

**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)*

C.P. (IB) No.83/BB/2021

U/s 7 of I&B Code, 2016

R/w Rule 4 of I&B (AAA) Rules, 2016

In the matter of:

**M/s. Dreamz Sneh Project Allottees
Welfare Association**

R/o Flat 303, #151, Y.S. Residency,
24th Main, 6th Cross, HSR Sector 1,
Bangalore – 560 102.

... Petitioners / Financial Creditors

Versus

M/s. Dreamz Infra India Limited

Regd. Off.: #114/2,
Lal Bagh Fort Road,
Bangalore – 560 004.

... Respondent / Corporate Debtor

Order delivered on: 15th February, 2023

Coram:

1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Present:

For the Petitioners : Ms. Usha D.N., Adv.
For the Respondent : Shri K.N. Ambaresh, Adv.

ORDER

Per: Manoj Kumar Dubey, Member (Technical)

1. The present Petition has been filed on 19.08.2021 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC/Code') r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by

M/s. Dreamz Sneh Project Allottees Welfare Association (hereinafter referred to as ‘Petitioners / Financial Creditors’) with a prayer to initiate the Corporate Insolvency Resolution Process (CIRP) in respect of **M/s. Dreamz Infra India Limited** (hereinafter referred to as ‘Respondent / Corporate Debtor’).

2. The Respondent Company - the Corporate Debtor, was incorporated on 16.01.2012 with CIN No. U70109KA2012PLC062065 with its registered office situated at # 577/B, 2nd Floor, Outer Ring Road, Teachers Colony, Koramangala, Bengaluru-560034. Hence, the jurisdiction lies with this Adjudicating Authority. Its Authorised Share Capital is Rs.10,00,00,000/- (Rupees Ten Crores Only) and Paid-up Share Capital is Rs.2,00,00,000/- (Rupees Two Crores only).
3. Brief facts of the Petition are given hereunder:
 - i.) The present Petition is being filed on behalf of allottees who have booked flats in Dreamz Sneh Project through their registered Association Dreamz Sneh Project Allottees Welfare Association (hereinafter as ‘Association / Applicant’) which represents the allottees / homebuyers of the Dreamz Sneh Project of the Corporate Debtor Company. The members of the Applicant are allottees as defined under RERA Act and adopted and explained u/s 5(8)(f) of the Code. The Applicant is a Registered Society representing the welfare and best interests of the allottees of the Dreamz Sneh Project. The Members of the Applicant-Association have booked the flat by paying their life savings and have made various payments for completion of their flats in Dreamz Sneh Project.
 - ii.) It is stated that Corporate Debtor floated a housing project by the name ‘**Dreamz Sneh**’ in the property at Survey No.121/3, Old Sy. No.120/1 at Bhoganahalli Village, Bengaluru East Taluk. Further, the said Project comprises of ‘A’ Block and ‘B’ Block and its construction work has been completed to the extent of 70% and 20% respectively.

- iii.) The construction work was carried out with good pace and after the month of November, 2016 turbulence started taking place at the Project and all efforts to reach out to the Managing Director went in vain. Various complaints were filed with the Police and cases were filed before the Civil Courts, Consumer Courts and PIL in the Hon'ble High Court of Karnataka by many home buyers and others. A substantial percentage of the allottees of the Dreamz Sneh Project, upon reading about the insolvency proceedings initiated against the Corporate Debtor in CP (IB) No.84/BB/2019 dated 20.08.2019; also filed their claim Forms with the RP and the same were admitted.
- iv.) The Hon'ble Tribunal in common order dated 04.09.2020 in various IA Nos. 205-208, 213-218, 304-307, 309-311 of 2020 held that the CIRP initiated in above CP is confined to Dreamz Sumadhur Project and thereby directed to complete the CIRP in respect of Corporate Debtor with respect to the Dreamz Sumadhur Project only. The said order put the interests of the members of the Association at risk of losing their life time savings. About 160 Nos. of allottees of the Dreamz Sneh Project have duly contributed towards CIRP costs of the Corporate Debtor since the beginning.
- v.) It is stated that the cause of action to file the present Petition arises out of the aforesaid order dated 04.09.2020 where the CIRP initiated was confined to Dreamz Sumadhur Project. The Financial Creditors of the Association are one of the sufferers of mass fraud whereby the Corporate Debtor has floated series of Project under the trade name Dreamz. The Dreamz Sneh Project is a viable Project which has a clear Land title. Various flats in the Dreamz Sneh Project are encumbered with Banks by various homebuyers / allottees, who are members of Applicant-Association.
- vi.) Further, about 59 homebuyers of Dreamz Sneh Project have availed home loans to purchase the apartments in the said Project. The Encumbrance Certificate makes it evident that registered sale agreements have been executed by the

