



2026:DHC:561



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 19.01.2026

+ **ARB.P. 407/2025**

UDAYAN CHAUDHARI AND ASSOCIATES PVT LTD

.....Petitioner

Through: Mr. Gautam Dutta, Adv.

versus

**ANUSH FINLEASE AND CONSTRUCTION PVT LTD
(THROUGH ITS MANAGING DIRECTOR)Respondent**

**Through: Mr. Ashish Verma, Mr.
Saksham Thareja, Mr. Akhil
Ranganathan & Ms. Kriti,
Advs.**

CORAM:

**HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

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JUDGEMENT (ORAL)

HARISH VAIDYANATHAN SHANKAR, J.

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, for the purpose of the appointment of an Arbitrator.

2. The said petition is premised on the basis of an agreement that existed between the Petitioner herein and **Anush Finlease and**



2026:DHC:561



Construction Pvt. Ltd.¹, entered into *vide* the **Allotment Agreement dated 23.12.2014²**.

3. At the outset, learned counsel for the Respondent raises an objection that there exists no privity of the contract between the Petitioner herein and the Respondent herein, who is admittedly the Successful Resolution Applicant of the erstwhile Anush Finlease.

4. He further submits that on this short ground alone, the present petition deserves to be rejected.

5. Learned counsel for the Petitioner, upon being posed with a question on the aspect of privity, admittedly states that there exists no privity of contract between the Petitioner and the Successful Resolution Applicant.

6. Heard the learned counsel for the parties at length and carefully perused the record.

7. This Court is of the considered view that once a corporate debtor/ erstwhile Anush Finlease has been subjected to a **Corporate Insolvency Resolution Process³** under the **Insolvency and Bankruptcy Code, 2016⁴**, and a resolution plan has also been duly approved by the adjudicating authority, the Successful Resolution Applicant is statutorily entitled to the benefit of what has come to be recognised as the “*clean slate doctrine*”.

8. The underlying object of the IBC is to ensure revival of the corporate debtor as a going concern by providing the Successful Resolution Applicant a fresh start, unencumbered by past liabilities, claims, or obligations that arose prior to the commencement of the

¹ erstwhile Anush Finlease

² Allotment Agreement

³ CIRP



2026:DHC:561



CIRP. Upon approval of the resolution plan, all claims that are not expressly preserved or provided for therein stand extinguished by operation of law.

9. Consequently, the Successful Resolution Applicant, which in the present case is Kendriya Bhandar, cannot be saddled with any liabilities or obligations arising out of the antecedent conduct, agreements, or transactions of the erstwhile corporate debtor, namely Anush Finlease, which had undergone the CIRP. To hold otherwise would defeat the very purpose of the insolvency resolution framework and discourage prospective resolution applicants from participating in the CIRP, thereby undermining the legislative intent of ensuring certainty, finality, and commercial revival.

10. A three-Judge Bench of the Hon'ble Supreme Court, in ***Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.***⁵, encapsulated this principle in clear and unequivocal terms as follows:

“93. As discussed hereinabove, one of the principal objects of the I&B Code is providing for revival of the corporate debtor and to make it a going concern. The I&B Code is a complete Code in itself. Upon admission of petition under Section 7 there are various important duties and functions entrusted to RP and CoC. RP is required to issue a publication inviting claims from all the stakeholders. He is required to collate the said information and submit necessary details in the information memorandum. The resolution applicants submit their plans on the basis of the details provided in the information memorandum. The resolution plans undergo deep scrutiny by RP as well as CoC. In the negotiations that may be held between CoC and the resolution applicant, various modifications may be made so as to ensure that while paying part of the dues of financial creditors as well as operational creditors and other stakeholders, the corporate debtor is revived and is made an on-going concern. After CoC approves the plan, the adjudicating authority is required to arrive at a subjective satisfaction that the

⁴ IBC

⁵ (2021) 9 SCC 657



2026:DHC:561



plan conforms to the requirements as are provided in sub-section (2) of Section 30 of the I&B Code. Only thereafter, the adjudicating authority can grant its approval to the plan. It is at this stage that the plan becomes binding on the corporate debtor, its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan. The legislative intent behind this is to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plans would go haywire and the plan would be unworkable.

Conclusion

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.

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.”

11. The contention raised by the learned counsel for the Petitioner is entirely devoid of merit and does not inspire the confidence of this Court. The submission that the Allotment Agreement executed between the Petitioner and the erstwhile Anush Finlease continues to subsist even after the completion of the CIRP, and that the arbitration clause contained in Clause 16.2 thereof can be invoked against the Successful Resolution Applicant, is fundamentally flawed both in law

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ARB.P. 407/2025

Page 4 of 6



2026:DHC:561



and in principle.

12. This argument proceeds on an erroneous assumption that contractual arrangements entered into prior to the initiation of the CIRP survive the insolvency resolution process, irrespective of the approval of a resolution plan. Such a proposition is clearly contrary to the statutory scheme of the IBC and the settled legal position governing the effect of an approved resolution plan.

13. Once a corporate debtor undergoes the cleansing process envisaged under the CIRP, the corporate entity emerges with a new legal and commercial identity, subject only to those liabilities that are specifically recognised and incorporated within the approved resolution plan. To suggest that the pre-CIRP Allotment Agreement continues to operate and governs disputes *inter se* the Petitioner and the Successful Resolution Applicant would amount to indirectly fastening pre-resolution liabilities upon the resolution applicant, which is impermissible in law.

14. This Court is unable to accept a construction that would allow parties to resurrect extinguished claims or contractual obligations through the invocation of an arbitration clause contained in an agreement executed with the corporate debtor prior to its insolvency. Such an approach would strike at the root of the '*clean slate doctrine*' and render the CIRP process otiose. The sanctity, finality, and binding nature of an approved resolution plan cannot be diluted by permitting the continuation of pre-CIRP agreements unless expressly contemplated therein.

15. Accordingly, this Court finds that the present petition, predicated upon an arbitration clause contained in a pre-CIRP



2026:DHC:561



agreement, is wholly misconceived and untenable in law and is, therefore, dismissed.

HARISH VAIDYANATHAN SHANKAR, J.
JANUARY 19, 2026/v/sm/kr/dj

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ARB.P. 407/2025

Page 6 of 6