

Frequently Asked Questions by Real Estate Allottees (FAQs)

These FAQs have been prepared to answer the questions being commonly asked by real estate allottees / home buyers. Please note the answer to FAQs is not a legal advice and where necessary flat buyers may seek expert advice.

1. What is Corporate Insolvency Resolution Process (CIRP)

Logix Infrastructure Private Limited defaulted in payments of its due debts and The Hon'ble National Company Law Tribunal (NCLT), New Delhi, Court III, the Adjudicating Authority, has admitted the application to initiate Corporate Insolvency Resolution Process of Logix Infrastructure Private Limited (hereinafter referred as 'Corporate Debtor'), (vide its order dated 14.07.2023 in (IB)-237(ND)/2023, under section 7 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred as 'Code') and has appointed Pawan Kumar Goyal, as Interim Resolution Professional (hereinafter referred as "IRP") of Corporate Debtor, under provision of section 7 & 16 of I & B Code, 2016.

In accordance with section 17(1)(b) of the IBC, the powers of the board of directors of the Company are suspended and to be exercised by the IRP.

The objective of CIRP is to resolve the insolvency of the company in accordance with the provisions of IBC. It is duty of the IRP to endeavor to protect and preserve the value of the property of the Company and manage its operations as a going concern.

2. Which projects of Logix Infrastructure Private Limited are affected by this order?

Please be informed that all the projects which are part of **Logix Infrastructure Private Limited** will come under insolvency proceedings by virtue of Hon'ble NCLT order dated 14.7.2023.

3. Whether flat buyers / allottees are required to file the claim under CIRP process?

In terms of Section 5(8)(f) of the Code, any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing and therefore real estate allottee are financial creditors and need to file claim in form CA (claim by financial creditors in a class).

4. How do I file the claim

As per regulation 8A(1) of CIRP regulations 2016, a person claiming to be a financial creditor in a class shall submit claim with proof to the interim resolution professional in electronic form in **Form CA**.

This implies that home buyers do not have to submit the claim in physical form. The forms submitted by home buyers in electronic form only shall be considered for the purpose of verification.

Claim to be filed through portal available at www.logixinfrastructure.in The detailed step-by-step guide to file claim is available on the same website.

In case of any issue in sending the claim through portal, the claim can be sent on email at cirp.logixinfrastructure@gmail.com.

5. How to submit claim through portal at www.logixinfrastructure.in

- Create new user ID.
- Update all required details in the form (for details refer FAQ on the portal).
- Attach signed copy of all available documents.
- Print the updated form CA. Sign the form and scan the same.
- Submit the claim.

6. Whether there are any charges for filing claim or do i need to pay anything to file or get my valid claim accepted.

There are no charges for filing of claim and you need not to pay any amount for getting your valid claim accepted

7. What all constitutes the claim amount for home buyers to be filed under Form CA?

The claim amount for home buyers primarily falls under various categories, namely as follows:

- **Principal claim:**

The principal amount doesn't mean the total cost/sale price of unit. The principal amount is the amount actually paid up to insolvency commencement date (14.07.2023) by home buyers to the company. Even in case of purchase under resale, only the amount paid to company to be entered.

- **Interest:**

Interest shall be calculated interest at the rate of **eight per cent per annum** unless a different rate has been agreed to between the home buyer and the company. The calculation of interest shall be done for each payment receipt date upto insolvency commencement date.

The claim management portal shall do the calculation at 8% rate of interest by default. If there is any higher interest rate agreed to between the parties, then the

home buyers may calculate incremental interest and submit the same under “other amounts”. The proof of such agreement of higher interest rate shall also need to be submitted

Other Amounts:

For any other amounts due to the home buyers under the allotment agreement, the home buyer should file the same under the other amounts along with submission of proof substantiating such claim.

8. Who is authorized representative? Why do home buyer need authorized representative? How to choose authorized representative?

Authorised representative is a registered insolvency professional who gets highest number of votes by certain class of creditors (Home buyers or real estate allottees) in form CA received by IRP.

As per section 25A of Insolvency and Bankruptcy Code, 2016 (“IBC 2016”) read with regulation 16A of CIRP regulations’ 2016, an authorized representative shall have the right to participate and vote in meetings of the committee of creditors on behalf of the home buyers he represents in accordance with the prior voting instructions of such creditors obtained through physical or electronic means.

The home buyers need to select one authorized representative out of the three names of insolvency professional given in public announcement. While filing the claim form, the home buyers need to provide the name of insolvency professional who he/she choose as authorized representative in serial number 11 of Form CA. The consent of Authorized Representatives are uploaded on CIRP section of website.

9. Do foreign resident need to get the claim form attested by Indian embassy?

No

10. Does the affidavit need to be on stamp paper?

Not required

11. Is there a need to submit the claim with the help of a professional?

There is no requirement to file the claim through a professional. The allottee can go to the claims management portal www.logixinfrastructure.in and follow the step by step guide which shall help them submit the form on their own.