- Corporate Debtor in favour of multiple homebuyers of Dreamz Sneh Project for their respective Apartments.
- vii.) It is also stated that the Dreamz Sneh Project, with the existing building plan, accommodates 190 apartments and thereby its completion would ensure that at least 190 out of the total 2300+ homebuyers of the Corporate Debtor would get the possession of their apartments. Further, the required permission for another floor in each block can be obtained from the concerned authorities which can further accommodate another 40 allotment holders.
- viii.) The Project in which members of the Applicant have booked / purchased is almost at verge of completion and the members of the Applicants are willing to complete the project on their own in case there is deficit. Hence, it is requested that their respective flats, should be registered in their names and also peaceful possession of their flats must be handed over to them.
- ix.) The Allottees of the Dreamz Sneh Project who hold valid allotment letter, Agreement and Memorandum of Understanding in their favour expressed their willingness to pay the remaining amount, if any, towards the completion of the Project. The Members of Dreamz Sneh Project have entered into Agreement of Sale and MoU towards the purchase of the apartments in the said Project and as such a charge is created in their favour with respect to the assets and properties of Dreamz Sneh. Once a charge is created on a property in favour of a person, the said property cannot be sold or allocated to other people and the Apartments must be allocated first to the Agreement and MoU holders of Dreamz Sneh Project.
- x.) In line with the spirit of the Code, it is requested that the instant CP may be admitted and IRP be appointed. The Homebuyers of the said Project have further expressed their willingness to take complete control of the Project and ensure its completion. The Applicant Association is determined and well equipped to take control of the assets and complete the construction of the said Project and ensure the allotment of Apartments to the respective allottees. Since the object of the

Code gives prominence to resolution over liquidation, the present Petition be admitted and CIRP be initiated in the same matter as in the Dreamz Sumadhur Project case of CP (IB) No.84//BB/2019. Hence, the Application.

4. In support of its submissions, the Petitioners *inter alia* filed the following documents, in respect of all the persons making this Application u/s 7 of the Code:

- i.) Copy of the Registered Association
- ii.) Photographs depicting the status of the construction work
- iii.) Details of the Encumbrance in relation to homebuyers/allottees of Sneh Project
- iv.) Authorization letter
- v.) Copy of the KYC, booking forms, allotment letters, receipts, bank statements, cheques deposited, MOU and Agreement of Sale of all the 32 Financial Creditors

5. The Respondent filed its reply dated 14.03.2022, by *inter alia* contending as under:

- i.) The Corporate Debtor is represented by its MD and major stock holder Mrs. Disha Choudhary (hereinafter as 'CD') who is currently in judicial custody for almost three years now. It is contended that the Applicant was declared disqualified u/s 164 of the Companies Act, 2013 for non-filing of Annual Returns. The MD being the only surviving Director who is available to represent the Corporate Debtor, has an excellent track record of finishing her earlier projects, namely, Dreamz Om, Dreamz Namah, Dreamz Shivam, within the time limit promised. The CD has no malafide intention behind the delay in completion of the project, and is inclined to complete all of the projects pending and discharge its liabilities as soon as possible.
- ii.) It is stated that a Petition bearing CP (IB) No.84//BB/2019 was filed against the Corporate Debtor u/s 7 of the Code, and the same was admitted by this Tribunal *vide* order dt.20.08.2019 with appointment of the IRP.
- iii.) A number of consumer cases, cheque bounce cases and arbitration matters have been filed against the Corporate Debtor. Consumer cases which are civil in

nature have been converted into Criminal invoking erstwhile Section 72 (Section 27 of Consumer Act, 2019) for non-compliance of the orders passed by the Consumer Forums. Most of these cases are continuing ex-parte, as notices were not served to the Corporate Debtor. A number of execution Petitions have also been filed. In number of cases filed u/s 27 of Consumer Protection Act, 2019, CD has been taken into custody again and again and thus she will be unable to complete the pending projects if the Authorities would not let her out.

