

FOSECA | SWBA

Federation of Spire Edge Associations | Spire Woods Buyers Association

111, First Floor, Hemkunt Chambers, 89 - Nehru Place, New Delhi – 110019

Dated 16.05.2017

COURT HAULS UP AN BUILDWELL PROMOTERS!

- A. Court upholds Customer Rights upon Siphoning by ANB Promoters.
- B. Promoters and Ex-Directors to face SFIO Enquiry.
- C. Path cleared for Revival of Projects by Customer Associations.

It is getting clear with each hearing that the Hon'ble High Court of Delhi is looking into the interest of 1791 customers and creditors of the beleaguered AN Buildwell Pvt. Ltd at a holistic level and is not hesitating to set a new direction that will help serve as a precedent towards solutions to the present Real Estate quagmire in the NCR.

A. Court upholds Customer Rights upon Siphoning by ANB Promoters.

1. Legal representatives of Customer Associations (FOSECA and SWBA) led by Sr. Advocate Sandeep Sethi argued their application under Section 542 for appointment of SFIO.
2. Adv. Sandeep Sethi took the Court through the various instances of siphoning to companies related to the Promoters and misappropriation from the imprest account by Investor Directors, that subsequently led to the acute cash position of the beleaguered AN Buildwell Pvt. Ltd.
3. Customer Associations have consistently argued the deliberate nature of the liquidation of AN Buildwell Pvt. Ltd. vide winding up order dated 08.03.2016 in a conspiracy between the Promoters and the SphereInvest Group.
4. The Bermuda based SphereInvest Group is the largest shareholder of AN Buildwell Pvt Ltd, and has admitted its complicity in obtaining the liquidation order in its newsletter to its shareholders overseas.

B. Promoters and Ex-Directors to face SFIO Enquiry.

1. Hon'ble Justice Mridul came down heavily on the Promoters and Investor Directors, and specific questions were put to Adv. Vivek Kohli, representing the Promoters:
 - i. Whether the money was in fact advanced to Related Parties?
 - ii. If so, did this money get utilized for the benefit of AN Buildwell or was it misappropriated?
 - iii. If not utilized for the benefit of AN Buildwell, then was it returned?
2. The Court took the view that if the money with interest was not returned then it is diversion, and then shouldn't the Directors as per winding up order of 08.03.2016, constituting the ex-management of AN Buildwell Pvt Ltd face SFIO and criminal prosecution?
3. The ex-management of ANB, ie Mr. Surender Kumar Hooda, Mr. Sunil Gandhi, Mr. Michael Collins and Mr. Vipen Kapur have been given 3 weeks to file their reply.

C. Path cleared for Revival of Projects by Customer Associations.

1. Hon'ble Justice Mridul took a view that companies cannot be reverted to wrongdoers who have harmed the interests of the company or siphoned money of the public at large in response to Adv. Vivek Kohli's contention that an SFIO enquiry would derail the Promoter's Scheme.

2. Any attempt to derail proceedings by the Promoters by referring to the need for building plans etc. were quickly thwarted by Hon'ble Justice Mridul, who clearly stated '*you do not need a map to a place you won't have to go to*'.
3. The Court has also ordered the PL (Provisional Liquidator) to file replies on the amended Revival Schemes filed by Customer Associations as well as Promoters.
4. The Revival Scheme filed by Customer Associations has the support of majority of customers and creditors and is self-sufficient through funds and resources mobilized by them, thereby paving the way for a historic precedent to set in the coming few days.

APPEAL TO OUR FRIENDS IN MEDIA FOR SUPPORT !

- 1. Please propagate this Grassroots Movement by Customers, and help redefine the face of Real Estate across the Country.**
- 2. Help us expose the continued malafide efforts of Real Estate Promoters like AN Buildwell Promoters who are leaving no stone unturned in creating obstacles for genuine customers.**

The Delhi High Court vide its order dated 08.03.2016, ordered winding up of the company. The liquidation has been deliberately obtained by the company to escape its liability to fulfill obligation towards customers and also to cover up its acts of mismanagement. If the liquidation happens, it will adversely affect the interest of approximately 1800 customers and other creditors of the company.

Funds have been siphoned off from AN Buildwell by its promoters, Surinder Kumar Hooda (18.81 crores), Sunil Gandhi (18.6 crores) and a shareholder, Sphere Invest Group 4.63 crores), in various projects like Green Edge Infrastructure Pvt Ltd, Inspire Infratech Pvt Ltd, Nalanda Realtech Pvt Ltd and Charmwood Realtech Pvt Ltd, etc.

AN Buildwell, which has its registered office at 504, 5th floor, Bhikaji Cama Bhawan, 11, Bhikaji Cama Place, New Delhi, promoted two projects namely, one IT Park named "Spire Edge" at CP-04, Sector-08, IMT Manesar and a residential project "Spire Woods" at Sector-103, Gurgaon. As of now there are 517 customers in Spire Woods and 1274 customers in Spire Edge.

The latest information as well as previous updates are available online at association websites.
www.foseca.org & www.spirewoodsbuyersassociation.com

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