HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

EXECUTION NO. 2753 OF 2023

IN

COMPLAINT NO. 233 OF 2022

Shivani Bansal .... DECREE HOLDER

VERSUS

Vatika Ltd. ....JUDGMENT DEBTOR

CORAM:	**Parneet S Sachdev**	**Chairman**
	Nadim Akhtar	**Member**
	Dr. Geeta Rathee Singh	**Member**

Date of Hearing: 12.02.2026

Hearing: 8th

Present: Mr. Rahul Makkar, for the Decree Holder through VC.
Ms. Vertika H. Singh for the Judgement Debtor, through VC.

ORDER (PARNEET S SACHDEV-CHAIRMAN)

1. Today, case was fixed for filing verified details of movable and immovable properties of the judgment debtor for the purpose of attachment to recover the decretal amount.

2. Ms. Vertika H. Singh, ld. counsel for the judgment debtor appeared and submitted that moratorium has been imposed upon the company. It was further apprised to the Authority that in view of the moratorium being imposed, no further proceedings can be continued against the judgment debtor at this stage.

3. This Authority has verified the factum of the moratorium imposed upon the company. It is an admitted position that vide order dated 03.02.2026 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench, in **CP (IB) No. 45/Chd/Hry/2024** titled ***IDBI Trusteeship Services Limited v. Vatika Limited***, the Corporate Debtor, namely Vatika Limited, has been admitted into the Corporate Insolvency Resolution Process (CIRP) and a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 has been imposed. Relevant paragraph of the order dated 03.02.2026 is being reproduced below-

> *"Accordingly, in exercise of the powers conferred under Section 7(5)(a) and other extant provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and the*

Rules and Regulations made thereunder, this Adjudicating Authority passes the following order:

I. The Corporate Debtor, Vatika Limited, is admitted into the Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code, 2016.

II. ***A moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is hereby declared prohibiting all of the following, in terms of Section 14(1) of the Code:***

(a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel, or other authority;

(b) Transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(c) Any action to foreclose, recover, or enforce any security interest created by the Corporate Debtor in respect of its property, including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

(e) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and shall also not be applicable to a surety.

III. ***The order of moratorium shall have effect from the date of this Order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.***

IV. As proposed by the Financial Creditor, Mr. Jayant Prakash (IBBI/IPA-001/IP-P00597/2017-2018/11049) is appointed to act as the Interim Resolution Professional (IRP) under Section 13(1)(c) of the IBC, 2016 in respect of the CIRP of the Corporate Debtor. The IRP shall conduct the Corporate Insolvency Resolution Process of the Corporate Debtor as per the provisions of the Insolvency

and Bankruptcy Code, 2016 read with the Regulations made thereunder.

V. The IRP so appointed shall make a public announcement of initiation of the Corporate Insolvency Resolution Process (CIRP) as required by Section 13(1)(b) of the Code and call for submission of claims under Section 15. To ensure intimation to claimants, the IRP is directed to put up flex boards/hoardings at appropriate places of the Corporate Debtor's projects and at the Corporate Office of the Corporate Debtor and insert a ticker on the website of the Corporate Debtor announcing the initiation of CIRP along with the name, contact details, and email of the IRP at which claims may be made by creditors/homebuyers.

VI. The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated, suspended, or interrupted during the moratorium period. The Corporate Debtor shall provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor.

VII. The IRP shall perform all functions as contemplated, inter alia, in Sections 17, 18, 20, and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoter, or any other person associated with the management of the Corporate Debtor are under a legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional. Where any personnel of the Corporate Debtor, its promoter, or any other person required to assist or cooperate with the IRP does not do so, the IRP is at liberty to make an appropriate application to this Adjudicating Authority seeking appropriate directions.

VIII. The IRP shall be under a duty to protect and preserve the value of the property of the Corporate Debtor Company and manage the operations of the Corporate Debtor Company as a going concern as part of the obligation imposed by Section 20 of the Insolvency and Bankruptcy Code, 2016.

IX. The Financial Creditor is directed to pay an advance of ₹4,00,000/- (Rupees Four Lakhs only) to the IRP within two weeks from the date of receipt of this Order to meet the initial CIRP costs for smooth conduct of the Corporate

Insolvency Resolution Process (CIRP). The IRP shall file proof of receipt of such amount before this Adjudicating Authority along with the First Progress Report. Subsequently, the IRP may raise further demands for interim funds, which shall be provided as per the Rules.

X. The Registry is directed to communicate a copy of this Order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional, and the concerned Registrar of Companies within seven working days and upload the same on the website immediately after pronouncement of this Order.

XI. The IRP shall also intimate the initiation of CIRP and the manner and timelines for submission of claims, if any, to various departments such as Income Tax, GST, State Trade Tax, Provident Fund, etc., who are likely to have claims against the Corporate Debtor, as well as to trade unions/employee associations, so that they are timely informed about the initiation of CIRP against the Corporate Debtor.

XII. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this Order.

Accordingly, CP (IB) No. 45/CHD/Hry/2024 is allowed."