iv.) It is also contended that a Plan would soon be filed by the Corporate Debtor in which effective resolution will be given for buyers with the help of IRP, which would help Corporate Debtor revive from this situation. The Corporate Debtor has completed almost 60% of the construction of flats in the present Project and a huge amount of Rs.43.8 Crores has already been invested in the Project, therefore, there is no point of return for CD. The completion of the Project will not take more than a year of time and requires an investment of approx. Rs.8 to 12 Crores. The Corporate Debtor has clear title to the projected land and is fully capable of completing the Project in one year, and thus CD is unequivocally the best person to discharge the liability by way of completing this Project.

6. The Petitioner filed its rejoinder dated 01.04.2022 by *inter alia* further stating as under:

i.) Two Projects, namely, Dreamz Om and Dreamz Namah were started by Samrat Builders and for some reasons they couldn't complete the projects on time and thus the CD took over those two at the finishing stage, put up their Company name and delivered the Project to the homebuyers. The only project which was started and delivered by the Corporate Debtor is that of Dreamz Shivam in the year 2014. This one Project was used to advertise about their Company and allured customers for the rest approximately 94 Projects that were started, out of which 34 Projects were eventually cancelled and the rest 60 Projects are still pending. Monies were collected from customers by alluring them with budgeted

flats and the same was diverted to pay the investors of their scam Company i.e., M/s. Frontier Group.

- ii.) It is stated that M/s. Frontier Group was started by Mr.Sumanth Kumar Das alias Mr. Sachin Nayak and his wife Mrs. Esha Sumanth alias Mrs. Disha Choudhary in 2008, which provided wide range of investment opportunities. A case bearing SPL.C/0000058/2011, was registered against the couple at the Commercial Street Police Station in the year 2009 for duping 800 investors of approximately Rs.16 Crores, and the same is pending till date. Mr. Sachin Nayak floated many Companies such as M/s. Dreamz Infra India Ltd., the Corporate Debtor herein, M/s. Frontier Group, M/s. Squarefoot Properties, M/s. TGS Construction Pvt. Ltd. and M/s. Gruha Kalyan Pvt. Ltd. MD of the Respondent herein was also associated with the above Companies.
- iii.) It is also stated that the monies were collected from investors and homebuyers from all the said Companies and was being diverted in producing a Hindi film 'Anuradha' in which Mrs. Disha Choudhary (MD of the Corporate Debtor), investing in IPL advertisement for RCB team, etc. The Corporate Debtor was well aware of their action of diverting funds from one place to another, deceiving their homebuyers. Many cases have been registered against them before various Courts and authorities. The Corporate Debtor is not a law-abiding person and has not earned goodwill in the market. Newspaper articles relating to the same have been annexed as Annexure-1 of rejoinder.
- iv.) The Corporate Debtor is not inclined in fulfilling its obligation, rather it is inclined in selling off the Dreamz Sneh Project's lands as it has a clear title to it. The MD of the Corporate Debtor while being in jail sold the land of one of their projects i.e., Siddhi Vinayaka Land in the year 2017 as it had a clear title to it and was not a joint venture project unlike other projects. The Corporate Debtor has been pushing for settlement not for the actual purpose of settlement but with

a malafide intention to ensure that CIRP is not initiated and they don't lose their clear title of the land.

