

FOSEA | SWBA

Federation of Spire Edge Associations | Spire Woods Buyers Association

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NEWSLETTER : Dated 16.09.2016

Dear Members and Customers of Spire Edge & Spire Woods,

The intentional long drawn silence from us is because we realized if we have to fight a battle, it is important for us to put both facts and house in order. Couple of orders from the High Court in the recent past has given us the confidence that we are taking positive steps in the right direction. Going forward, we will communicate with you all on a regular basis to keep you abreast with the latest development/actions from our side.

The one and only objective of FOSEA and SWBA is to get much awaited relief to all those who have invested in it. Updates are as under:

1. Submission of Revival Plan

As you are already aware that the initial plan for revival was submitted by 4 Associations including FOSEA & SWBA on Jun 1, 2016 with Hon'ble High Court of Delhi. Numbers of observations/objections were raised by large number of customers on the initial revival plan. Subsequently, an amendment to the initial plan (after accommodating all customer observations) was submitted with the Hon'ble High Court of Delhi on Jun 26, 2016. Hon'ble High Court has directed the Office of Official Liquidator to file reply to the Revival Plan and fixed the next date of hearing as October 26, 2016.

2. De-watering

It is because of our effort the order for pumping out of water from basement of Towers 8-10 of Spire woods in Jul 14, 2016 HC order got executed. When the matter came up for hearing on 29.07.2016, it was pointed out by the FOSEA & SWBA Counsels, that no meaningful steps had been taken as on that date, i.e. 29.07.2016, in compliance of the aforementioned order dated 14.07.2016, to protect the aforesaid Property so far, and we were fearful of consequential damage to the said Property. In view of the same, the High Court has directed the promoters / Schleicher Intec Pvt. Ltd. to ensure all steps be taken expeditiously (within three days) and shall also take adequate steps to ensure that water logging does not occur in future, after identifying the causes for the same.

3. Siphoning of Funds

It is because of the combined efforts of the Associations (FOSEA & SWBA) that the Provisional Liquidator has apprised the Court of Siphoning of Fund of Rs. 42.05 Cr. by the Promoters through their related companies through its report filed with Delhi High Court on July 29, 2016 and prayed the court for Investigation into the affairs of the Company A N Buildwell Pvt. Ltd.

We have already filed Criminal Complaints against the promoters / shareholders with Economic Offences Wing – Delhi to protect interest of all Customers of Spire Edge & Spire Woods.

4. Intention of Promoters

- a. The Promoters have been supporting a faction of customers and had been using their support to create distrust amongst customers and delay one thing after another in their names.
- b. The purposeful delay in filing the Revival application by Promoters, Maj SK Hooda and Sunil Gandhi exposed their intentions to get the liquidation done to escape their liabilities.
- c. In a desperate bid to win sympathy of customers Promoters had filed the application through PL in Delhi High Court for de-watering of the water logged project – Spire Woods, however, they took no action after obtaining permission and it was actioned only after the issue was again raised by Associations in the Court.
- d. Perusal of Minutes of the ANB Board Meeting Oct 2013 onwards clearly shows that the meetings were basically restricted to 3 to 4 items of their Financial interest only.
 - Receipt of balance commitment amount from the FDI,
 - Redemption of debentures of promoters,
 - Get extension on various land advances and forfeiture of the same given to the promoters and their related entities.

The main aim of bringing these facts to foreground is to let every investor know where Promoters interest of completing project stand, in the scheme of promoter's action plan.

5. Recent Court Order in Customers' favour

After the enactment of The Real Estate (Regulation & Development) Act, 2016 (RERA), the courts are taking cognizance of the provisions passing orders in favour of the Customers. One of the recent orders passed by Hon'ble Delhi High Court dated Sept 2, 2016, has directed Unitech to bring on board a representative of the concerned residents welfare associations to be signatories on the Escrow accounts and a court appointed commissioner to monitor the process in their project Vistas in Gurgaon. In our case also we are looking forward for the projects to be handed over to the associations under observation of the court appointed commissioner.

6. Our Present Focus

A. We are glad to inform you that we have already started looking into current status of outstanding work on each block of Spire Edge and Spire Woods. With this we will be able to ascertain the minutest details of the quantum of outstanding work in each block / project along with the funds required to complete the same.

B. We are also making complete inventory of the repairs and maintenance works required for already completed B,C & D block of Spire Edge and also for the equipment installed to make them fully operational.

C. We are glad to update you that we have also started creating ledgers of Spire Edge customers and creditors with minutest details of each and every transaction to help all customers.

D. Also keeping in mind the completion and handover of projects a Development Management Company (DMC) needs to be entrusted with construction, management, finance and admin working of the project sites, which in turn will have an MOU with the renowned developer for the completion of the projects.

The Way Ahead

We are extremely hopeful that the looking into our humongous homework done with full sincerity and honesty, court will entrust the completion of these projects with Customers Associations. And, it is this experience of getting hands-on with day-to-day issues and how to address, is giving us the confidence to pull all of us out from this much difficult situation!

That's all for now. Stay tuned for the next bulletin!!