



§~C15, C20 to C27

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 14th September, 2023.

+ **CO.PET.668/2014 & CO.APPLs. 516-19/2017, 991-93/2017, 219/2022, 193/2023, 523/2023, 530/2023, 577/2023, 667-69/2023, 1040/2015, 759-61/2018, 809/2018, 1049/2018, 1106/2018, 25-27/2019, 121/2019, 403/2019, 445/2019, 717-18/2019, 729/2019, 965/2019, 1039/2019, 1042/2019, 1335/2019, 536/2020, 632/2020, 635/2020, 650/2020, 723/2020, 738/2020, 47/2021, 175/2021, 371/2021, 691/2021, 135/2022, 215/2022, 313-14/2022, 495/2022, 510/2022, 549/2022, 561/2022, 30/2023, 116/2023, 176/2023, 269/2023, 625/2023, 662/2023, 664/2023, 665/2023, 666/2023, OLRs 26/2022, 33/2023, 85-86/2023**

ABHINANDAN KUMAR JAIN

..... Petitioner

Through: Mr. Paramvir Singh Narang and Mr. Praveen Baisoya, Advs. (M: 8285556176)

versus

MVL LIMITED

..... Respondent

Through: Ms. Ritu Sahay (M:8383810688), Mr. D.V. Singh, Mr. Kishore Singh and Mr. Lalit Sehgal, buyers in persons. Mr. Nikhilesh Kumar, Adv. for original Petitioners as also for applicants in CA 516-19/2017. Mr. Sudhanshu Batra, Sr. Adv. with Mr. Abhay Pratap Singh (M:8630526191) & Mr. Keshav Sehgal, Advs. (M:9999989899) for ex-management. Mr. Pawanjit Singh Bindra, Sr. Adv. alongwith Mr. Gaganmeet Singh Sachdeva, Adv. (M: 9582055425) Mr. Deepak Kumar, for applicant Mr. Ajit Singh in CA Nos. 1039/2019, 269/2023, 632/2020,



47/2021 (M: 9958688517)

Mr. Vijay Singh along with Mr. Wasim Akram, Adv. for Applicant in CA no. 664 of 2023. (M: 8768262710)

Mr. Abhishek Kumar, Adv. for applicant Sh. Jasbir Singh Malhotra in CA NO 665/2023. (M: 9711822767)

Mr Lalit Gupta, Mr Varun Phogaat, Mr Saujanya & Mr Goutam Goyal, Adv. for applicant in CA 663/2023. (M: 98103 55699)

Mr Kunal Sharma, Mr. Shubhendu Bhattacharya and Ms. Mohini, Adv. for OL. (M: 9910200911)

Mr. Vikas Kumar, Adv. for applicant in CA 635 & 650 of 2020. (M: 9871921898)

Mr. Arvind Sharma, Advocate for Applicant in CA NO723/202& 738/2020 (M: 9354281743)

Mr. Vinit Trehan, Adv. for applicant in CA 717/2019.

Ms. Meghna Kar, Adv. for applicant in CA 561/2022.

Ms. Tesu Gupta and Mr. Abhu Dash, Adv. for applicant in CA 116/2023.

Mr. Rachit Devgun and Ms. Seemant K. Garg, Adv. for SEBI.

Mr. Anuj Upadhyay, Adv.

Mr. Rakesh Mittal, Ms. Yamini Mittal, Mr. Ajay Harshana, Mr. Prabhat Chowdhary Advocates for Applicants in CA 577/2023. (M: 9136469800)



Ms. Padma Priya along with Mr. Vijay Singh, Advs. for applicants in CA 664/2023. (M: 8768262710)

Mr Mohit Gupta, Ms. Alka Chojhar, Ms Aayushi Jain, Mr Dhruv Mehta & Ms. Seemab Ali, Advs. for applicant in CA 662/2023. (M: 9999768370)

Mr. Abhu Sonal Dash, Adv. for applicant in CA 116/2023.

Ms. Suman Yadav, Ms. Abhishek Chauhan & Mr. Arkoprava Das, Advs. (M: 9711295057) for applicants in Co. Appl. No. 667-669 of 2023.

C20 +	<p>WITH CCP(CO.) 1/2023 SANDEEP KUMAR & ANR. Petitioners Through: Mr. Rakesh Mittal with Mr. Ajay Harshana, Advs. (M: 9899870600)</p> <p>versus</p> <p>ASHOK KUMAR MAHAPATRA Respondent Through:</p>
C21 +	<p>WITH CO.PET. 734/2014 ADHIKAR CONSTRUCTION PVT LTD Petitioner Through:</p> <p>versus</p> <p>MVL LIMITED Respondent Through: Mr Kunal Sharma, Mr. Shubhendu Bhattacharya and Ms. Mohini, Advs. for OL.</p>
C22 +	<p>WITH CO.PET. 656/2016 VINOD AGARWAL (HUF) Petitioner Through:</p>



versus

MVL LTD. Respondent
Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.