- v.) The Corporate Debtor is not inclined in Dreamz Sumadhur Project or any other out of 60 projects in fulfilling their obligation as 99% of the Projects are joint venture project with that of the landowners and the Corporate Debtor doesn't have a clear title to those projects. It is only from Dreamz Sneh Project that they will benefit and therefore with the ulterior motive of selling of the project lands, they creating hurdles in the name of settlement.
- vi.) As regards the averment at para 11 of reply that the project completion would require an investment of approx. Rs.8-12 Crores, it is stated that Sri Vandana Builders, the professional civil contractors in Bangalore, gave the Applicant a quotation on 06.09.2021 for completion of the Dreamz Sneh Project which amounts to Rs.31 Crores 52 Lakhs. The cost of the land in buying amounted to Rs.5 Crores which is clearly mentioned in EC record (annexed as Annexure-IV) and approximately another Rs.7 to 8 Crores was spent by the Corporate Debtor to complete 60% of the A-Block structure and 20% of B-Block structure only. The doors, wooden windows, electricity lining wires, etc. which were stored in the store room were later taken away by the contractors once the Company shut its operations in the year 2016 and none of it was fitted in the building. Thus, the claim of 60% of completion of Project by the Corporate Debtor is false.
- vii.) The homebuyers of this Project are all proactive and are willing to contribute for the completion of the Project. A resolution plan is already prepared and also 3 PRAs lined up to finance this Project, and upon admission of this Petition, the procedures like filing of claims, holding CoC meetings, keeping the resolution plan ready, holding meeting with potential PRA, etc. is already set in motion and will happen at the earliest.

7. In response thereto, the Respondent *vide* reply dated 13.06.2022, has *inter alia* further contended as under:

- i.) The CD is inclined to complete the Dreamz Sneh Project and discharge its liabilities within a period of 12 months. The CD is in a very well position to deliver the flats and fulfil the obligations as it has got a financier who is capable of completing the said Project within the specified time. The proposed plan if accepted by homebuyers will give them a quick remedy as compared to the remedy desired by them. The home buyers will be in a position to choose whether to take possession of the said flat after payment of the remaining amount or to take their initial down payment back, if not interested in taking flats.
 - ii.) The CD has come up with a comprehensive plan, which explains every detail of the Project herein. The CD has relied upon the judgment rendered by Hon'ble Supreme Court in *Amit Katyal v. Meera Ahuja & Ors.* in *Civil Appeal No.3778 of 2020*.
 - iii.) It is stated that Samrat Builders was a proprietorship of Mrs. Disha Choudhary, the projects Dream Om, Dream Namah and Dream Shivam were raised by her from the inception and ultimately delivered on the promised delivery date. M/s.Frontier Company was incorporated by Mrs. Disha Choudhary's husband Mr.Sachin Nayak in 2008, and she has no association with this Company. It is contended that no amount has ever been invested in IPL nor given for investment in ventures of high-profile Actors. The husband of Mrs. Disha Choudhary had forged her signature and entered into those transactions.
 - iv.) It is further contended that a revised and conclusive plan is being filed for the consideration of all the homebuyers once again and not just the two are representing all the others. Therefore, it is prayed that both the Parties be allowed to enter into a settlement.
8. In response to the above reply, the Applicant-Association has filed its rejoinder dated 06.05.2022 by *inter alia* further stating that all the members of the Association unanimously opposed the Resolution Plan / settlement proposal submitted by the Corporate Debtor on the same day *via* the social media platform i.e., the WhatsApp

Group. The same was informed to the Bench on 05.04.2022 during the hearing. Accordingly, the Bench has passed orders stating that “*the said proposal for settlement from the Respondent/Corporate Debtor is not agreeable to the Petitioner and accordingly pressing for hearing of CP*”. It is submitted that, even though orders have been passed relating to the same, the Applicants had conducted a Board Meeting of the Association on 14.04.2022 to bring on record the opinion of all the Members of the Association. A total of 87.30% of the Members have unanimously opposed the Resolution Plan / Settlement proposal put forth by the Corporate Debtor. The copy of the same has been annexed to this rejoinder as Annexure-V.

