

PROCEEDINGS OF THE DAY

Day and Date	Thursday and 17.01.2019
Complaint No.	584/2018 Case titled as Mr. Ravinder Singh V/S M/S Adel Landmarks Ltd
Complainant	Mr. Ravinder Singh
Represented through	Shri Sanjeev Maan Advocate proxy counsel for the complainant.
Respondent	M/S Adel Landmarks Ltd
Respondent Represented through	Ms. Kiran Sharma, Company Secretary/ authorized representative of Shri Udayraj Patwardhan IRP in person.
Last date of hearing	11.12.2018
Proceeding Recorded by	Naresh Kumari & S.L.Chanana

Proceedings

Project is not registered with the authority.

Since the project is not registered, as such notice under section 59 of the Real Estate (Regulation & Development) Act, 2016 for violation of section 3(1) of the Act be issued to the respondent. Registration branch is directed to do the needful.

Ms. Kiran Sharma, Company Secretary/ authorized representative of Shri Udayraj Patwardhan IRP in person and has produced a copy of order No.CP.No.IB-1083 (PB)/2018 in the matter of **Edelweiss Asset Reconstruction Company Limited vs. Adel Landmarks Ltd.** vide which Hon'ble President Shri M.M Kumar and Ms. Ina Malhotra Hon'ble Member

(Judicial) have passed order dated 5.12.2018. The operative part of para nos.18 and 19 are reproduced as under:-

“Para no.18: We also declare moratorium in terms of Section 14 of the Code. It is made clear that the provisions of moratorium are not to apply to transactions which might be notified by the Central Government and a surety in a contract of guarantee to a corporate debtor. Additionally, the supply of essential goods or services to the Corporate Debtor as may be specified is not to be terminated or suspended or interrupted during the moratorium period. These would include supply of water, electricity and similar other supplies of goods or services as provided by Regulation 32 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Para No.19: The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional at the earliest but not later than seven days from today. A copy of this order be also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT”.

In addition to this, Ms. Kiran Sharma, Company Secretary/ authorized representative of Shri Udayraj Patwardhan IRP has also submitted a relevant portion of the judgment passed by Hon’ble Supreme Court on 9.8.2017 in CWP No.744/2017 in **Chitra Sharma and Ors. Vs Union of India, 2018(9) SCALE490**, where the Supreme Court has observed that:

“after the amendment brought by the Insolvency Bankruptcy(Amendment) Ordinance, 2018, the amounts raised from allottees in a real estate project are deemed to be amounts ‘having a commercial effect of borrowing’. Hence, outstandings to allottees in a real estate project are statutorily regarded as financial debts and they have been recognized as a class of financial creditors.

Accordingly, home buyers will now be entitled to a seat on the ‘committee of creditors’(CoC) of the corporate debtor. However, given the large number of home buyers for a project, they will be treated as a class of creditors and be represented in the CoC by an ‘authorized representative’

It is worth noting that Section 18 of RERA affords allottees the right to:

- Demand a refund of the entire amount advanced by the allottee (along with interest at the prescribed rate); or
- Be paid interest (by the promoter/developer) for every month of delay till possession is handed over.

In the insolvency proceedings, it is likely that the allottees (even where they have not withdrawn from the project) may file their claims for the entire advance amount and accrued interest.

In view of the decision taken by the National Company Law Tribunal Special Bench, New Delhi and the observation of Hon'ble Supreme Court in **Chitra Sharma and Ors. Vs Union of India, 2018(9) SCALE490** judgment, this authority has no jurisdiction to proceed in the matter further. Accordingly, the complaint stands disposed of with liberty to the complainant to pursue the matter before the appropriate forum.

File be consigned to the registry.

Samir Kumar
(Member)
17.1.2019

Subhash Chander Kush
(Member)