



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO.1949 OF 2025

Nirmal Lifestyle Realty Pvt. Ltd. ..Petitioner
vs.
The District Collector,
Mumbai Suburban District and anr. ..Respondents

Mr. Zal Andhyarujina, Senior Advocate a/w Mr. Aditya Shiralkar, Ms. Akanksha Agarwal, Ms. Ria Nandani, Mr. Yash Sethna i/b. Wadia Ghandy & Co., for the Petitioner.
Mr. Atul Vanarse, AGP, for Respondent Nos.1 and 2-State.
Mr. Dilip Rayannavar, Tahsildar, Kurla present.

**CORAM : M. S. KARNIK &
 N. R. BORKAR, JJ.**

DATE : 29th JULY, 2025

ORAL ORDER (PER M. S. KARNIK, J.) :

1. Heard learned counsel for the parties.
2. The Petitioner - Nirmal Lifestyle Realty Pvt. Ltd. has filed this Petition under Article 226 of the Constitution of India for issuing an appropriate writ to forthwith release the attachment on the subject property of this Petition, inter alia, directing/recording appropriate mutation entries in the revenue records in

this regard in the exercise of Section 182(4)(a) of the Maharashtra Land Revenue Code ("MLRC", for short) without insisting on any consent/sanction of the Registrar, Industrial Court, Maharashtra and/or any other Authority, Court or Tribunal. Our attention is invited to the copy of the communication dated 11th April 2025 addressed by the Collector, Mumbai Suburban to the Registrar of the Industrial Court, Maharashtra, Mumbai. In the said communication a reference is made to the recovery of the dues of the workmen to the extent of Rs.79,96,05,379/- in respect of the Corporate Debtor. The letter further records that the Oberai Reality Limited has produced on record the copy of the order passed by the National Company Law Tribunal ("NCLT", for short) whereby as per the certificate of the Resolution Professional the necessary compliances of the Insolvency and Bankruptcy Code, 2016 ("IBC", for short) is made and the amounts have accordingly been deposited.

3. Learned Senior Advocate invited our attention

to the order dated 9th August 2024 passed by the NCLT. Our attention is invited to paragraphs 23 to 30 of the said order. The same needs to be reproduced which read thus :-

"23. The Resolution Applicant proposed to make payment of the entire admitted Claim of the said 575 Ralliwolf Workmen and the said 101 Ralliwolf Workmen i.e. the Admitted Workmen Debt amounting to Rs. 79,10,14,367/- (Rupees Seventy Nine Crore Ten Lakh Fourteen Thousand Three Hundred Sixty Seven only), in full and final settlement towards all amounts due and payable to them in the priority prescribed under the Code, whether claimed or otherwise.

24. However, the 101 and 575 Ralliwolf workmen filed separate applications IA/2383/2020 and IA/2415/2023 before this Tribunal seeking to admit the rejected amount. Both the aforesaid IAs were allowed by this Tribunal with direction to Resolution Professional to admit the claim of gratuity along with interest @10% till insolvency commencement date after due verification of calculation sheet and in accordance with law.

25. Therefore, present IA was listed for clarification to determine the outcome of the aforesaid IAs. In this context, the Resolution Professional submitted that the IAs allowed by this Tribunal will not affect the approval of resolution plan, as the amount proposed to 101 and 575 Workmen is 220% of their minimum guaranteed amount entitled in law. Furthermore, the Resolution Professional stated that the entitlement of the workmen, after considering the gratuity to be paid in full as well as 24 months wages as per section 53 of IBC would be Rs.35,93,62,049/-. However, the amount proposed in the resolution plan is Rs.79,10,14,367/-.

