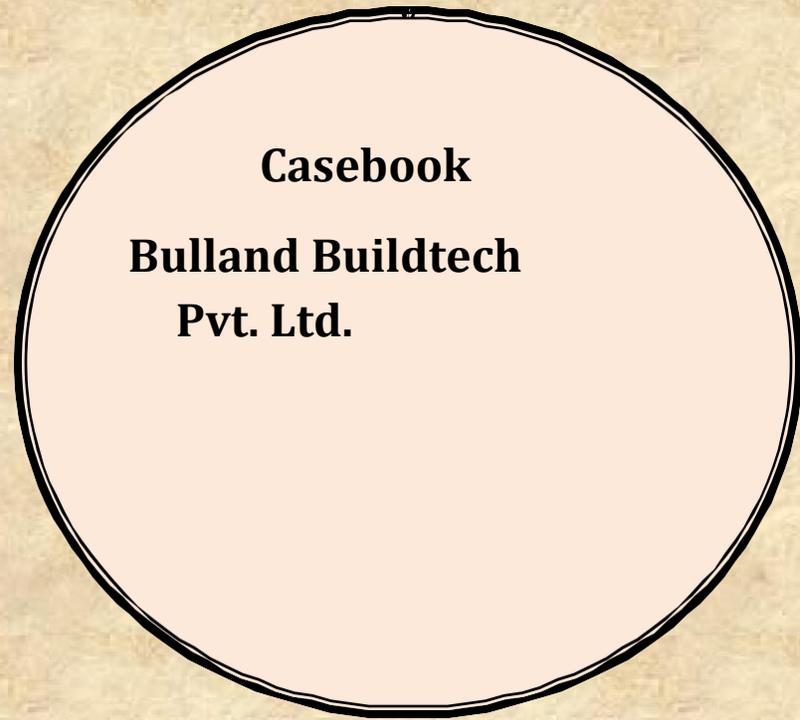




**INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**



**Casebook  
Bulland Buildtech  
Pvt. Ltd.**

**INSOLVENCY  
UNCOVERED**

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### **About Bulland Buildtech Private Limited** <sup>1</sup>

Bulland Buildtech Private Limited is a private company incorporated on 01 October 2003. It is classified as Non-government company and is registered at Registrar of Companies, ROC Delhi. Its authorized share capital is Rs. 24,01,00,000 and its paid-up capital is Rs. 23,85,00,000. It is involved in Building of complete constructions or parts thereof, civil engineering.

Bulland Buildtech Private Limited Corporate Identification Number is (CIN) U45201DL2003PTC122459 and its registration number is 122459. The registered office of Bulland Buildtech Private Limited is located at D-138, Flat no. 04, First Floor Krishna Park, Khanpur, New Delhi, Delhi, India - 110080.

There were 2 Directors associated with Bulland Buildtech Private Limited and their name is detailed below:

- a. Mr. Rajneesh Nagar
- b. Mr. Jai Ram Mishra.

### **Major Creditor/Banker**

Canara Bank having its registered office at Stressed Assets Management Branch, C-34, 3<sup>rd</sup> Floor, DDA Office cum Shopping Complex, Opp. Moolchand Hospital, Lajpat Nagar, New Delhi -110024 and was the major claimants in this case.

### **About the Project-Bulland Elevates**

Bulland Elevates is constructed on a lease hold land whose lease deed was executed on 01.11.2010 between Greater Noida Industrial Development Authority (GNIDA) and M/s. Bulland Buildtech Pvt Ltd. The said lease was allotted on a consortium basis as follows:

<b>S.no.</b>	<b>Name of Member</b>	<b>Shareholding</b>	<b>Status</b>
01	M/s. Gaursons Promoters Pvt Ltd	90%	Lead Member
02	M/s. Aarcity Infra Pvt Ltd	5%	Relevant Member
03	M/s. Bulland Buildtech Pvt Ltd	5%	Relevant Member

M/s. Gaursons Promoters Pvt. Ltd. after qualifying as the highest bidder approached the lessor to sub- divide the said plot and after such division corporate debtor was entitled to an area of 20285.96 Sq Mtr. The property can be identified as Plot GH-3A, Sector 16C, Greater Noida, Allotment no. of such land is Prop/BRS03/1682 (wherein Bulland Elevates is constructed).

