



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

EXECUTION NO. 681 OF 2024

IN

COMPLAINT NO. 3115 OF 2019

Vishisht Capital Services Pvt Ltd

...Complainant/Decree Holder

VERSUS

Parsvnath Developers Ltd.

...Respondent /Judgment Debtor

CORAM:

Parneet Singh Sachdev
Dr. Geeta Rathee Singh
Chander Shekhar

Chairman
Member
Member

Date of Hearing: 21.05.2026

Hearing: 7th

Present: None for the decree holder.

Ms. Rupali Verma, counsel for the judgment debtor through VC.

ORDER (PARNEET S SACHDEV-CHAIRMAN)

1. Vide last order dated 16.02.2026, Authority observed as follows:

“Authority observes issues arising in present execution are intrinsically connected with those involved in Complaint No. 2193/2022. Both matters pertain to the same project and involve substantially similar questions of fact and law. The Authority is of the view that adjudication of the present execution proceedings, in isolation, may lead to multiplicity of proceedings and the possibility of conflicting findings. In order to ensure judicial propriety, and comprehensive adjudication of

the issues involved, it is considered appropriate that the matter be placed before the Full Bench.

Accordingly, the Registry is directed to list the present matter before the Full Bench. Case is adjourned to 19.03.2026".

2. In view of the above stated last order passed, the case was listed today for arguments before the Full Bench.
3. However, Ms. Rupali Verma, Id. 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.
4. This Authority has verified the factum of the moratorium imposed upon the company. It is an admitted position that vide order dated 30.04.2026 in **CP (IB) No. 468/PB/2024** titled **Sammaan Capital Ltd. Vs. Parsvnath Developers Limited**, the Corporate Debtor, namely Parsvnath Developers 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. The relevant para of the said order is reproduced below for reference:-

"39. Accordingly, moratorium as provided under Section 14 of IBC, 2016 is declared qua the CD and as a necessary consequence thereof the following prohibitions are imposed, which must be followed by all and sundry:

- a) *The institution of suits or continuation of pending suits or proceedings against the Respondent 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 Respondent 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 Respondent in respect of its property including any action under the Securitization 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 Respondent”.*

This issue was duly acknowledged by both the Id. counsels appearing in the matter.

5. 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.
6. 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 curtailment 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, following observation has been made-

“(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.”

7. 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.



8. 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.”

9. 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.

Further, 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 respondent Corporate Debtor and the moratorium presently in force, this Authority lacks jurisdiction to proceed further in the matter.
11. Accordingly, the present execution petition is **disposed of** as it cannot be proceeded with further. Files be consigned to the record room after uploading of this order on the website of the Authority.


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CHANDER SHEKHAR
[MEMBER]


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DR. GEETA RATHEE SINGH
[MEMBER]


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PARNEET S SACHDEV
[CHAIRMAN]