



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 2811 OF 2022

HRERA, Panchkula

....COMPLAINANT

VERSUS

Crown Realtech Pvt. Ltd.

....RESPONDENT

CORAM:

Nadim Akhtar

Member

Dr. Geeta Rathee Singh

Member

Chander Shekhar

Member

Date of Hearing: 06.11.2024

Hearing: 5th

Present: -

Adv. Sahil Yadav through video conferencing

Ms. Seema Gandharva and Sh. Salil Barar, Directors of respondent company, physically.

ORDER (Nadim Akhtar-Member)

Present Suo-motu complaint was registered against the respondent promoter for neither completing the project within the timelines declared U/s 4(2)(1)(C) at the time of seeking registration nor applying for extension of registered project namely; "Crown Business Park' IT Park measuring 5.868 acres situated in Sector 36, Faridabad and registered vide Registration No.

HRERA-PKL-FBD-179-2019 dated 21.11.2019 valid upto 31.10.2020. After granting benefit of Covid period the registration stands expired on 31.07.2021.

2. A show cause notice dated 20.10.2022 was issued to the respondent promoter directing to furnish information relating to the status of the project on the date of expiry of registration.
3. When the matter was heard on 17.04.2023, Authority directed the promoter not to sell any unsold inventory or create any third party rights in the project till extension is granted.
4. The matter was then heard on 17.07.2023 wherein the promoter was directed to show cause as to why penalty proceedings under Section 60 and 61 read with Section 63 of the RERA Act 2016 for failure to comply with the orders of the Authority may not be initiated. It was also observed that the ban on the sale of unsold inventory or creation of any third party rights in the project will continue till extension is granted.
5. The promoter vide application dated 06.11.2023 has applied for extension of the project which is being considered by the Authority in its agenda items.
6. The matter was then heard by the Authority on 07.02.2024 wherein it was observed that since the promoter has now applied for extension of registration after a lapse of approximately two and a half years and hence violated the provisions of the Act, therefore, a penalty of ₹1 lac was imposed

for contravention of the provisions of the Act. The promoter was directed to deposit the said amount in the registry of the Authority before the next date of hearing.

7. On the last date of hearing i.e., 10.07.2024, the Directors of the company stated that reply in the matter will be filed during the course of day. The matter was adjourned with direction to the respondent to file its reply and deposit the above-mentioned penalty before the next date of hearing.

8. Vide reply dated 09.10.2024 the respondents have informed as under:-

- i. That National Company Law Tribunal, New Delhi Principal Bench (NCLT) vide its order dated 06.12.2019 has ordered for the initiation of Corporate Insolvency Resolution Process (CIRP) against the Respondent Company under the provisions of the Insolvency & Bankruptcy Code, 2016.
- ii. That pursuant to the Order of the Hon'ble NCLT, Mr. Amit Aggarwal, was appointed as Interim Resolution Professional for the Respondent Company. Thereafter, Hon'ble NCLT vide order dated 02.03.2020 approved the decision of the Committee of Creditors (CoC) to replace Mr. Amit Aggarwal as IRP & appointed Mr. Atul Kumar Kansal as the Resolution Professional for managing & controlling affairs of the Respondent Company. It is also pertinent to state that w.e.f. 06.12.2019, the ex-directors & promoters of the Respondent Company were suspended & Interim Resolution Professional /Resolution

Professional took over the affairs & management of the Respondent Company.

- iii. That during the CIRP, the Resolution Professional had issued a request for submitting Resolution Plan dated 20.05.2020 in consultation with the CoC for requesting Prospective Resolution Applicants to submit Resolution Plans for reviving the affairs of the Respondent Company.
- iv. That the allottees of this project formed an Association namely Crown Abacus IT Park Association, a society duly registered under the provisions of the Haryana Registration & Regulation of the Society Act, 2012, the said Association was formed pursuant to the suggestions given by this Hon'ble Authority in the matter of Complaint No. 962 & Ors of 2018 wherein, allottees of this project approached this Hon'ble Authority against the ex-management of the Respondent Company.
- v. That the Crown Abacus IT Park Association submitted its Resolution Plan & the same was also approved by the COC by a majority of 96.38%.
- vi. That the Hon'ble NCLT on 21.02.2023 allowed the Application preferred by the Resolution Professional u/s 30(6) of IBC, 2016 and approved the Resolution Plan of Crown Abacus IT Park Association.



- vii. That it is submitted that pursuant to the order dated 21.02.2023 passed by the Hon'ble NCLT, members of the Association became directors in the Respondent Company w.e.f. 27.02.2023 & took over charge of the Respondent Company from the Resolution Professional.
- viii. That on 09.01.2023 this Hon'ble Authority initiated the present suo-motu complaint for not applying for extension of project, 'Crown Abacus IT Park' measuring 5.868 Acres situated at Sector 36, Faridabad, registered vide registration No. HRERA-PKL-FBD-179-2019 dated 21.11.2019 valid up to 31.10.2020.
- ix. That on 17.04.2023 the Authority observed that neither extension has been sought nor reply to present complaint has been filed on behalf of the Respondent Company, restrained the Respondent from selling any unsold inventory or from creating any third-party rights in the project till the extension is granted.
- x. That the Respondent Company has sought vacation of the order dated 17.04.2023 on the above grounds and the Respondent Company has paid the extension fee of Rs.58,00,000/- & submitted the CA certificate which is taken up before the Agenda Items of this Hon'ble Authority.
- xi. Due to operation of stay order, the Respondent Company is facing undue hardship. As per the approved Resolution Plan, the Respondent Company has to complete construction of project within a stipulated

timeline & has proposed to generate funds by selling unsold inventory. However, the Respondent Company is unable to do so, due to operation of the stay order.

- xii. BECAUSE of operation of stay order, there is apparent apprehension that the resolution plan of the Respondent Company will fail and consequently, the Company will go into liquidation. The present management is not a builder, but an association of allottees who have invested their hard-earned money in the project. As per the provisions of I&B Code, 2016 the present management cannot be held liable for non-compliance or failure on the part of the ex-directors / ex-management of the Respondent Company.
- xiii. That there was no deliberate or intentional non-compliance or contravention on the part of the present management of the Respondent Company. Therefore, in view of the above, the present Application is being preferred inter-alia seeking vacation of interim stay order dated 17.04.2023.
- xiv. That the present application is bonafide and is being made in the interest of justice. In view of the above, the respondents prayed to allow the present application and vacate the interim stay order dated 17.04.2023 passed by this Hon'ble Authority; and/or pass any such other/further order(s).



9. Today, Ms. Seema Gandharva informed that they are filing online receipt of Rs 1 Lac in compliance of the orders dated 07.02.2024 in the registry of the Authority and an application for extension of registration has already been submitted for consideration of the Authority. In view of the above, the show cause notice issued against the respondents is hereby discharged. **Disposed of.** File be consigned to record room after uploading of orders.



Chander Shekhar
Member



Dr. Geeta Rathee Singh
Member



Nadim Akhtar
Member