**The project namely Bulland Elevates has Six Towers -A, B, C, D, E and F.**

<b>S. no.</b>	<b>Tower</b>	<b>Total Number of Units</b>
1.	Tower-A	159
2.	Tower-B	159
3.	Tower-C	159
4.	Tower-D	122
5.	Tower-E	59

6.	Tower-F	149
	<b>Total</b>	<b>807</b>

**CIRP of Bulland Buildtech Private Limited**

**Canara Bank filed an application for initiating CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016<sup>2</sup>**

1. That an application under section 7 of the Insolvency and Bankruptcy Code, 2016 was filed by the Financial Creditor namely Canara Bank (Syndicate Bank) for initiating the CIRP process of Corporate Debtor namely Bulland Buildtech Private.

2. That the Hon'ble NCLT vide its order dated 22.03.2021 allowed the said application and appointed Mr. Mahesh Taneja as Interim Resolution Professional (IRP) in the matter.

It is submitted by the Financial Creditor that vide Loan Application dated 16.09.2015, the Corporate Debtor approached the Applicant Bank for sanction of certain credit facilities. It is added that the Financial Creditor acceded to the request and vide its Letter of Sanction dated 01.07.2016 bearing Ref. No. SL/9196/MCB/ BULLAND/2016, sanctioned a Term Loan of Rs.37.80 Crore to the Corporate Debtor for financing a group housing residential complex namely, "Bulland Elevates" situated at Plot No. GH-03A, Sector 16C allotted by GNIDA admeasuring 20215.96 sq. mtrs. (5.01 acres).

As regards the amount of Default, it is averred by the Financial Creditor in the Part-IV of its Application that the total claim amount stands at Rs.32,88,97,430.60/-including interest. It is added that Rs.32,87,03,553.13/- is due against the Term Loan account bearing No. AT6OSL5162310008 and Rs. 1,93,877.47/- is due against Account No. 919xxxxxxxxxx060. It is further added

by the Financial Creditor that the account of the Corporate Debtor was classified as NPA on 29.06.2018, which is the Date of Default in the present case.

### **Order of moratorium and appointment of IRP<sup>2</sup>**

The Hon'ble AA declared moratorium against the Corporate Debtor under section 14 of the Code and appointed Mr. Mahesh Taneja (Regn No. IBBI/IPA-002/IP-No0739/2018-2019/12326) as the IRP of the Corporate Debtor vide order Dated 22/03/2021.

### **Public Announcement<sup>3</sup>**

Public announcement was made by the IRP appointed above on date 26/03/2021, in accordance with the provisions given under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in Form A, inviting the financial/operational creditors of Bulland Buildtech Private Limited to submit a proof of their claims on or before 05/04/2021 to the interim resolution professional in accordance with the provisions of Regulations 7, 8 and 9 and 9A of IBC 2016.

### **Publication of Form G**

That on 24.12.2021, FORM G was published by the RP under Regulation 36 A (1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, inviting Expressions of Interest. The last date of receipt of EOI was 04.01 2022, Total 6 Expressions of Interest were received by the RP. After examining the EOI of PRA's, the RP as per Regulation 36A (11) of CIRP Regulations, issued the final list of eligible

PRAs and circulated the same to the CoC. The names of PRAs that were part of final list are as follows:

<b>Sr. No</b>	<b>Name of Prospective Resolution Applicant</b>	<b>Eligibility</b>
1.	One Group Developers	Eligible
2.	Krishna Ventures Limited	Eligible
3.	Sawariya Seth Infratech Private Limited	Eligible
4.	Saviour Builders Private Limited	Eligible
5.	Priceline Infra LLP	Eligible
6.	Glaze Packagers Private Limited	Eligible

8. That the RP informed the members of CoC that he has received three (3) Resolution Plans from the following PRA's, while other three did not submitted their plans:

<b>Sr. No</b>	<b>Name of Prospective Resolution Applicant</b>	<b>Resolution Plan Submission Date</b>
1.	Priceline Infra LLP	11.02.2022
2.	Saviour Builders Private Limited	12.02.2022
3.	Sawariya Seth Infratech Private Limited	12.02.2022

The RP conducted 9th meeting of the CoC on 24.02.2022. In the said meeting, all the Prospective Resolution Applicants were invited to present their plan before members of CoC, and the CoC has given one more opportunity to revise the Resolution Plan submitted by all the 3 PRA's.

