIRP Regulations, management and control under Regulation 38(2)(b) of CIRP Regulations and under Section 30(2)(c) of IBC, and supervision under Regulation 38(2)(c) of CIRP Regulations and under Section 30(2)(d) of IBC under the Resolution Plan. The same has already been set out in Chapter 8 (Term, Implementation Schedule and Monitoring of the Resolution Plan) on Page No. 33-37 of the Resolution Plan.

The Implementation Schedule is as follows:

<b>Activity</b>	<b>Days</b>
Receipts of Letter of Intent from the CoC	Y
Issuance of Performance Bank Guarantee	Y+7
Effective Date - Approval of the Plan by AA	X
Final Order	Z (i.e. 60 days from X)
Application to CCI	Not Required
Appointment of Monitoring Agency	X+10 Days
Payment of CIRP Cost	Within Z+30 days (Payment in Control A/c)
Collection from Financial Creditors (Home buyer Class) in Controlled Account for overdue amount	Within X+90 days
Infusion of Equity & Working Capital	On or after Z as per the Requirement of the Project
Payment to Operational Creditor other than Statutory Liabilities & Related Parties	NA
Payment to Financial Creditor other than Related Parties	In Priority
Project Completion Application Target Phase I (including application for OC)	Within X+ 30 Months + 6 months
Project Completion Application Target Phase II (including application for OC)	Within X+60 months + 6 months
Project Completion Application Target Phase III (including hand over)	As per discretion of SRA

## **10. Analysis & Findings**

- i. This Adjudicating Authority notes that the Resolution Plan was submitted by the Successful Resolution Applicant namely Mr. Vivek Gupta dated 19.07.2024 and 22.07.2024 (adjourned meeting) and voting results declared on 03.08.2024 by 66.89% voting share in respect of the CIRP of the Avalon Rosewood Project- A Unit of Corporate Debtor under Section 30(4) of the IBC and no provision of the IBC has been contravened.

ii. The Regulation 31A (1) of CIRP Regulations provides as under:

*“31A. Regulatory Fee (1) A regulatory fee calculated at the rate of 0.25 per cent of the realisable value to creditors under the resolution plan approved under section 31, shall be payable to the Board, where such realisable value is more than the liquidation value.”*

In the instant case, the liquidation value is Rs.47.86 crore. The realisable value to the creditors (sole secured FC i.e. LIC Housing Finance) is Rs. 46.36 Crore, hence, no regulatory fee under Regulation 31A of the CIRP regulations is payable.

iii. We find that the Resolution Plan meets the requirement of being viable and feasible and for the revival of the Avalon Rosewood Project- A Unit of Corporate Debtor. By and large, there are provisions for making the Plan effective after approval by this Bench.

iv. This Adjudicating Authority has relied on the Hon’ble Supreme Court’s decision in the matter of **“Vallal RCK vs. M/s. Siva Industries and Holdings Limited and Others, Civil Appeal Nos. 1811-1812 of 2022”** whereby the Hon’ble Apex Court has answered the question as to whether ‘the adjudicating authority (NCLT) or the appellate authority (NCLAT) can sit in an appeal over the commercial wisdom of the Committee of Creditors (“CoC”) or not’. We have relied upon the following paragraphs:

*“21. This Court has consistently held that the commercial wisdom of the CoC has been given paramount status without any judicial intervention for ensuring the 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 the 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.”*

*A reference in this respect could be made to the judgments of this*

*Court in the cases of **“K. Sashidhar v. Indian Overseas Bank and Resolution Plan IA-38/2024 In IB-477(ND)/2021***  
**Date of Order: 01.10.2024**

***Others, Committee of Creditors of Essar Steel India Limited through Authorised Signatory v. Satish Kumar Gupta and Others, Maharashtra Seamless Limited v. Padmanabhan Venkatesh and Others, Kalpraj Dharamshi and Another v. Kotak Investment Advisors Limited and Another and Jaypee Kensington Boulevard Apartments Welfare Association and Others v. NBCC (India) Limited and Others.***

27. This Court has, time and again, emphasized the need or minimal judicial interference by the NCLAT and NCLT in the framework of IBC. We may refer to the recent observation of this Court made in the case of ***Arun Kumar Jagatramka v. Jindal Steel and Power Limited and Another:***

....

“95. However, we do take this opportunity to offer a note of caution for NCLT and NCLAT, functioning as the adjudicatory authority and appellate authority under the IBC respectively, from judicially interfering in the framework envisaged under the IBC. As we have noted earlier in the judgment, the IBC was introduced in order to overhaul the insolvency and bankruptcy regime in India. As such, it is a carefully considered and well thought out piece of legislation which sought to shed away the practices of the past. The Legislature has also been working hard to ensure that the efficacy of this legislation remains robust by constantly amending it based on its experience. Consequently, the need for judicial intervention or innovation from NCLT and NCLAT should be kept at its bare minimum and should not disturb the foundational principles of the IBC”

- v. In light of the above-quoted judgements, it is clear that the “**Commercial wisdom of CoC**” is given paramount status. This Adjudicating Authority is not endowed with the powers of jurisdiction or authority to analyse or evaluate the commercial decision of the CoC.