C23 WITH
+ CO.PET. 657/2016
VINOD AGARWAL (HUF) Petitioner
Through:
versus

MVL LTD. Respondent
Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.

C24 WITH
+ CO.PET. 658/2016
BRIJENDER S NEGI & ANR Petitioners
Through:
versus

MVL LTD. Respondent
Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.

C25 WITH
+ CO.PET. 779/2016
RAMESH KUMAR KHANNA Petitioner
Through:
versus

MVL LIMITED Respondent
Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.

C26 WITH
+ CO.PET. 788/2016



RAJEEV KHANNA Petitioner

Through:
versus

MVL LIMITED Respondent

Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.

C27
+

AND
CO.PET. 977/2016

PRATEEK DHAWAN Petitioner

Through:
versus

MVL LIMITED Respondent

Through: Mr Kunal Sharma, Mr. Shubhendu
Bhattacharya and Ms. Mohini, Advs.
for OL.
Mr. M.P. Sahay, Ms. Awanitika, Mr.
Sachin Kharb and Mr. Tushar
Sharma, Advs. for UPFC.

CORAM:
JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J.(Oral)

1. This hearing has been done through hybrid mode. The hearing in these cases has been conducted for approximately three hours today, owing to the large number of house allottees and counsel who were present in the Court.
2. The present petitions have been filed seeking winding up of the Respondent - MVL Ltd. This Court vide order dated 5th July, 2018 appointed the Official Liquidator (OL) as the Provisional Liquidator of the Respondent. Vide order dated 17th August, 2023 this Court had directed the OL to file a comprehensive report listing out the movable and immovable



assets of the Respondent and their exact status including the amounts realized from the sale of assets and the disbursements made. The OL was also directed to place on record a status report in respect of the India Business Centre project after inspecting the same.

3. As per **OLR 86/2023** filed on behalf of the Official Liquidator (OL) the projects of the Respondent are as under:

- (i) MVL Coral Residential – Village Saidpur, Tehsil Tizara, Dist. Alwar, Rajasthan
- (ii) MVL Indi Home Residential – Bhiwari, Rajasthan
- (iii) MVL Palms Residential - Bhiwari, Rajasthan
- (iv) MVL IBC, IT & ITES - Sector- 35A, Begampur Kotala Gurgaon, Haryana
- (v) MVL Yamuna Nagar Residential - Yamuna Nagar, Haryana

4. In the said report it is submitted that the aforementioned projects of the Respondent are at different stages of completion and allottees in the projects have filed applications seeking various reliefs *qua* the said projects.

MVL Indi Home Residential – Bhiwari, Rajasthan

5. Mr. Keshav Sehgal, Id. Counsel for the Ex-management submits that insofar as *MVL Indi Home Residential* is concerned 130 letters have already been issued to the allottees after the order dated 13th September, 2023 informing the allottees the amount to be deposited in the no - lien bank account. The details of the said no-lien bank account is as under:

Account No. 044921010000081

IFS Code: UBIN0904490

Bank Name : Union Bank of India



*Branch : M-34, Old DLF Colony, Sector-14 MG Road,
Gurugram Haryana 122001*

6. Orders dated 17th March, 2023 and 17th April, 2023 have been passed in respect of certain allottees whose applications were filed before the Court directing as under:

Order dated 17th March, 2023

“CO.APPL. 215/2022 (on behalf of Mr. Prem Adip Rishi/Ex-Managing Director. u/Rule 9 of the Companies (Court) Rules. 1959) and CO.APPL. 1334/2019, CO.APPL. 1336/2019, CO.APPL. 1332/2019, CO.APPL. 1288/2019, CO.APPL. 1333/2019, CO.APPL. 1337/2019 (for directions)

6. On 02nd August, 2018, this Court directed the Managing Director of Respondent-Company to receive all revenues in an escrow account and utilise the same only for completion of pending projects and payment of creditors.

7. It is the case of the Applicant in CO.APPL. 215/2022 (Mr. Prem Adip Rishi, Ex-Managing Director of Respondent-Company) that there have been developments qua construction/completion of residential projects viz. MVL Coral and MVL IndiHomes, both situated in Bhiwadi, Rajasthan. He seeks directions for handing over physical possession of completed units to allottees and execution of transfer documents in their favour.