4. It is pertinent to note that the said order prohibits the institution or continuation of any suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order before any court of law, tribunal, arbitration panel, or other authority. Thus, the bar under Section 14 squarely applies to the proceedings pending before this Authority. It is further evident that the Hon'ble Tribunal has categorically rejected the contention of Vatika Ltd, i.e., Corporate Debtor seeking "project-wise insolvency". The Tribunal has observed that insolvency under the Code attaches to the corporate person and not to an individual project, and that permitting project wise insolvency

would be inconsistent with the framework of the Code. Accordingly, the moratorium has been imposed upon the Corporate Debtor as a whole, and not confined to any particular project undertaken by the company. Relevant portion of the order dated 03.02.2026 is being reproduced below-

> *"16.6. It is also apposite to note, that the very concept of "project-wise insolvency" has been viewed as inherently inconsistent with the foundational structure of the Insolvency and Bankruptcy Code, 2016. In this context, it is necessary to understand the legislative intent behind the framework as was also explained by Sri Baijayant Panda, Chairperson of the Parliamentary Select Committee on the Insolvency and Bankruptcy Code (Amendment) Bill, 2025. It has been observed that insolvency under the Code is necessarily of a company and not of a project. The distinction drawn is between project-wise resolution, which may be operationally undertaken within CIRP, and insolvency itself, which statutorily attaches only to the corporate person. It is to be noted that permitting insolvency to remain confined to a project would dilute the core principle of the Code that default results in displacement of control of the corporate debtor and replacement of the promoter. Allowing promoters to retain control of the corporate entity while carving out isolated projects for insolvency would defeat the deterrent and disciplinary architecture embedded in the Code. This reinforces the position that while project-wise resolution mechanisms may be employed post admission within the CIRP framework, the initiation of insolvency proceedings itself cannot be restricted to a project alone.*
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> ***16.7. Accordingly, the contention of the Corporate Debtor seeking project wise insolvency at admission stage is untenable and deserves to be rejected."***

5. At this juncture, it would be relevant to place reliance on the case of ***Sundaresh Bhatt, Liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs,*** Civil Appeal No. 7667 of 2021, wherein Hon'ble apex court has elaborately explained the object and scope of moratorium. In paragraph 36, the Hon'ble Court observed as under:

> *"36. One of the purposes of the moratorium is to keep the assets of the Corporate Debtor together during the insolvency resolution process and to facilitate orderly completion of the processes envisaged under the statute. Such measures ensure the curtailing of parallel proceedings and reduce the possibility of conflicting outcomes in the process."*

Further, in paragraph 35, it was held:

> *"35. When the insolvency process commences, the adjudicating authority is mandated to declare a moratorium on the continuation or initiation of any coercive legal action against the Corporate Debtor."*

The Hon'ble Supreme Court has also expressly recognised the central statutory role of the Interim Resolution Professional during CIRP. In paragraph 34(iii) of the said judgment, it has been observed:

> *"(iii) The NCLT first appoints an interim insolvency professional. The interim insolvency professional is to hold office until a resolution professional is appointed. He further takes control of the Corporate Debtor's operations and collects its financial information from information utilities. The NCLT must also ensure public announcement of the initiation of corporate insolvency process and call for submission of claims."*

6. Therefore, it is evident that continuation of parallel proceedings before any other forum during the subsistence of the moratorium would defeat the very object of the Insolvency and Bankruptcy Code, 2016. Accordingly, this Authority is bound to give full effect to the statutory mandate of Section 14 of the Code and refrain from proceeding further in the present matter during the pendency of the CIRP, in adherence to principle of judicial propriety.

7. Further, it would be necessary to place reliance on section 14 (1)(a) of IBC which specifically prohibits the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority. Relevant paragraph of section 14 of IBC is being reproduced below-

> *"Section 14: Moratorium-*
> *14. (1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely:—*
> ***(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;***
> *(b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
> *(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction*

of Financial Assets and Enforcement of Security Interest Act, 2002;
(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor."

8. On a bare reading of the provision, it is clear that the language of the provision is peremptory and admits of no discretion. Once the moratorium is declared, all proceedings against the Corporate Debtor must remain stayed. The Hon'ble Supreme Court in ***Alchemist Asset Reconstruction Company Ltd. v. Hotel Gaudavan Pvt. Ltd., 2017 SCC OnLine SC 1362*** , authoritatively held that once a moratorium under Section 14 is declared, even arbitration proceedings cannot continue and any continuation would be without jurisdiction. The principle applies with equal force to proceedings before statutory authorities.

9. In ***Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407,*** the Hon'ble Supreme Court emphasised that upon admission of insolvency proceedings, the management of the Corporate Debtor vests in the Interim Resolution Professional and the statutory scheme under the IBC overrides inconsistent provisions by virtue of Section 238 of the Code. The overriding effect of the IBC has been reiterated in ***Principal Commissioner of Income Tax v. Monnet Ispat & Energy Ltd., (2018) 18 SCC 786,*** wherein it was held that Section 238 of the IBC will prevail over any other enactment in case of inconsistency.

Further, Supreme Court *in* ***Pioneer Urban Land and Infrastructure Ltd. v. Union of India, (2019) 8 SCC 416,*** wherein the Court examined the interplay between the RERA Act and the IBC. It was held that both statutes operate in their respective fields. however, once insolvency proceedings are admitted the IBC process must run its full course, and individual remedies must yield to the collective insolvency mechanism. The insolvency framework under the IBC is a collective proceeding in rem. It seeks resolution of the Corporate Debtor as a going concern or its liquidation in an orderly manner, balancing the interests of all stakeholders. *Allowing parallel adjudication before this Authority would not only contravene the statutory moratorium but would also defeat the objective of a time-bound and consolidated insolvency process.*

10. This Authority, though vested with adjudicatory powers under the RERA Act, cannot act in derogation of a subsisting moratorium declared by the NCLT. The statutory command under Section 14 of the IBC leaves no scope for continuation of proceedings. In view of the admission of insolvency proceedings against the judgment debtor. Corporate Debtor and the moratorium presently in force, this Authority lacks jurisdiction to proceed further in the matter.

Accordingly, the present execution petitions are **disposed off** as cannot be proceeded with further.

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]

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NADIM AKHTAR
[MEMBER]

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PARNEET S SACHDEV
[CHAIRMAN]