26. In regard to this, the Applicant/Resolution Professional also has filed an additional affidavit

dated 04.07.2024 and stated that pursuant to the said order and directions of this Tribunal, he has re-verified the claims sought by the Workmen in the said IAs and admitted the claims of the Workmen sought is the said IA's in the manner set out in the email (in tabular form) dated 04.07.2024. Also stated that he has diligently complied with the said Orders passed in the aforesaid IAs. Detail of compliance is as follows :

Based on the verification of the said claim pertaining to gratuity and interest on gratuity is admitted amounting to INR 23,56,08,635 (Indian Rupees Twenty Three crores fifty six lakhs Eight Thousand six hundred and Thirty Only) as under :

Particulars	Amount Claimed (In INR)	Amount Admitted (In INR)
Gratuity	10,26,61,305	10,26,61,305
Interest on Gratuity @ 10% p.a.	13,29,47,330	13,29,47,330
Total	23,56,08,635	23,56,08,635

27. While hearing the Resolution Professional on clarification sought, Ms. Jane Cox, the Ld. Counsel representing the workmen, was present and submitted that the orders passed in both IAs (filed by the Workmen) by this tribunal stipulate that both Provident Fund and Gratuity are to be paid in full as per the provisions of the EPF and MP Act, 1952 and the Payment of Gratuity Act, 1972. She emphasized that, in addition to the amount proposed in the Resolution Plan, the workmen should also be paid the entire Gratuity amount as decided by this Tribunal. In response to this, the Resolution Professional again submitted that the entire amount of Gratuity would be paid, then too the amount proposed for workmen exceeds the minimum entitlement under law.

28. Additionally, the Resolution Professional tendered a calculation sheet detailing how the aforementioned amounts were arrived at. The Calculation sheet is reproduced below :-

A. As per Section 53(1)(b)(i) of IBC; Workmen's dues for the period of Twenty Four months preceding the CIRP period is as follows :		
575 workmen	24 months wages prior to CIRP commencement (as per Industrial Court Order dated 2 nd May 2019 as modified by the Order dated 21 st November 2019)	Rs.14,59,30,608/-
101 workmen	24 months wages prior to CIRP commencement (as per Industrial Court Orders passed in Recovery Applications filed by 101 workmen before Industrial Court)	Rs.2,53,80,600/-
Total Entitlement of 676 workmen as per Section 53(1) of IBC		Rs.17,13,11,208/-
Total Entitlement of Financial Creditor as per Section 53(1) of IBC		Rs.6,60,40,11,424/-
Therefore, Total payment to be paid as per Section 53(1)(b) of IBC		Rs.6,77,53,22,632/-

B. Liquidation Value of Corporate Debtor: Rs.3,22,04,58,245/- [Which comprises of the following]:	
Average Liquidation Value	Rs.3,25,04,58,245/-
Less-Estimated CIRP Cost till date	Rs.3,00,00,000/-
Liquidation Value of the Corporate Debtor available for distribution to creditors	Rs.3,22,04,58,245/-

C. Liquidation Value payable to workmen		
575 workmen	(Rs.14,59,30,608/- ÷ Rs.6,77,53,22,632/-) x Rs.3,22,04,58,245/-	Rs.6,93,63,992.72/-
101 workmen	(Rs.2,53,80,600/- ÷ Rs.6,77,53,22,632/-) x Rs.3,22,04,58,245/-	Rs.1,20,63,951.33/-
Total Amount payable to 676 workmen as Liquidation Value and as per Section 53(1) of IBC		Rs.8,14,27,944/-

D. Amount claimed by workmen towards Gratuity etc		
575 workmen	Gratuity (Rs.10,26,61,305/-) Interest on Gratuity	Rs.23,56,08,635/-

	(Rs.13,29,47,330/-)	
101 workmen	Gratuity (Rs.2,26,02,801/-) Interest on Gratuity (Rs.1,97,22,669/-)	Rs.4,23,25,470/-
Total Amount of Gratuity along with interest on Gratuity payable to 676 workmen		Rs.27,79,34,105/-

E. Entitlement of the Workmen: Considering Gratuity to be paid in full as well as 24 Months Wages under Section 53 of IBC	
24 months wages payable to 676 workmen	Rs.8,14,27,944/-
Gratuity along with Interest payable to 676 workmen	Rs.27,29,34,105/-
Total	Rs.35,93,62,049