8. Mr. Vivek Sibal, Senior Counsel, who represents Mr. Prem Adip Rishi, states that 53 units have been completed in MVL Coral; 42 units and 68 units in MVL IndiHomes Tower B and Tower C, respectively. The lists of such units and their allottees have been provided in Annexures B and C in CO.APPL. 215/2022. Mr. Sibal suggests that since construction of units mentioned in the above lists is complete, directions may be issued to the OL to supervise handing over of the physical



possession and transfer of title of said units to the allottees. He submits that allottees should deposit the balance consideration in the escrow account. He further states that the above lists need to be updated and he shall, within a period of two weeks from today, submit a revised list indicating the reconciled dues.

9. Mr. Sibal states that prayers in other applications captioned above viz. CO.APPL. 1334/2019, CO.APPL. 1336/2019, CO.APPL. 1332/2019, CO.APPL. 1288/2019, CO.APPL. 1333/2019, and CO.APPL. 1337/2019 would also stand redressed if CO.APPL. 215/2022 is allowed.

10. Mr. Paramvir Singh Narang, counsel representing Mr. Ikramul Haq and Mr. Ahmer Latif (whose names are listed from S.No. 50 to 53 in Annexure B), contends that despite full payment, the "Remarks" column, corresponding to his clients wrongfully mentions "not allotted yet". Mr. Sibal clarifies that the remarks only indicate that no allotment letter has been issued yet. Subject to final reconciliation for outstanding dues, the possession shall be handed over along with transfer of the title of the said units.

11. Considering the foregoing, following directions are issued:-

(i) Applicant/ Ex-MD of Respondent-Company shall file an updated version of the lists at Annexure Band C mentioned above, with final reconciliation of dues, within a period of two weeks from today, and share a copy thereof with the OL.

(ii) Applicant/ Ex-Managing Director of Respondent-Company shall issue notices to all allottees, (as per the lists at Annexure Band C) with copy to OL, specifying the balance amount due from the allottees, and intimating that their unites) are ready for possession and transfer of title.

(iii) OL is directed to supervise the handing over of possession and transfer of title of the units specified in the lists contained in Annexures B and C, to the



respective allottees, subject to allottees paying the outstanding dues per the updated version of the lists.

(iv) The outstanding dues from the allottees, if any, shall be deposited into the escrow account under the supervision of the OL.

(vi) Final finishing touches (including installation of fittings, final coatings of paint, etc.) for the units shall be commenced once the allottees deposit their pending dues in the escrow account.

12. In light of the above, CO.APPL. 1334/2019, CO.APPL. 1336/2019, CO.APPL. 1332/2019, CO.APPL. 1288/2019, CO.APPL. 1333/2019, and CO.APPL. 1337/2019 are disposed of.

13. List CO.APPL. 215/2022 for consideration of remaining prayers on 14th April, 2023.

CO.APPL. 116/2023 (u/Rule 6 & 9 of the Company Court Rules, 2013, for directions), CO.APPL. 635/2020 (on behalf of Ms. Veena Kumari Sehgal, for directions), CO.APPL. 650/2020 (on behalf of Priyanka Sehgal, for directions)

14. Counsel for Applicant in CO.APPL. 116/2023 states that the entire amount payable with respect to units bearing no. 503 and 504 on 5th Floor, Avenue 3, Wing A in the project 'MVL Coral', stands paid and the sale/sublease deeds have already been executed.

15. Mr. Maurya V. Chandra, counsel for Applicants in CO.APPL. 635 /2020 and CO.APPL. 650/2020 states that all dues have been paid and a no-dues certificate has been issued by the Respondent-Company, with respect to units bearing no. 201 on 2nd Floor, Avenue 2 Wing A, and no. 306 on 3,d Floor, Avenue 3, Wing A in the project 'MVL Coral'.

16. In the above background, afore-said Applicants seek possession of their allotted units.

17. Mr. Sibal states that he will take instructions as to the status of the afore-mentioned units and pending dues, if any. On confirmation of the status and final reconciliation of dues, the same will be intimated to



Applicants and OL within a period of two weeks from today. If the units are ready for delivery of possession, OL shall supervise the handover of possession and transfer of title of the said units, on payment of pending dues by the allottees, if any.

18. Re-notify on 14th April, 2023.

Order dated 17th April, 2023

CO. APPL. 225/2023 (seeking clarification of order dated 17th March. 2023)

1. The Applicants are aggrieved by Respondent's communications dated 04th April, 2023 which raise the demand of ₹10,32,384/-, towards outstanding dues as a condition for handing over of possession and execution of title documents for the transfer of flats/apartments.

2. Counsel for Applicants states that although the amount claimed is not due, but in order to bring quietus to the dispute, Applicants would be willing to pay the aforementioned outstanding amount if Respondent is agreeable to complete the transfer within a period of two weeks from date of payment.

3. Mr. Vivek Sibal, Senior Counsel representing Respondent, confirms that the needful will be done within two weeks of payment of the outstanding amount.