Further, in the 9th meeting of CoC dated 11.03.2022 the Resolution Plan submitted by Saviour Builders Private Limited in respect of Bulland Buildtech Private Limited got approved by the Committee of Creditors with 94.37% voting share.

### **COC Constitution**

The CoC was constituted by the erstwhile IRP namely Mr. Mahesh Taneja as per the relevant provisions of IBC, 2016.

### **COC Meetings**

Total eleven meetings of CoC were held in the matter of Bulland Buildtech Private Limited(1<sup>st</sup> CoC to 4<sup>th</sup> CoC were conducted by the erstwhile IRP-Mr. Mahesh Taneja) (From 5<sup>th</sup> CoC till 11<sup>th</sup> CoC were conducted by the RP-Mr. Debashis Nanda)

The **first meeting** of the Committee of Creditors (CoC) was held on April 22, 2021, during which the Interim Resolution Professional (IRP) briefed members on the claims received and the CoC's constitution under the relevant provisions of the Insolvency and Bankruptcy Code (IBC), 2016. He emphasized the need for effective operations of the Corporate Debtor and highlighted the appointment of various professionals to assist in this process.

The **second meeting** took place on June 7, 2021. The IRP presented additional claims along with details on the amounts admitted and those under verification. He also briefed the members of CoC about the activities as carried out by him and requested the members to take note of the same.

In the **third meeting**, held on July 26, 2021, the IRP shared the updated Receipt and Payment account of the Corporate Debtor from March 22, 2021 till the date of this meeting. He further informed the members of CoC about further claims as received by him along with the details of amount admitted and the amount of claim under verification. He provided further details on claims received, including amounts admitted and under verification, and informed the committee about the appointment of registered valuers. He also discussed plans to invite Expressions of Interest (EoI) from eligible potential resolution applicants (PRAs) for submitting resolution plans, as per IBC provisions.

The **fourth meeting** occurred on September 1, 2021. The IRP again presented the updated Receipt and Payment account from March 22, 2021, to the date of the meeting and also briefed the members about the status of unsold inventory, the tower wise breakdown of unsold inventory. He also discussed about the developments as regards to EOI for interim finance and seeking guidance of the members on the same.

The **fifth meeting** of CoC was held on 26.10.2021 wherein the RP informed the members of CoC about the verification of claims on Nesl portal and also about the opening of bank account with Yes Bank Ltd. The RP also discussed the identification of avoidance transactions and the appointment of a Transaction Auditor to examine these matters. Additionally, he informed the CoC about the expiration of the Corporate Insolvency Resolution (CIR) process and sought their approval for an extension of the same.

The **Sixth meeting** of CoC was held on 10.12.2021 wherein the RP sought and obtained the members' consent for the publication of Form G, in accordance with Regulation 36A(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

The **seventh meeting** of the Committee of Creditors (CoC) was held on January 24, 2022. During this meeting, the Resolution Professional (RP) updated the members on the final list of PRA's involved in the matter. Additionally, the RP informed the CoC that final BOQ has been received.

The **eighth meeting** of CoC was held on 14.02.2022 wherein the RP discussed about the quotations as received from the construction contractors for immediate treatment as to retaining wall of sewage treatment site. He further discussed about the amount of Performance Bank Guarantee as provided by PRA's.

The **ninth meeting** of CoC was held on 11.03.2022. where in the RP put resolution to approve the legally compliant Resolution Plan based on the Compliance Reports and to file the approved Resolution Plan before the Hon'ble

NCLT for final approval. Further the consent of members was taken to ratify and approve the expenses incurred for the compliance reports of Resolution Plans submitted by Independent Professional as a part of CIRP cost.

Further **Tenth meeting** of CoC was held on 23.01.2024 to discuss/ approve the revised amount proposed by Successful Resolution Applicant namely Saviour Builders Pvt Ltd towards GNIDA in compliance of order dated 08.01.2024 passed by the Hon'ble NCLT in IA no. 3940/2023 and 1449/2022

The **eleventh meeting** of CoC was held on 15.04.2024 wherein the RP updated the members of the CoC about the status of Application filed by RP under section 30(6) read with section 31 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for approval of Resolution Plan submitted by Saviour Builders Pvt Ltd duly approved by the CoC in the Ninth meeting of the CoC. GNIDA representative were invited as secured operational creditor having more than 10% of total debt.

