

AMARJIT SINGH VS CROWN ABACUS IT PARK ASSOCIATION

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Summary of the Case

Details of the Parties

▪ Appellants:

1. Gemco Technologies Pvt. Ltd. & Others (Allottees of Crown Realtech Pvt. Ltd.)
2. Amarjit Singh, Suspended Director of Crown Realtech Pvt. Ltd.

▪ Respondents:

1. Crown Abacus IT Park Association (Successful Resolution Applicant – SRA of Crown Realtech Pvt. Ltd.)
2. Resolution Professional of Crown Realtech Pvt. Ltd.

▪ Counsel for Appellants:

- Gemco Technologies: Mr. Gaurav Mitra, Mr. Prafful Saini, Ms. Aishwarya Modi.
- Amarjit Singh: Mr. Palash S. Singhai, Mr. Sonam Sharma, Ms. Riddhi Jain.

▪ Counsel for Respondents:

- SRA: Mr. A. Mishra, Mr. Sahil.
- RP: Mr. R. K. Gupta, Mr. Swaralipi Deb Roy.

Facts of the Case

1. Background:

- Corporate Insolvency Resolution Process (CIRP) against Crown Realtech Pvt. Ltd., a real estate

company, commenced on **06.12.2019**.

- The **Resolution Plan**, proposed by Crown Abacus IT Park Association (an association of allottees), was approved by the Committee of Creditors (CoC) with a **96.38% vote** and later sanctioned by the NCLT on **21.02.2023**.
- The Plan provided for the completion of construction within 12 months, with an additional grace period of six months.

2. Delays in Implementation:

- On **12.04.2023**, the NCLAT issued an interim order barring the SRA from transferring units, impacting the Plan's implementation timeline.
- The interim order was lifted after the final dismissal of appeals challenging the Plan's approval on **01.07.2024**.
- Subsequently, the SRA sought exclusion of the 446-day delay (from **12.04.2023** to **01.07.2024**) in implementing the Resolution Plan.

3. Appeal Context:

- The NCLT granted the exclusion of 446 days on **28.08.2024**, which was challenged by:
 - **Gemco Technologies Pvt. Ltd. & Others (Allottees)**: Arguing non-implementation of the Plan on time and inadequate construction progress.
 - **Amarjit Singh (Suspended Director)**: Alleging misuse of exclusion and non-compliance with the Plan.

Issues Involved

1. Whether the SRA was entitled to an exclusion of 446 days for the implementation of the Resolution Plan.
2. Whether the SRA had taken sufficient steps to implement the Plan despite the delay.
3. Whether the interim order of **12.04.2023** justified the

delay in implementation.

4. Whether the SRA complied with the terms of the approved Resolution Plan, including financial infusion and progress in construction.

Judgment

1. Exclusion of Time:

- The NCLAT upheld the NCLT's decision to exclude 446 days (12.04.2023 to 01.07.2024) due to the interim order that barred the SRA from transferring units, a key source of funding under the Resolution Plan.

2. Efforts by SRA:

- The SRA provided evidence of steps taken to implement the Plan, including:
 - Renewing licenses and environmental clearances.
 - Making payments toward CIRP costs, operational creditors, and statutory authorities.
 - Awarding work orders worth ₹18.23 crores for construction and related works.
- The Tribunal noted that the SRA had infused ₹7 crores (of the promised ₹10 crores) and completed significant progress despite challenges.

3. Allottees' Role:

- The Tribunal observed that some allottees, including the Appellants, failed to pay their dues, further hindering the implementation of the Plan.

4. Suspended Director's Challenge:

- The Tribunal dismissed Amarjit Singh's appeal, highlighting that he had previously challenged the Resolution Plan, and his current appeal was another attempt to obstruct its implementation.

5. Conclusion:

- The NCLAT found no error in the NCLT's order and dismissed both appeals.

Conclusion

The NCLAT reaffirmed the exclusion of the 446-day delay for the Resolution Plan's implementation, citing the interim order and SRA's demonstrated efforts. It emphasized that the appeals lacked merit and were primarily aimed at obstructing the implementation process. Both appeals were dismissed, allowing the Resolution Plan to proceed as per the revised timeline.