4. In view of the above, present application is disposed of with the following directions:

i) Applicants shall pay the aforementioned amount within a period of ten days from today.

ii) On receipt of afore-said payment, the title documents and the possession of the flats in question shall be handed over to Applicants within a period of two weeks thereafter.

5. Disposed of.

6. Per office noting, court fee has not been paid. Let the same be done within a period of three days from today.

CO.APPL. 215/2022 (on behalf of Mr. Hem Adip Rishil Ex-Managing Director. u/Rule 9 of the Companies (Court) Rules. 1959)



7. Pursuant to order dated 17th March, 2023, Respondent has prepared an updated list indicating the status of the flats at MVL Coral and IndiHomes Tower Band C. The same be placed on record.

8. As per Mr. Sibal, construction at MVL Coral is complete and possession of units therein can be handed over. Among the 53 flats in the list, the Court has issued afore-noted directions for handing over possession of 4 units. For the remaining 49 units, Mr. Sibal, on instructions, states that letters have been issued to respective allottees on 04th April, 2023. In respect of 11 flats, there are no dues and this has been intimated to the owners. As regards remaining units, Mr. Sibal states that replies have been received from some of the allottees and the process for handing over of possession and execution of the title documents, is under way.

9. As regards IndiHomes Tower Band C, Mr. Sibal states that 62 units are ready in Tower Band 68 units in Tower C. The 'Fire NOC' and 'Environmental Clearance' is in place, and a temporary power connection is also available. He states that the Respondent has already applied for occupancy certificate, and it will take another three to four months' time to receive the same. However, the completed flats can be transferred to allottees while awaiting the occupancy certificate.

10. In the opinion of the Court, awaiting the occupancy certificate other formalities can be completed. It is thus directed that Respondent shall issue an intimation letter to the allottees at IndiHomes Tower Band C indicating the outstanding dues, if any. Said letter should also indicate that the amounts, if deposited, will be retained in a designated no-lien account and payments shall not be appropriated by Respondent, without the leave of this Court. This would ensure that the apartments are ready in all respects and there is no further delay. The allottees who are desirous of executing the transfer documents can proceed to do so. As and when the



occupancy certificate is issued, the Court shall issue suitable directions for release of the amounts deposited in the no-lien account.

11. List before the Court on 12th July, 2023.

As per the above mentioned orders, the allottees were permitted to pay the outstanding dues and on receipt of the said payment, the title documents and the possession of the flats would be handed over to Applicants within a period of two weeks thereafter. The amounts are to be retained in the no - lien account until occupancy certificates are issued and, thereafter, directions are to be passed by the Court.

7. The Court has heard Ms. Ritu Sahay who is the unit allottee of C-1006 in the *MVL Indi Home Residential* project. She submits that she represents a large number of buyers/allotees in the said project who are pursuing criminal prosecution against the Ex-Management of the Respondent. She submits that she is not willing to proceed further in terms of the orders dated 17th March, 2023 and 17th April, 2023 passed by this Court. Accordingly, the said allottee is free to move an application before this Court seeking appropriate orders.

CO.APPL. 666/2023, CO.APPL. 664/2023, CO.APPL. 662/2023

8. These applications have been filed by Ms. Kanchan Mala, Mr. Rajesh Gudwal and Mr. Nagaraj Shekhar who are buyers in the project at *MVL Indi Home Residential* seeking handing-over of possession and execution of title deeds in favour of the Applicants.

9. Ld. Counsel for the Applicants submits that in terms of the orders dated 17th March, 2023 and 17th April, 2023, the Applicants may be permitted to pay the dues into the no-lien bank account and possession be



handed over to them in Tower B and C in the *MVL Indi Home Residential* project at Bhiwadi, Rajasthan and title deeds for the same be executed.

10. The Ex-Management has handed across a list of the amounts due from all allottees. The details of the allotment and the pending dues for these Applicants are as under:

S. No.	Application No.	Name of Allottee	Unit allotted	Amount Due
1.	CO.APPL. 666/2023	Ms. Kanchan Mala	Tower B, Unit No.0605 MVL Indihomes at Bhiwadi, Rajasthan	Rs.1,33,2016/-
2.	CO.APPL. 664/2023	Mr. Rajesh Gudwal	i) Tower B, Unit No.0904, MVL Indihomes at Bhiwadi, Rajasthan ii) Tower C, Unit 0502 MVL Indihomes at Bhiwadi, Rajasthan	Rs.2,44,756/- and Rs.2,52,675/-
3.	CO.APPL. 662/2023	Mr. Nagaraj Shekhar and his wife Ms. Kuppuraj Rathna	Unit No. C-1002 in Residential Project Indihome at Bhiwadi, Rajasthan	Rs.2,03,691/-



11. Ld. Counsel for the Applicants submits that the Applicants are willing to deposit the due amounts within four weeks, into the no-lien bank account.