Amounts proposed to be paid to 676 workmen under Resolution Plan	Rs.79,10,14,367/-
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29. The total amount payable to 676 workmen (24 months' wages) as per Section 53 of IBC amounts to Rs. 8,14,27,944/-. The total amount of Gratuity, including interest on Gratuity, payable to 676 workmen as per the direction of this Tribunal, amounts to Rs.27,79,34,105/-. Further, the minimum amount that can be proposed to workmen in accordance with law, including gratuity, is Rs. 35,93,62,049/-. Accordingly, the contention of the Ld Counsel for the workmen that they should be paid the proposed amount in addition to the gratuity amount cannot be sustained, as the minimum amount to be paid as per law comes to Rs.35,93,62,049/- whereas, the amount proposed to workmen under the resolution plan is Rs.79,10,14,367/-, which exceeds the minimum guaranteed amount entitled under the law.

30. Thus, we note from the additional affidavit dated 04.07.2024 and Calculation sheet that the orders dated 04.07.2024 of this Tribunal has been complied with and the entire gratuity is being paid to the workmen. We agree with the submission of the Resolution Professional that-

- (i) The amount offered to workmen includes the entire gratuity amount.
- (ii) And the amount offered to workmen is not less than what they would have got under as per Section 53 of IBC (24 months' wages)."

4. Our attention is also invited to the provisions of Section 31 of the IBC which reads thus :-

"31. Approval of resolution plan. - (1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the 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, such as authorities to whom statutory dues are owed,] guarantors and other stakeholders involved in the resolution plan:

[Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.]

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not conform to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

(3) After the order of approval under sub-section (1),--

(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002 (12 of 2003), the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors."

5. Learned Senior Advocate then relied upon the decision in **Ghanashyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited and others**¹. Paragraph 102 of the order reads thus :-

"102. In the result, we answer the questions framed by us as under :

102.1. That once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan.

¹ (2021) 9 SCC 657

102.2. The 2019 Amendment to Section 31 of the I & B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the I & B Code has come into effect.

102.3. Consequently all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued."

6. We find that as a consequence of the decision of the Hon'ble Supreme Court, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.

7. Learned AGP invited our attention to the communication dated 5th July 2025 addressed by the Registrar, Industrial Court bringing on record the copy of the case status dated 5th July 2025 in Recovery Application (ULP) No.07 of 2014 before the Industrial Court. The case status reads thus :-

"04. During pendency of above recovery certificate now, Madhukar Korde and Ors. (Total 28 employees) who were working in caterers of Applicant - Union have filed Miscellaneous Application MANJRE (ULP) 02 of 2023 for making correction in the Judgment of Recovery Application No.7/2014 dated 02.05.2019 in respect of their dues. Said case is fixed for argument of both the parties and next date is 07.07.2025."

8. Thus, we find that only the claim in so far as 28 employees who were working as caterers of Applicant - Union have filed Miscellaneous Application for making correction in the Judgment of Recovery Application No.07 of 2014 in respect of their dues. Learned Senior Advocate for the Petitioner on instructions submits that though the order passed by the NCLT covers all the dues of the workmen, nevertheless the Petitioner is willing to undertake that even the claim in respect of these 28 employees which is due and payable as per law will be made good by them and an undertaking to that effect will be filed on or before 31st July 2025. The copy of the undertaking to this Court be also placed on record of the Industrial Court, Mumbai.

9. Considering that the claim of the workmen is satisfied and further the interest of the 28 workmen is

served by the undertaking, we are of the opinion that having regard to the express provisions of the IBC, this Petition can be allowed. Continuing the attachment any further would be unjustified. In this view of the matter, in our opinion, the learned AGP is not justified in contending that the attachment which is already in existence should continue till the decision of the Industrial Court. We therefore have no hesitation in allowing this Petition in terms of prayer clause (a).

10. The Writ Petition is disposed of with no order as to costs.

11. List the matter on 1st August 2025 under the caption "for compliance".

(N. R. BORKAR, J.)

(M. S. KARNIK, J.)