- vi. The Resolution Plan has been submitted by Mr. Vivek Gupta which was approved by the CoC in its 14<sup>th</sup> meeting dated 19.07.2024 and 22.07.2024 (adjourned meeting) and voting results declared on 03.08.2024 by 66.89% voting share in respect of the CIRP of the Avalon Rosewood Project- A Unit of Corporate Debtor after considering its feasibility and viability.
- vii. On perusal of the documents on record, we are satisfied that the Resolution Plan is in accordance with Sections 25(2)(h), 29A, 30(2), 30(4) and 31(1) of the IBC and also complies with Regulations 35A, 36B(4A), 37, 38(1), 38(1A), 38(1B), 38(2), 38(3), 39(1), 39(2) and 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Applicant/RP has filed a Compliance Certificate in the prescribed Form, i.e., **Form-H** as per the amended Resolution Plan in compliance with Regulation 39(4) of the CIRP Regulations. The Applicant/RP submits that the Successful Resolution Applicant is not disqualified under Section 29A of the Code to submit the Resolution Plan, as required by Regulation 39(1)(a) of the CIRP Regulations. A separate undertaking has also been submitted along with the EoI by the Successful Resolution Applicant, as mandated in terms of Regulation 39(1)(c) of the CIRP Regulations.
- viii. The reliefs, concessions and waivers sought by the Successful Resolution Applicant will be dealt with strictly as per law.
- ix. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the Code.
- x. In case of non-compliance of this order or withdrawal of the Resolution Plan within the stipulated time, in addition to other consequences which follow under law, the CoC shall forfeit the EMD already paid by the SRA as well as the PBG.
- xi. The present application has been filed with bonafide means, in the interest of justice and to advance the objectives of the Code.

## **11. Order**

- i. The Resolution Plan **IA-38/2024** which is for approval of the Resolution Plan is **allowed** and the Resolution Plan of **Rs. 3,67,06,00,000/-** (Rupees Three Hundred Sixty Seven Crore Six Lakh Only) is **approved**. The Resolution Plan Value is after considering the value payable to the dissenting Financial Creditor, i.e., LIC Housing Finance which is Rs. 46.36 Crore and the Cost of Construction. **The Resolution Plan shall form part of this Order.** **“Effective Date”** means the date on which this Resolution Plan is approved by this Adjudicating Authority under Section 31 of the Code.
- ii. The Resolution Plan is binding on the Avalon Rosewood Project- A Unit of Corporate Debtor, and 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, so that the revival of the Avalon Rosewood Project- A Unit of Corporate Debtor Company shall come into force with immediate effect.
- iii. The Moratorium imposed under section 14 of the Code shall cease to have effect from the date of this order.
- iv. Further from the effective date and until the transfer date, a 5-member Monitoring Committee or Managing Committee is to be constituted. The Committee shall consist of two representative of the Resolution Applicant, two representative of the CoC, the Resolution Professional and any other Special invitees, without any voting rights, can also join meetings of Monitoring agency.
- v. The RP shall submit the records collected during the commencement of the proceedings to the Insolvency and Bankruptcy Board of India (“IBBI”) for their record.
- vi. Liberty is hereby granted for moving appropriate application(s), if required in connection with the implementation of this Resolution Plan.

- vii. A copy of this Order shall be filed by the Resolution Professional with the Registrar of Companies, (RoC), NCT of Delhi & Haryana. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the RoC, for information and record.
- viii. 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.
- ix. The Resolution Professional shall stand discharged from his duties with effect from the date of this Order, save and except those duties that are enjoined upon him for implementation of the approved Resolution Plan.
- x. Further, in terms of the Judgment of the Hon'ble Supreme Court in the matter of **Ghanshyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited** *Civil Appeal No. 8129 of 2019*, on the date of the approval of the Resolution Plan by this Adjudicating Authority, for the Avalon Rosewood Project- A Unit of Corporate Debtor all such claims which are not a part of the Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to claims related to Avalon Rosewood Project only which are not a part of the Resolution Plan.
- xi. The Resolution Professional is further directed to hand over all records, premises/factories/documents available with it to the Successful Resolution Applicant to finalise the further line of action required for starting the operation.
- xii. The Successful Resolution Applicant shall have access to all the records and premises through the Resolution Professional to finalise the further course of action required for starting operations of the Avalon Rosewood Project- A Unit of Corporate Debtor.
- xiii. The Registry is hereby directed to send copies of the order forthwith to the IBBI, all the parties and their Ld. Counsel for information and for taking necessary steps.

xiv. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

File be consigned to the record.

No order as to costs.

**-Sd-**

**(ATUL CHATURVEDI)**  
**MEMBER (TECHNICAL)**

**-Sd-**

**(BACHU VENKAT BALARAM DAS)**  
**MEMBER (JUDICIAL)**