12. In view thereof, upon the due amounts being deposited, within four weeks, the possession be handed over to the Applicants and title documents be executed. The same shall be in any event in terms of the order passed on 17th April, 2023 and be subject to issuance of occupancy certificate.

13. Immediately upon payment of the amount into the no-lien account, upon furnishing the details of the payment the physical possession of the space shall be given to the Applicants and title documents shall be executed within four weeks from the date when the deposit is made in the no-lien bank account. The finishing of the space, painting and any other works shall also be completed within a period of three months.

14. Accordingly, these applications are disposed of.

15. If any of the other allottees wish to deposit the due amounts with respect to the *MVL Indi Home Residential* project at Bhiwadi, Rajasthan into the no-lien bank account within four weeks, they are free to do so.

16. Upon the deposit of the said amounts, intimation shall be given to Mr. Abhay Pratap Singh, Id. Counsel for the Ex-management (Mob. No. 8630526191). Upon the said intimation being received by Mr. Singh, Id. Counsel, the terms applied to the aforementioned Applicants shall apply to such allottees who deposit the amounts.

MVL Palms Residential - Bhiwari, Rajasthan

17. Insofar as *MVL Palms Residential - Bhiwari, Rajasthan* is concerned, there are two applications i.e. *Co. APPL. 254/2019* and *CO.APPL. 1282/2019* filed by the allottees of the said project seeking refund of the amounts paid by them. Some of the allottees who are present in the Court



submit that there are 600 plus buyers in the *MVL Palms Residential* project. These two applications were disposed of vide order dated 30th March, 2022. The said order reads as under:

“CA Nos. 516/2017, 517/2017, 518/2017, 519/2017, 991/2017, 992/2017, 993/2017, 1046/2018, 254/2019, 444/2019, 681/2019, 1062/2019, 1145/2019 & 639/2021

4. These are applications filed by various persons for being impleaded in the present petition. The said parties claim to be creditors or otherwise persons, who have dealt with the company. The Provisional Liquidator has since been appointed and there is no requirement to implead all the creditors in this petition.

5. The applications are, accordingly, dismissed.

CO.PET. 668/2014 and CA Nos. 1040/2015, CA Nos. 759/2018, 760/2018, 761/2018, 809/2018, 1049/2018, 1106/2018, 25/2019, 26/2019, 121/2019, 403/2019, 445/2019, 717/2019, 718/2019, 729/2019, 965/2019, 1039/2019, 1042/2019, 1282/2019, 1288/2019, 1332/2019, 1333/2019, 1334/2019, 1335/2019, 1336/2019, 1337/2019, 536/2020, 632/2020, 635/2020, 650/2020, 723/2020, 738/2020, 47/2021, 174/2021, 175/2021, 192/2021, 371/2021, 691/2021, 59/2022 & 135/2022

6. By an order dated 05.07.2018, this Court had appointed the Official Liquidator as the Provisional Liquidator. However, by an order dated 25.07.2018, the publication of citations have been stayed. Since there are large number of creditors seeking to support the petitioner, this Court considers it apposite to vacate the said stay and direct the Official Liquidator to publish the citations.

7. List on 28.04.2022.”

18. As per the **OLR 86/2023**, there is no construction that has taken place in this project. A perusal of the above orders would show that the said



applications *qua MVL Palms Residential* project were dismissed as the OL has been appointed. Accordingly, steps would have to be taken by the OL to settle the claims of these creditors.

19. Considering the fact that the other projects of the Respondent require large amount of funds for completion prior to handing over of possession as also for refunds of the amounts claimed by the buyers/creditors, it is deemed appropriate to direct as under:

- i) The OL shall get the land of *MVL Palms Residential* project located in Bhiwari, Rajasthan valued and shall place a valuation report on record within two weeks.
- ii) Let the valuation report be placed on record along with the draft sale notice.

20. The Ex-management is also permitted to place its valuation report on record along with details of any purchaser who is willing to invest and purchase the said land. If no proposal comes from the Ex-management on the next date of hearing, the Court shall proceed further to permit the auction of the said land by the OL.

21. List only for this purpose on 10th October, 2023.

MVL Coral Residential – Village Saidpur, Tehsil Tizara, Dist. Alwar, Rajasthan

22. Insofar as *MVL Coral Residential* located at Village Saidpur, Tehsil Tizara, Dist. Alwar, Rajasthan is concerned, as per the ***OLR 86/2023*** there are a total of four towers out of which three stand completed and one is incomplete. As per the said report, only 25% work is remaining in the said incomplete tower. The total number of units in the said project are 748 and the total number of allottees are 553.



