



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

EXECUTION NO. 1461 OF 2024

IN

COMPLAINT NO. 1581 OF 2023

1. Manoj Kumar Singh
2. Usha Bala

...DECREE HOLDERS

VERSUS

1. Raheja Developers Ltd.
2. Raheja Developers Ltd.
3. Navin M Raheja, Director
Raheja Developers
4. Mohd Yusaf Khan, Director
Raheja Developers
5. Ravinder Zutshi, Director
Raheja Developers

...JUDGEMENT DEBTORS

Date of Hearing: 04.11.2025

Hearing: 3rd

Present: - Ms. Reena Rao, Learned Counsel for
Decree Holders through VC
Judgment Debtor already Ex-parte vide order dated
14.01.2025

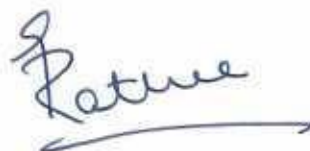
ORDER (DR. GEETA RATHEE SINGH- MEMBER)

1. The present case was adjourned for 30.09.2025. However, as per the observations made by the Hon'ble High Court in CWP No. 14937 of 2024

titled *M/s Vatika Ltd. versus Union of India and others*, in its order dated 24.04.2025, it has been directed that the execution petition be placed before this Hon'ble Authority. Pursuant to the said observations and directions, the present case has been adjourned from the Hon'ble Adjudicating Officer and is now taken up before this Authority for consideration today.

2. Today, Adv. Sanjana Yadav appeared on behalf of respondent and submitted that insolvency proceedings qua the judgement debtor company i.e Raheja Developers Ltd. have been initiated before the National Company Law Tribunal vide order dated 21.08.2025 passed in **C.P No. 284 of 2025 titled "Shravan Minocha and ors Vs Raheja Developers Ltd."** filed against judgement debtor company. As per order Mr. Brijesh Singh Bhadauriya has been appointed as an Interim Resolution Professional (IRP) for initiation of CIRP against the judgement debtor in present petition and moratorium in terms of Section 14 of the Code has also been declared vide said order. Relevant para(s) of said order are reproduced below for reference:

" 20. The applicant in Part-III of the application has proposed the name of Mr. Brijesh Singh Bhadauriya as Interim Resolution Professional, having Registration Number - IBBI/IPA-002/N01045/2020-2021/13385 having email id: bsb@bsbandassociates.in. Accordingly, Mr. Brijesh Singh Bhadauriya is appointed as an Interim Resolution Professional (IRP) for initiation of CIRP for Corporate Debtor. The consent of the proposed interim resolution profession in Form-2 is taken on record. The IRP so appointed shall file a valid AFA and disclosure



about non-initiation of any disciplinary proceedings against him, within three (3) days of pronouncement of this order:

21. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code.

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29. We further clarify that since the Corporate Debtor's project "Raheja Shilas (Low Rise)" is already undergoing CIRP pursuant to admission in separate proceedings, the present application, upon being allowed, shall result in initiation of CIRP against the Corporate Debtor in respect of all its projects, excluding the said project "Raheja Shilas (Low Rise)". Accordingly, all directions issued by this Adjudicating Authority in the present matter shall be confined to the Corporate Debtor as a whole, save and except the project "Raheja Shilas (Low Rise)"

Upon perusal of record it is revealed that no vakalatnama/power of attorney has been placed on record in the name of Adv Sanjana Yadav on behalf of the answering judgement debtor. Hence, the presence of Adv Sanjana Yadav is not being marked.

3. Ms. Reena Rao, learned counsel for the decree holders submitted that she was not aware of the order of the Hon'ble National Company Law Tribunal the learned. She sought some time to peruse the same and file relevant



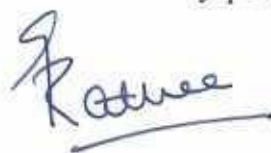
documents, if any. She further submitted that, in present petition, the directors of the judgement debtor company were impleaded as a party in the main complaint, final order of which is in execution as well as the present petition itself. Even though the judgement debtor company is under insolvency, however, the present petition is executable as against the then working directors of the judgment debtor company. Therefore, this Court may proceed against the directors for compliance of order under execution.

4. After hearing submissions of both parties, it is observed that, CIRP proceedings have been initiated against the present judgment debtor i.e. Raheja Developers Ltd., because of which any further proceedings in execution would be against spirit of Section 14 of the IBC, 2016 as it is the IRP appointed therein to do needful further in accordance with law. It is also pertinent to mention here that there is no provision to keep such proceedings pending till CIRP proceedings culminate as no period could be laid for the same. In fact to curtail the multiplicity of litigation where moratorium has been declared, Hon'ble Apex Court in Civil Appeal no. 7667 of 2021 titled as "Sundaresh Bhatt, Liquidator of ADG Shipyard v/s Central Board of Indirect Taxes and Customs" vide order dated 26.08.2022, has observed that "issuance of moratorium is mandate to declare a moratorium on continuation or initiation of any coercive legal action against the Corporate Debtor". However, prima facie findings of prohibition of execution against judgment debtor, a corporate entity, of this Authority are open to correction in view of



law settled by Hon'ble Apex Court in P. Mohanraj & Ors. v/s M/s Shah Brother Ispat Pvt. Ltd., (2021) 6 SCC 258 and Anjali Rathi & Others v/s Today Homes and Infrastructure Pvt. Ltd. (2021) SCC Online SC 729, if finally facts of the case under consideration demands.

5. With regard to the averment of the learned counsel for the decree holder, to proceed against the directors of the judgment debtor company, Authority observes that initiation of CIRP imposes a statutory bar under Section 14 of the Insolvency and Bankruptcy Code, 2016, which may continue for a substantial period. This Authority is precluded from proceeding with or adjudicating any execution petition against the present judgement debtor. Further, once the company is under financial distress, the duties of the directors shift to maintaining the company as a going concern and in case if, insolvency proceedings commence against the corporate entity, which is the answering judgment debtor in present petition, then as per Section 17(1)(b) of the Insolvency and Bankruptcy Code, 2016, the powers of board of directors stand suspended without any further direction and are exercised by the interim resolution professional. Thereafter, resolution professional is duty bound to file undervalued and preferential transactions as per Code before NCLT. Therefore, the conduct of the directors of a company in financial difficulty is under close scrutiny later statutorily if the company falls into insolvency under IBC. Distressing the working of the directors or initiating parallel proceedings against them once insolvency proceedings are



underway will only hamper the larger interest of the financial creditors of the corporate entity (including allottees of the various real estate projects, including present case) and is not a beneficial act.

RERA Act and the Rules made thereunder, are made to protect the interest of the allottee or consumer and also to streamline the Builders'/Promoters'/facilitators' working system. Since, it is apparently a beneficial legislation, it has to be interpreted and implemented in such a manner that its object is achieved. Therefore, in these circumstances, it is observed that it will be in the better interest of the decree holders to pursue their claim entirely before the National Company Law Tribunal as opposed to pursuing present execution against answering judgement debtor/ directors of judgment debtor company.

6. Keeping in mind aforementioned observations, captioned execution petition is **disposed of** without getting into the merits. File be consigned to record room after uploading of this order on the website of the Authority.


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DR. GEETA RATHEE SINGH
[MEMBER]