In meeting, CoC discussed about payment of total of Rs. 16.5 crores to GNIDA (almost equal to the liquidation value of the CD), including Rs. 4.5 crore to be paid by SRA, and balance Rs. 12 crore by homebuyers. In view of the same RP received an Addendum dated 18.04.2024 to the Resolution Plan dated 04.03.2022 from the SRA, on 18.04.2024. The proposal made in the Addendum was approved by the CoC with 78.43% majority.

Accordingly the Resolution Professional filed an addendum to main application for approval of Resolution Plan vide **IA no. 1852/2024** in accordance with the provisions of section 30(6) of the Code read with Regulations made thereunder with the Hon'ble NCLT, New Delhi Bench (Court-II) for its necessary approval. The Plan was reserved vide order dated 25.04.2024 and the said application was allowed by the Hon'ble NCLT, New Delhi Bench (Court-II) vide its order dated 09.07.2024.

**Summary of the Proposed Settlement**

<b>Summary of Proposed Settlement</b>						
Particulars	Admitted Claims/deferred CIRP cost	Amount Proposed	Upfront Payment Amount (within 3 months of approval of Resolution Plan by the Hon'ble NCLT)	Residual/Deferred Payments	Amount reflected in the last Balance Sheet before CIRP. (only on 3 * starred item below)	Amount available in liquidation
	Rs.	Rs.	Rs.	Rs.		
IRP costs (approx) (Total)	1,50,00,000/-	1,50,00,000/-	1,50,00,000/-	Nil		
Operational Creditors (Other than Workmen & Employees)	59,92,80,684/-	60,00,000/-	30,00,000/-	Balance 30,00,000/-		

*Staff & Work men	55,43,290/-	41,57,467.50/-	41,57,467.50/-	Nil	The last balance sheet of the corporate debtor is available for the f.y 2017-18 and the CIRP was initiated on 22-03-2021.	
*Statutory Liabilities					The last balance sheet of the corporate debtor is available for the f.y 2017-18 and the CIRP was initiated on 22-03-2021.	
<b>Financial Creditors other than Home Buyers</b>	-	-	-			
Canara Bank (Secured)	41,61,01,637/-	11,00,00,000/-	4,00,00,000/-	Balance Rs. 7,00,00,000/- in 2 equal quarterly instalments		

Bank of Baroda (Secured)	96,04,769/-	15,00,000/-	5,00,000/-	Balance Rs. 10,00,000/- in 2 equal quarterly instalments		
IDBI (Secured)	76,72,569/-	11,50,000/-	3,50,000/-	Balance Rs. 8,00,000/- in 2 equal quarterly instalments		
Unsecured Creditors RERA Decree Holders	5,59,61,440/-	Unit will be given to genuine RERA Decree Holders	NA	NA		
Other Unsecured Creditors	8,49,71,387/-	1,10,00,000/-	40,00,000/-	Balance 70,00,000/- in 2 equal quarterly instalments		

Disse nting Fina ncial Creditors		Liquidatio n Value as per IBC				
Towards Home Buyers (Class of Creditors i.e., Home Buyers)	Estimate d Cost of Construc tion 85,00,0 0,000/-	85,00,00,0 00/- (inclusive of applicable taxes)	15,00,00,000 /-			
Subventi on Scheme Buyers Pre EMI	2,16,16,86 9.34/-	1,40,00,00 0/-	40,00,000/-	Balance 1,00,00,00 0/- in 2 equal quaterly instalment s		
GNIDA	Although the claim is not submitted till the date of submissio n of Resolutio n Plan	16,50,00,00 0/- (Revised by Addendum to Resolution Plan dated 18.04.2024)	1,50,00,000/ -	Balance amount in 3 equal half yearly instalments		

*Contingen cies		2,00,00,00 0/-			The last balance sheet of the corporate debtor is available for the f.y 2017-18 and the CIRP was initiated on 22-03- 2021.	
<b>Total Value in Resoluti on Plan and Upfront amount</b>		<b>1,19,78,07, 468/-</b>	<b>23,60,07,46 7/-</b>			