23. Insofar as the Allottee - Mr. Kishore Singh is concerned, it is submitted by him that he has received possession in terms of order dated 13th August 2019 recorded by the Chief Metropolitan Magistrate, New Delhi, Patiala House Courts in **Case No.7803/2019** titled **Kishore Singh Vs. MVL Ltd.**, The said order reads:

*“Case No. 7803/19
Kishore Singh Vs. MVL Ltd
13.08.2019
File taken up today on an application for withdrawal of the present case.
Present: Complainant in person with Ld counsel.
Complainant stated that he has amicably settled the matter with the accused in terms of settlement agreement dated 28.06.2019 and the present complaint case along with application u/s 156(3) Cr.PC may be dismissed.
Statement of the complainant to that effect has been recorded.
Considering the facts and circumstances, submissions made and statement given by complainant, the present complaint case along with u/s 156(3) Cr.PC stands dismissed as withdrawn.
File be consigned to Record Room.
Earlier date fixed i.e. 29.08.2019 stands cancelled.”*

Since the dispute is already settled between the said allottee and the Developer, in terms of Settlement agreement dated 28th June 2019, the title deeds be executed in respect of Mr. Kishore Singh's space, within two weeks as he has already been given the possession in 2019. The said execution of the title deeds shall be subject to the further orders of this Court.



CO.APPLs.523/2023 & 577/2023

24. These applications relate to two applicants i.e. Mr. Sandeep Kumar and Mr. Anil Kumar Gupta, who are the allottees in *MVL Coral Residential* project.

25. Admittedly, the *MVL Coral Residential* project has been delayed for a considerable period leading these Applicants to avail of various remedies including before the NCDRC.

26. Various orders were passed by the NCDRC, New Delhi in *CC/142/2012* as per which the Applicants had informed the NCDRC that they do not wish to have possession of the allotted space and wish to have refunds of the amounts. Pursuant thereto, amounts in terms of order dated 8th May, 2018 i.e. Rs.5,15,301 and Rs.5,15,301/- were paid to the Applicants by the ex-Management. Thereafter, these Applicants vide *CO.APPL.639/2021* expressed the intention to have the title deeds executed in their favour.

27. In view thereof, order dated 19th October, 2022 was passed by this Court in *CO.APPL.639/2021* in the following terms:

“1. By this application, the applicants pray for a direction to the Official Liquidator to carry out registry of Flat No. 206, Wing C, Avenue 5 in the project 'MVL CORAL' in the name of Sandeep Kumar (the applicant no.1) and Flat No.205, Wing C, Avenue 5 in the project 'MVL CORAL' in the name of Anil Kumar Gupta (the applicant no.2).

2. It is contended that pursuant to the order dated 07.12.2015 passed in the Consumer Complaint No.142/2012, the possession of the above two flats were handed over to the applicants. They continue to remain in possession of the said two flats. The appeals against the above order, being Civil



Appeal Nos) 9826-28/2016, titled Mis Media Video Limited (Real Estate Division) v. Sandeep Kumar & Drs., were dismissed by the Supreme Court. It is contended that therefore, the Official Liquidator be directed to execute the necessary documents for transfer of the title of the said flats to the applicants.

3. In spite of opportunity granted, the Official Liquidator has not filed its reply.

4. The learned counsel for the applicant submits that the reply has been filed by the ex-management of the company (In. Liqn.) wherein the claim of the applicants have been admitted. The said reply is not on record.

5. In view of the above, the present application is allowed. The Official Liquidator is directed to execute the necessary documents in favour of the applicants with respect to the above said two flats. For this purpose, the applicants shall appear before the Official Liquidator on 03.11.2022 at 3.00 p.m. The expenses for the execution of the required documents shall be borne by the applicants.”

28. In this order, the representation made to the Court was that the Applicants continued to remain in the possession of their allotted flats in the *MVL Coral Residential* project. In view of this representation, the above order was passed, directing the OL to execute the necessary documents in favour of the Applicants in respect of two flats being Flat No. 205 and 206, Wing C, Avenue 5 in the *MVL Coral Residential* project.

29. Thereafter, orders dated 17th March, 2023 and 17th April, 2023 were passed by this Court in respect of the *MVL Coral Residential* project. In view of the same the Ex-management realized that refunds of the claimed amounts have been made in terms of the NCDRC order and therefore,



demands were raised against the Applicants by the Ex-management for outstanding dues, which have not been paid. Thus, a stay was sought for the execution of the sale deed, which was granted by this Court vide order dated 20th July, 2023.

30. Thereafter, application being **CO.APPL.577/2023** has been moved by the same Applicants repeatedly arguing that Id. Senior counsel had misrepresented to the Court while passing the order dated 20th July, 2023.