9. Vide order dated 15.11.2022, the Petitioner was asked to file certain documents. Pursuant to the same, the Petitioner filed the Memo *vide* Diary No.5391 dated 12.12.2022 by *inter alia* submitting as under:

- i.) Details of Flat Nos. of all 32 Members including their allotment letters, total amount paid by the homebuyers and the promised date of delivery of Flats to the homebuyers were placed on record as Annexure-A, B and C to the Memo.
- ii.) With respect to the Project in question, the Corporate Debtor first executed an Memorandum of Understanding with the Homebuyers, which states the details of the Parties, the Project details, total consideration of the Flat, duration and other necessary parts of an Agreement. Clause 2 of the MoU clearly states that a certain amount of consideration is paid while signing the MoU, and the remaining shall be paid as per the tranches mentioned in Clause 2 of the MoU i.e., 5% of the outstanding consideration payable at the time of entering into Sale Agreement, 5% of the outstanding consideration payable at the time of entering into Construction Agreement, and so on. Certain exceptions being, when other Project Homebuyers were allotted Flats in this Dreamz Sneh Project.
- iii.) The Corporate Debtor has not executed Sale or Construction Agreements as stated by them and also as mentioned in the MoU's, to the homebuyers though

they had made the payments on time. Only some of the homebuyers do hold either a Sale or Construction Agreement or both the Agreements.

- iv.) It is also stated that the Corporate Debtor didn't have clear intentions from the start with respect to providing budgeted houses/flats to the people and this can be seen with respect to the inconsistency in the documents/agreements issued/executed by the Corporate Debtor and due to the same, the date of delivery of Flats to some of the homebuyers have been taken from the MoU and for some of the homebuyers from the Sale Agreement. It is seen from Table-C that some of the homebuyers have paid more than 100% of the total consideration as the total consideration for the Flat as mentioned in the Clause 2 of the MoU is excluding the tax, VAT, BESCO, BWSSB etc charges.
- v.) As regards the limitation period, it is submitted that the Corporate Debtor initially started the Dreamz Sneh Project at a good pace and various homebuyers who invested in other projects like Dreamz Eco and Sangam were allotted flats in this Dreamz Sneh Project as the construction of this Project was happening at a good pace. Some homebuyers were promised that their Flats will be registered and also handed over to them in the year 2016 and for some others subsequently. Around July 2016, the homebuyers started approaching the Corporate Debtor asking the same and also to get their documents registered, executed properly. But the MD wasn't in Bangalore and the homebuyers were orally assured that they will keep up with their promises. Post that the MD and other Directors started absconding and weren't approachable to the homebuyers. The office of the Corporate Debtor was shut and thus some of the homebuyers, who are the Applicants herein, started lodging complaints tentatively from December 2016 to February 2017. Copies of the registered police complaints with the Madiwala Police Station and the CID are placed on record as Annexure-C.
- vi.) Post all the turbulence, the MD Mrs. Disha Chowdhary submitted a proposal to the Karnataka Government and to all the homebuyers of the Corporate Debtor

on 12.03.2017 stating and also undertaking that the Corporate Debtor would start the construction work of the Projects so mentioned and also stated that she would refund the money to the homebuyers, and sought time till 31.05.2017 to undertake the above. But neither did the construction start nor the refund of money to the homebuyers took place. None from the Corporate Debtor were available to be held liable. Thereafter, the MD, Sachin Naik and other Directors were arrested by the CID. With respect to the MD's aforesaid proposal on 12.03.2017, it is understood that there have been various cheque bounce cases, non-refund of homebuyer's money, pending flat registration of completely paid customers / homebuyers and the concerns with respect to individual Projects. It can be stated here that the MD is thereby admitting to the various defaults committed and the proposal talks about the measures to be taken and also seeking time to rectify the defaults.

- vii.) It is stated that right from the time when the default occurred in the year 2016, the homebuyers have taken all legal action possible from their end. As seen from the Table-A, the default date which is farthest is that of January 2015. The default dates vary from one homebuyer to the other, and that it's a continuing default till date. If we happen to consider the first default date of one of the Petitioners i.e., January, 2015, the limitation period to initiate suit is 3 years from then which should be within January 2018. The MD by submitting the proposal to the Karnataka Government and others on 12.03.2017 has acknowledged to the liability, hence Section 18 of the Limitation Act, 1963 can be invoked. The proposal so made was well within the limitation period. Thus, a fresh period of limitation starts i.e., from 31.05.2017.
- viii.) Further, the time limit to file this Petition is 3 years from 31.05.2017 i.e., on 31.05.2020. The Hon'ble Supreme Court in Miscellaneous Application No.665 of 2021 in SMW (C) No.3 of 2020 has notified that during the period from 15.03.2020 to 02.10.2021, the limitation to file Suits isn't applicable to the

Courts / Tribunals and such period shouldn't be computed. The present application was supposed to be filed on or before 31.05.2020 and was filed on 19.08.2021 before this Tribunal, and thus the present application has been made well within the limitation period and it isn't time barred.