## **Timeline**

- Application under section 7 of the Insolvency and Bankruptcy Code, 2016 for initiation of corporate insolvency resolution process against the Corporate Debtor namely Bulland Buildtech Pvt Ltd was filed by Canara Bank before the Hon'ble NCLT which was admitted vide order dated 22.03.2021 wherein Mr. Mahesh Taneja was appointed as IRP.
- Public Announcement was made by him on 26.03.2021 for invitation of claims from various stakeholders of Bulland Buildtech Private Limited.
- CoC in its 2nd meeting decided to replace Mr. Mahesh Taneja and proposed to appoint me in his place to act as RP.
- The Hon'ble NCLT vide its order dated 03.09.2021 appointed me to act as Resolution Professional in the matter of Bulland Buildtech Pvt Ltd.
- Form G was published on 24.12.2021
- Total 6 PRAs submitted their Expression of Interest out of which only 3 resolution plans were received by the RP.
- Saviour Builders Private Limited emerged as Successful Resolution Applicant.

### **Challenges faced by the Resolution Professional:**

Non-cooperation from ex-promoters of Bulland Buildtech Pvt Ltd.

It is worthwhile to mention here that the ex-promoter namely Mr. Rajnish Nagar of Corporate Debtor had filed various IAs before the Hon'ble Adjudicating Authority objecting to the resolution plan and to derail the CIR process. Almost a year got lost due to these applications.

Huge number of claims were pending for verification on my appointment.

Time constraint was there as the whole process was pending and it is worthwhile to mention here that more than 4 months of CIRP was over and even Form G was not published by that time- neither valuation was conducted nor transaction audit. Things were in shambles.

I had to collate all the claims and verify in a very short span of time as there were different types of claimant homebuyers- construction linked, subvention, normal (down payment). Special category of claimant was there whose profile was used in bank and loan was sanctioned by bank and later on those units were cancelled by the ex-promoters (the list which they never shared) and allotted to homebuyers and even received full payment also. Those profile funding cases have also submitted their claim as unit holders resulting in- against a single unit there were two to three claimants which ultimately led to number of litigations.

More than 120 applications (NCLT/NCLAT/Supreme Court) were filed against RP regarding rejection of claim (mostly profile funding cases). Two employees of CD were retained during CIRP – partly books of account, ledger and payment proof from home-buyers software enabled RP to distinguish the non-genuine homebuyers (profile funding/ investors) from genuine homebuyers. Fortunately, most of them were disposed in my favour.

It is one of the most complex cases I have handled so far in real estate sector as there were huge number of duplicate claims and if all were admitted there could be no resolution for want of any vacant inventory which would not attracted/ enticed interest of any investor as Resolution Applicant.

GNIDA objection to resolution plan was one of the major challenges in the way of approval of resolution plan as without GNIDA cooperation approval of resolution plan was next to impossible. Things got worse as Prabhjit Singh Soni Judgement came at the nick of moment. Urgently certain actions were needed from RP. I had to call CoC meeting wherein GNIDA representative were invited as secured operational creditor having more than 10% of total debt , although GNIDA never submitted a concrete amount of their claim and submitted three different figures/amount of claim before the Hon'ble NCLT by way of their applications/ reply that too as a Financial Creditor.

In meeting, CoC discussed about payment of total of Rs. 16.5 crores to GNIDA (almost equal to the liquidation value of the CD), including Rs. 4.5 crore to be paid by SRA, and balance Rs. 12 crore by homebuyers. In view of the same RP

received an Addendum dated 18.04.2024 to the Resolution Plan dated 04.03.2022 from the SRA, on 18.04.2024. The proposal made in the Addendum was approved by the CoC with 78.43% majority.

Accordingly the Resolution Professional filed an addendum to main application for approval of Resolution Plan vide **IA no. 1852/2024** in accordance with the provisions of section 30(6) of the Code read with Regulations made thereunder with the Hon'ble NCLT, New Delhi Bench (Court-II) for its necessary approval. The Plan was reserved vide order dated 25.04.2024 and the said application was allowed by the Hon'ble NCLT, New Delhi Bench (Court-II) vide its order dated 09.07.2024.

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