31. Today, the Court has heard the Id. Counsels for the Applicants/ as also Id. Counsels for the ex-management. It is clear to this Court that the Court was not apprised of the NCDRC's orders and the refunds given to the Applicants. Thus, there is a need to have a relook at the said order dated 19th October, 2022. The Applicants ought to have candidly admitted upfront, that they have taken back certain sums from the ex-management. Also it clearly appears that the Applicants themselves were not sure as to whether they wanted possession or refund. In this matter, the Court has relooked at the said order and has given the following two options to the Applicants:

- (i) To pay the amount demanded by the Ex-management within one week and into the escrow account for *MVL Coral Residential* project. Upon the same being done the title deeds *qua* the Applicants shall be executed, or
- (ii) give up the stand for taking possession of their flats in *MVL Coral Residential* project and pursue their remedies as per law including in the Execution petition etc.,

32. Mr. Mittal, Id. Counsel for the Applicants submits that there is no justification for the amounts being demanded by the Ex-management i.e. a



sum of Rs.7,38,097/- for Mr. Sandeep Kumar and Rs.8,62,721/- for Mr. Anil Kumar Gupta.

33. At this stage, Mr. Mittal, Id. Counsel after taking instructions submits that the said demanded amounts shall be deposited by the Applicants within two weeks as full and final settlement as of all the claims.

34. Subject to payment of the said amounts within two weeks, as full and final settlement of all claims, the title deeds be executed within one week thereafter. The Applicants shall be deemed to have taken possession only upon the said payment of the amounts within two weeks, inasmuch as though they do have physical possession of their flats at the *MVL Coral Residential*, they state that they have been unable to enjoy the same in view of various issues such as electricity and water not being available in the said flats.

35. It is also recorded that the allegations made against the Id. Senior Counsel in *CO.APPL.577/2023* shall not be pressed.

36. These applications are disposed of in the above terms.

37. It is directed that no further demand notice shall be issued for *MVL Coral Residential*. However, if there are any dues from the Allottees, the same shall be produced by way of the chart on the next date of hearing before the Court.

38. Insofar the *MVL Coral Residential* is concerned, list on 10th October, 2023.

39. At this stage, Mr. Batra, Id. Senior Counsel submits that further 70 flats in the *MVL Coral Residential* are completed. If so, the Ex-management shall file a comprehensive application in respect of the flats which are ready and the dues, if any, that are alleged to be paid by the allottees.



MVL IBC, IT & ITES, Sector- 35A, Begampur Kotala, Gurgaon, Haryana

40. Insofar as the project being *MVL India Business Centre, IT & ITES* located at Sector- 35A, Begampur Kotala, Gurgaon, Haryana is concerned, the **OLR 86/2023** states that 85% of the work in the said project is completed.

41. The allottees in this project present in the Court have brought to the notice of this Court that orders have been passed by the SEBI including on 19th December, 2014 by which the refunds *qua* allotments in the said project have been directed to all the allottees. The relevant part of the said order is as under:

“10. With the above observations, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(1), 11(4) and 11B thereof and Regulation 65 of the SEBI (Collective Investment Scheme) Regulation, 1999, hereby issue the following directions:

a. MVL Limited [PAN:AAF2M2372M and its directors viz., Mr. Prem Adip Rishi [PAN:AGQPR9177H; DIN: 00020611], Mr. Praveen Kumar PAN:ADQPK8192E; DIN:01332414], Mr. Rakesh Gupta [PAN:AAJPG3712C; DIN: 00020638], Mr. Vinod Malik [PAN:ABLPM6562D; DIN: 01275161], Mr. Vinod Kumar Khurana [PAN:AAIPK7996F; DIN: 01863652], Mr. Vijay Kumar Sood [PAN:ACBPS9229G; DIN: 01325491] and Ms. Kalpana Gupta [PAN:AAGPG5434L; DIN: 02300348] shall abstain from collecting any money from the investors or launch or carry out any Collective Investment Schemes including the schemes which have been identified as a Collective Investment Scheme in this Order.



b. MVL Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta, Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta, shall wind up the existing Collective Investment Schemes and refund the monies collected by the said company under the schemes with returns which are due to its investors as per the terms of offer within a period of three months from the date of this Order and thereafter, within a period of fifteen days, submit a winding up and repayment report to SEBI in accordance with the SEBI (Collective Investment Schemes) Regulations, 1999, including the trail of funds claimed to be refunded, bank account statements indicating refund to the investors and receipt from the investors acknowledging such refunds.

c. MVL Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta, Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta, shall not alienate or dispose off or sell any of the assets of MVI. Limited except for the purpose of making refunds to its investors as directed above.

d. MVL Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta, Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta are also directed to immediately submit the complete and detailed inventory of the assets owned by MVL. Limited.