10. Heard Ms. Usha D.N., learned Counsel for the Petitioners and Shri K.N. Ambaresh, learned Counsel for the Respondent and perused the pleadings on record.
11. In the present case, as per the documents produced by the Petitioners the subject Project i.e., *Dreamz Sneh* accommodates a total number of 190 Flats whereas the Petitioners in the instant C.P. are holding 32 Flats and accordingly have satisfied the threshold limit condition. The total list of 32 members including the Principal amounts claimed by them amounting to Rs.6,64,02,995/- is given in Part-IV of Form-1 and the default is continuing from November, 2016. The Petitioner has also enclosed Form-C issued by NeSL in respect of Mr. Prakash Shanker Mishra and Mr. Vimal Kumar Pawar, wherein, it is seen that as on 03.09.2021, the total outstanding amounts were Rs.46,69,049/- and Rs.29,43,146/- respectively, with the Delivery Date being 01.07.2017.
12. The other issue to be examined is whether the C.P. is within the period of limitation. As per the documents of the Respondent / Corporate Debtor itself the project has to be completed and the flats are required to be delivered during the period 2015 to 2019 in respect of various Homebuyers. The Corporate Debtor was unable to complete the Project in time. However, even when one of the homebuyers fulfils the limitation it is sufficient. The Hon'ble Supreme Court in *Manish Kumar vs. Union of India, (2021) 5 SCC 1*, has observed that the homebuyers under Section 7 application only need to show the default qua one of the Financial Creditors in as much to maintain the limitation. Further, the cause of action also arises due to earlier orders dated 20.08.2019 and 04.09.2020 passed by this Adjudicating Authority in CP (IB) No. 84/BB/2019 in respect of same Corporate Debtor, which further extends the Limitation. Since the instant CP is filed on 19.08.2021, the same is filed within the period of limitation. The Corporate

Debtor in its reply has stated that Mrs. Disha Choudhary, MD, is presently in judicial custody for 2.5 years and she is the one available to redress the grievances of the Home Buyers and stated that the CD is willing to complete the Projects taken up by it and deliver the Flats to the allottees on its own. As regards the revised and comprehensive Plan dated 28.05.2022 put forth by the Corporate Debtor to the Home Buyers with regard to the completion of the Project, as stated supra, the Petitioners stated that all the Members of the Association have unanimously opposed the Resolution Plan / Settlement proposal submitted by the Corporate Debtor on the same day and the same was also recorded in the order dated 05.04.2022 passed by this Tribunal. During the Board Meeting of the Association convened on 14.04.2022, a total of 87.30% of the Members have unanimously opposed the said proposal.

13. The remaining issue to be examined is whether the debt and default thereof are proved. The various documents filed along with the C.P. confirm the debt. The Memorandum of Understanding, Construction Agreements along with the Agreement of Sale on various dates executed between the Parties herein coupled with the receipts issued by the Corporate Debtor confirm the various payments made by the Petitioners. The aggregate amount claimed to be in default as per Part-IV of Form-1 itself is Rs.6,64,02,995/- (Rupees Six Crore Sixty-Four Lakh Two Thousand Nine Hundred and Ninety-Five Only) i.e., more than the threshold limit of Rs.1 Crore. The Corporate Debtor has not disputed the claim amount nor denied the Agreements entered into between the Parties. However, the Ld. Counsel for the Petitioner explained that the non-completion of the Flats and non-refund of the amount paid by the Flat buyers when demanded, proved that the default was established. In view of the same, the C.P. is liable to be admitted. It is also noted that a Petition bearing CP (IB) No.84/BB/2019 was filed against the Corporate Debtor herein u/s 7 of the Code, was admitted by this Adjudicating Authority *vide* order dated 20.08.2019 and CIR Process was initiated in respect of the Corporate Debtor. Further, *vide* common order dated 04.09.2020 passed in IA Nos. 205-218, 213-218, 304-307, 309-311 of 2020, it is passed that the CIRP

initiated vide order dated 20.08.2019 in CP (IB) No.84/BB/2019 is deemed to be in respect of only '**Dreamz Sumadhur**' Project.