12. Can a claimant appoint a representative to sign the Form on his behalf?

Yes, subject to the representative having a valid authority/Power of Attorney.

13. Can legal heir file the claim

Yes, the copy of Will, succession certificate or other legal documents as applicable to be attached with the claim form.

14. Whether form to be signed by both the applicants in case of joint holders/claimants

Yes, However in case of non-availability of joint applicant due to unavoidable circumstance, only one applicant can sign the form

15. What are the supporting documents of proof needed to be attached with the claim form?

Documents that are needed to be uploaded / attached with the claim form includes KYC documents e.g. PAN card, Aadhaar card, Passport, Voter Id etc., Builder Buyer Agreement (BBA), Buyer Agreement, Allotment letter, Possession Letter, No Dues Certificate, payment receipts, sub lease deed, Court order, if any, Copy of your cancelled cheque, calculation of other amounts, balance confirmation certificate, Power of Attorney (if applicable) and any other document to substantiate their claim. self-attested copies of the documents to extent available be attached.

16. I have obtained the possession of the flat but the registry is not done yet. Do I need to file the claim?

Any home buyer who has paid an amount to the company under a real estate project and the company has not fulfilled its obligations under the allotment agreement, file a claim under the CIRP process. Merely filing of claim form shall not result in cancellation of possession rights given to those home buyers. The IRP shall collate and verify all claims as per the provisions of the Code. The allottee may mention his request for registry in the remarks columns.

A flat buyer who has got registry done and do not have outstanding claim can file the claim form with NIL amount. This will help in reconciliation of total units and identifying the unsold units.

17. I have purchased the unit under resale and have the possession of the unit. How to file the claim.

The process applicable to other allottee will be applicable. However you have to attach copy of your purchase deed and receipts for the amount paid to the company by the original allottee or by you. If interested in registry, you can mention your request for registry in remarks column.

18. Who are eligible for the purpose of constituting the Committee of Creditors?

The home buyers who have been allotted a plot / flat / apartment / building vide letter of allotment or agreement to lease or agreement of sale or any other agreement and have filed claim form are to be considered as financial creditors and after admission of their claim will be represented in the meetings of committee of creditors through their authorized representative.

19. Which form should be used by the Real Estate Allottees (“home buyer”) to file claim.

Regulations require Home buyer to file claim in Form CA

20. Will deadline for filing the claims be extended? Will the deadline for filing forms be extended for persons staying outside India?

The last date for submission of claims with proof is 28.07.2023, as is stated in the public announcement.

Any creditor who fails to submit claim and proof of claim within the time stipulated in the public announcement may submit such proof on or before the 90th day of the Insolvency Commencement Date i. e, 14.07.2023.

Filing of claim after 28.07.2023 but before 90 days will not affect the home buyers and after acceptance of their claim they will form part of committee of creditors.

21. Can a flat buyer cancel the booking and ask for refund?

The IRP is making an endeavor to ensure that development of project continues. The provisions of agreement / Allotment letter continue to be valid and all rights of parties (including cancellation by Flat buyer) as per applicable laws can be exercised, subject to provisions of the Insolvency and Bankruptcy Code, 2016.

22. What about court cases, if any, filed by flat buyers/ allottee?

Hon’ble NCLT vide its order dated 14.07.2023 has declared moratorium prohibiting the institution of suits or continuation of pending suits or proceedings against the Company, including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority. In view of the same, all suits and proceedings pending against the Company shall be stayed. Please refer to Section 14 of IBC. Flat buyers / allottees who have an order of a judicial or regulatory authority for payment by Logix Infrastructure Pvt Ltd may file a claim with the IRP in this respect.

23. I sent my claim through portal and received confirmation, do i need to send hard copy.

NO.

24. How I will come to know whether my claim is accepted or not

After verification of all claims, list of creditors will be available and will be displayed on the website at www.logixinfrastructure.in and on the website of IBBI at www.ibbi.gov.in.

The IRP will communicate if further details/documents are required for the purpose of admission of claim.

25. Flat buyer who live abroad do they need notarization of affidavit in support of Form?

Yes

26. Whether Company or related parties can influence the process.

NO

27. Whether the applicant on whose application Hon'ble NCLT has passed the order will have advantage or preference in process

NO

28. How much time the process will continue

The process is expected to be completed within 180 days from 14.07.2023.

29. Whether claim once accepted can't be modified

List of creditors will be subject to modification and addition/deletion can be made based on supporting documents. Admitted claim amount can be increased or decreased. Rejected claim will be accepted on receipt of valid supporting documents.

30. What if the claim of flat buyer is for possession of flat and not refund?

The flat buyer may mention in claim form that he/she wants the flat only as per terms of the allotment letter. IRP is making an endeavor to ensure that development of project continues.