e. In the event of failure by MVI. Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta, Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta, to comply with the above directions contained in sub. paragraphs (a) to (d) above, the following actions shall follow:

i. MVI Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta,



Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta, shall remain restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities market, till all the Collective Investment Schemes of MVL Limited are wound up and all the monies mobilized through such schemes are refunded to its investors with returns which are due to them.

ii. SEBI would make a reference to the State Government/ Local Police to register a civil/ criminal case against MVL Limited, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds; and

iii. SEBI would make a reference to the Ministry of Corporate Affairs, to initiate the process of winding up of the company, MVL Limited.

iv. SEBI shall also initiate attachment and recovery proceedings under the SEBI Act and rules and regulations framed thereunder.

f. Without prejudice to the above, MVI. Limited and its directors viz., Mr. Prem Adip Rishi, Mr. Praveen Kumar, Mr. Rakesh Gupta, Mr. Vinod Malik, Mr. Vinod Kumar Khurana, Mr. Vijay Kumar Sood and Ms. Kalpana Gupta are restrained from accessing the securities market and are prohibited from buying, selling or otherwise dealing in securities market for a period of four (4) years.”

42. The said order passed by the SEBI was challenged by the Ex-management before the Securities Appellate Tribunal, Mumbai (SAT) which dismissed and rejected the appeal bearing **Appeal no. 157 of 2015** titled as **MVL Ltd. v. SEBI & Anr.**, In the said appeal, challenge was made to the directions issued and passed by SEBI vide order dated 19th December, 2014.



The relevant part of the order of SAT, Mumbai, dated 3rd January, 2023 is as under:

“27. It is not the case of appellant Vijay Kumar Sood that he was not served with the ex-parte order passed earlier by respondent SEBI. The respondent submit that he like other directors was also represented by a common authorised representative. Taking into consideration all these facts, in our view, case of the appellant has no force.

28. All the appeals are hereby dismissed without any order as to costs. The Misc. Applications also stand disposed of.”

43. The said orders passed by the SEBI and SAT are now the subject matter of ***Civil Appeal No.1828/2023*** as also ***CO.APPLs.1528/2023, 1941/2023, 1928/2023, 2039/2023*** before the Hon’ble Supreme Court. It is stated that the said appeals have been preferred by various ex-directors on behalf of MVL Ltd. as also the OL.

44. Vide order dated 5th April, 2023 and 6th September, 2023, the Hon’ble Supreme Court has admitted the appeals. Insofar as the non-executive directors and individual directors of the Company (in liqd.) are concerned, vide order dated 5th April, 2023 they have been permitted by the Hon’ble Supreme Court to operate their individual bank accounts, demat accounts and the mutual fund accounts. No further orders have been passed in the said appeal by the Hon’ble Supreme Court.

45. In effect therefore, except as modified by the Hon’ble Supreme Court all the directions passed by the SEBI *qua* the Respondent shall continue to apply.

46. It is made clear that none of the unsold spaces of *MVL IBC, IT &*



ITES shall be parted with or alienated in any manner till the further orders of this Court.

47. There are a large number of Applicants/Allottees before the Court. The Court has had an assessment today from the lawyers and the Applicants/Allottees as to how they wish to proceed with the refund/allotment of spaces at the *MVL IBC, IT & ITES* project located in Gurgaon, Haryana.

48. There is clear division amongst the Applicants/Allottees. Some Applicants/Allottees wish to take refunds of the amounts paid by them but there are a substantial number of allottees who wish to seek possession of their allotted spaces in the *MVL IBC, IT & ITES* project.

49. Accordingly, it is directed as under:

- (i) A chart shall be prepared containing names of each of the individual allottees along with the dimensions of spaces allotted to them and the amounts paid by them.
- (ii) The said chart will be divided into two segments. Chart 'X' shall be consisting of all such allottees, who wish to take possession and chart 'Y' consisting of all such allottees who wish to take refunds.
- (iii) For the preparation of this chart, all the allottees and their lawyers shall email their respective preferences to Ms. Suman Yadav, Advocate at email ID: sumanyadavcp668@gmail.com and Mr. Keshav Sehgal, Advocate at email ID: keshavsehgalcp6682014@gmail.com, who shall collate the same.

50. Each of the allottees or lawyers are free to furnish the above



information to the above two lawyers by 25th September, 2023.

51. At this stage, Mr. Batra, Id. Senior Counsel for the Ex-management of submits that the Ex-management is willing to complete the *MVL IBC, IT & ITES* project within a period of 12 months, if the Court permits. This statement is recorded and shall be considered on the next date.

52. List on 3rd October, 2023.

PRATHIBA M. SINGH
JUDGE

SEPTEMBER 14, 2023

dk/kt