14. It is pertinent to refer here the judgement dated 04.02.2020 passed by the Hon'ble NCLAT in the matter of *Flat Buyers Association Winter Hills – 77, Gurgaon vs. Umang Realtech Pvt. Ltd. through IRP & Ors.* in Company Appeal (AT) (Insolvency) No.926 of 2019 wherein it is *inter alia* held that a Corporate Insolvency Resolution Process (CIRP) against a real estate Company would have to be limited to only the concerned project and will not affect other projects undertaken by it.
15. Further, the Hon'ble NCLAT in a recent judgment dated 10.06.2022 in the matter of *Ram Kishor Arora Suspended Director of M/s. Supertech Ltd. vs. Union Bank of India & Anr.* in Company Appeal (AT) (Insolvency) No.406 of 2022, *inter alia* opined that in CIRP Process, Project-wise Resolution has to be started as a test to find out the success of such Resolution and allowed the IRP therein to constitute the CoC with regard to the Project Eco Village II only.
16. We have carefully considered the arguments of the respective Counsels. In view of the facts and circumstances discussed above, the present Petition being complete and having established the default in payment of the financial debt and for the default amount being above Rs.1,00,00,000/- (Rupees One Crore Only), the **Petition** is **admitted** in respect of "**Dreamz Sneh**" Project of Respondent-**Dreamz Infra India Limited** under Section 7 of the I&B Code, 2016. Accordingly, moratorium is declared in terms of Section 14 of the Code. As a necessary consequence of the moratorium in terms of Section 14, 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 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 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 Corporate Debtor;
 - (e) It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period;
 - (f) The provisions of sub-section (1) shall however, not apply to such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority, and to a surety in a contract of guarantee to a Corporate Debtor;
 - (g) The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 as the case may be.
- 17.** The Petitioners have proposed the name of Mrs. Jaya Bharuka, a qualified insolvency professional having Registration No. IBBI/IPA-002/IP-N00781/2018-2019/12432 as the Interim Resolution Professional (IRP) in respect of the Corporate Debtor. Written Consent given by the IRP in Form 2 dated 08.09.2021 has been filed along with the C.P at Page Nos.1516-1520, wherein it was declared she is eligible to be appointed as IRP in the case of the Corporate Debtor and that no disciplinary proceedings are pending against her with the Board or ICSI Institute of Insolvency Professionals. However, since the Certificate of Registration is not filed, the IRP shall file the same within one week from the receipt of this order.

18. The Law Research Associate of this Adjudicating Authority has checked the credentials of Mrs. Jaya Bharuka, and there is nothing adverse against her. In view of the above, the Bench appoints Mrs. Jaya Bharuka, bearing Registration No. IBBI/IPA-002/IP-N00781/2018-2019/12432 and registered address at D-29, LGF, Jangpura Extension, New Delhi-110014, Mobile No.: 9891943345, Email: jaya@bharuka.com as the Interim Resolution Professional of the Corporate Debtor. The IRP is directed to take the steps as mandated under Sections 15, 17, 18, 20 and 21 of IBC, 2016.
19. The Financial Creditors shall deposit a sum of Rs.2,00,000/- (Rupees Two Lakhs Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.
20. The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Adjudicating Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Adjudicating Authority every fortnight.
21. A copy of the order shall be communicated to both the Parties. The learned Counsel for the Petitioners shall deliver a copy of this Order to the Interim Resolution Professional forthwith. The Registry is also directed to send a copy of this Order to the Interim Resolution Professional at her e-mail address forthwith.

Sd/-
MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)

jsrk

Sd/-
T. KRISHNAVALLI
MEMBER (JUDICIAL)