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SHRINIDHI, C-240, Sector-44,
Noida (U.P.)

Dated: 22nd June, 2020

DEMAND LETTER TO HOME BUYERS

Dear Madam/Sir,

Sub: W.P (C) No. 940 of 2017- Bikram Chatterji & Ors vs. Union of India & Ors
Reg.: Payment of balance dues & disbursement of home loan –existing as well as fresh loan

I hereby instruct that Home Buyers of the Amrapali projects not dependent on bank loans shall pay their balance dues into the UCO-Amrapali Home Buyers account forthwith without any further delay. Failure to comply with this will be reported to the Hon'ble Supreme Court for appropriate order/ directions.

Home Buyers of Amrapali projects who have already availed loans and desirous of fresh loans are directed to approach their Banks and Financial Institutions for release of unavailed sanctioned home loans and for any fresh or additional home loans so that the entire outstanding dues of their Flat/Units are fully paid up. The prescribed format of application for home loans was sent along with my letter dated 25.05.2020. This will give us a complete picture of the amount that will come under the loans head.

To overcome certain issues being faced by Banks and Financial Institutions as regards release of home loans, the Hon'ble Supreme Court by its Order dated 10.06.2020, issued the following directions. Relevant paras 28 to 30 (at page 26 to 28) of Order dated 10.06.2020 are as under:-

In Re: Financing of Home buyers by Banks

28. *Learned Receiver submitted that the RBI may be directed to advise all banks and financial institutions such as insurance companies, and employers of the establishments which have sanctioned home loans to home buyers to disburse all balance loan amounts to the home buyers whose accounts are regular and they will abide by instructions issued by Receiver in this regard. It is further pointed out that banks have certain reservations regarding the funding of NPA accounts. In view of current social and economic conditions, the Court may direct the RBI to keep its circulars/guidelines relating to NPA in abeyance and permit all banking and financial institutions, etc. to disburse loans to home buyers notwithstanding the status of accounts as NPA. Banks and financial institutions be directed to work out a long-term restructuring of all home buyers' loans about Amrapali Projects as well as any charges on the Amrapali project held by banks and financial institutions.*

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-: 2 :-


29. On the previous date of hearing i.e. 27.05.2020, we requested Mr. Vikramjit Banerjee, learned ASG to obtain instructions from the RBI concerning the release of loans by banks and other financial institutions to the home buyers. It was clearly stated that RBI instructions do not come in the way of releasing home buyers' loans whose accounts are NPAs. It would be for the banks and other financial institutions to release the loan. In the facts and circumstances, appropriate directions can be issued by this Court, and the RBI guidelines would not come in the way in the facts of the case. Learned counsel appearing for the banks pointed out that they are ready to release the loan to the home buyers. However, it would be in a phased manner and as per stage of construction, they would be releasing the loan to the particular home buyer.

30. Considering the aforesaid and in the facts and circumstances of the case, as projects have been stalled for the last several years, the home buyers have obtained loans but cannot enjoy the fruits of their investment. At the same time, if projects are not completed and home buyers are not sure of handing over of flats, it would be difficult for them to pay bank dues till eternity and it is in the interest of home buyers as well as banks and financial institutions as they can recover money when projects are completed in an effective manner. **We direct the banks and financial institutions to release loans to home buyers, whose loans have been sanctioned, notwithstanding the fact that their accounts are declared as NPAs. Let there be restructuring of the loan amount. It may be released under the current norms of the RBI for releasing loans and the rates fixed by the RBI therefore. The disbursement of further loans may be based on the present rate of interest fixed by the RBI; this we order in the peculiar facts of the case. It may be released stage-wise and long-term restructuring of the loans may be done so that construction is completed and buyers are able to repay the loan. Ordered accordingly.**

I hereby instruct / advise Home Buyers to approach their Banks for release of their home loans and ensure that all outstanding dues of their Flat/ Unit get paid in terms of the schedule of payments matching with the schedule of NBCC works or, as may be otherwise advised by the Receiver.

This instruction be considered as demand for payment of balance of dues against the respective Flat/ Unit. Any delay in compliance of the payment of dues will be reportable to the Court for appropriate orders. Home Buyers not making applications to banks for loans, and not depositing the balance in cases of payment from personal sources, will be treated as default cases and reported to the court.

Thanking You,


R. VENKATARAMANI
(COURT RECEIVER)