



**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

IA No.532 of 2025 IN CP (IB) No.330/ALD/2018

(An application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016)

IN THE MATTER OF:

Mr. Arvind Verma

Residence of: 2C, Pocket-3 Mayur Vihar
Phase-1 East Delhi- 110091

.....Applicant No. 1

Mrs. Sheetal Verma

Residence of: 12C, Pocket-3 Mayur Vihar
Phase-1 East Delhi- 110091

.....Applicant No. 2

Mr. Pramod Kumar Mitra

Residence of: Flat 1704, Tower 12, Kalypso
Court, Jaypee Wish Town, Sector 128,
Noida- 201304

.....Applicant No. 3

Mr. Venkat Balasubramanian

Residence of: 15/129, HIG Duplex,
Vasundhara, Ghaziabad, U.P.-201012

.....Applicant No. 4

Mrs. Vasumati Balasubramanian

Residence of: 15/129, HIG Duplex,
Vasundhara, Ghaziabad, U.P.-201012

.....Applicant No. 5

Mr. Abhimanyu Nehra

Residence of: 601, Tower 5, Knight Court
Jaypee Wishtown, Sector 128, Noida- 201304

.....Applicant No. 6

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Versus

Mr. Bhuvan Madan

Resolution professional of Jaiprakash Associate Limited
64/4, Site-4, Industrial Area, Sahibabad,
Ghaziabad, U.P.- 201010

.....Respondent

AND IN THE MATTER OF:

ICICI Bank Limited

..... Operational Creditor

Versus

Jaiprakash Associate Limited

..... Corporate Debtor

Order pronounced on: 17.03.2026

Coram:

Sh. Praveen Gupta : Member (Judicial)

Sh. Ashish Verma : Member (Technical)

Appearances:

Sh. Tanmay Sadh, Anuj Srivastava : *For the Applicant*

Sh. Anoop Rawat with Sh. Sagar
Dhawan, Sh. Vaijayant Paliwal, : *For the Resolution*
Professional

Sh. Aditya Marwah, Sh. Nikhil
Mathur, Sh. Ahkam Khan, Sh.
Udbhav Nanda, Sh. Kirti Gupta,
Ms.Varnika Taya, Ms. Rashi Sharma,
Ms. Diksha Sharma, Ms. Ananya
Khanna, Ms.Aditi Rathore, Ms.
Shreya Gupta & Ms. Gunjan Jadwani,
Advs.

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ORDER

1. The instant Application has been filed by Applicants, who are homebuyers/allottees of residential apartments in the project “Knight’s Court” situated at J.P. Greens, Sector-128, Noida, developed by the Corporate Debtor, M/s Jaiprakash Associates Limited (JAL). (*hereinafter referred as “Applicants”*) on 31.07.2025 under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (*hereinafter referred as “the Code”*) read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking inter alia the following prayers:

- a. To allow the present Application;*
- b. To Declare the Process Note issued by the RP for handling over possession as illegal, arbitrary and contrary to the provisions of the Conciliation Agreement, Legal Rights Protection Agreement and the Order under Section 8 of the RERA Act passed by UP RERA;*
- c. To Declare the Affidavits/Undertakings taken from the Applicants by the RP, waiving their rights to claim delay penalties under RERA, as null, void and illegal, having been obtained under coercion and in violation of statutory protections;*
- d. To Direct the RP to complete the projects strictly in accordance with the Conciliation Agreements, Legal Rights Protection Agreements and the Orders passed by UP RERA*

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as per original specifications or compensate adequately for similar specifications;

- e. To Direct the Respondent to immediately provide the basis of calculating the illegal scope discounts provided to the Applicants as against the handing over possession of unfinished apartments to the Applicants;*
- f. To declare the impugned action of the Respondent in removing the names of the Applicants from the List of Creditors as illegal and direct the Respondent to accept the updated claims of the Applicants and restore the names of the Applicants in the List of Creditors;*
- g. To Direct the Respondent to refund the entire amount as charged by Respondent from the Applicants at the time of Offer of Possession, being contrary to the terms and condition of the Conciliation Agreement, Legal Rights Protection Agreement and the Order of RERA passed under Section 8 of the RERA Act; due to the following*
 - A) Additional Area:*
 - B) Farmer's Compensation since letter from JAL claims it is disputed and would be settled by JAL*
 - C) Award the non-cash outflow items as per the Conciliation Agreement to the Applicants against the delay compensation viz.*
 - D) 2nd or additional car parks as the case maybe as per requirements of the applicant*

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E) Golf and Boomerang Club membership as per the requirement of the applicant(s)

- h. Declare the impugned action of the Respondent in charging exorbitant amount for second car parking from the Applicants as illegal and contrary to the terms and conditions of the Conciliation Agreements and consequently direct the Respondent to provide second car parking to the Applicants against the delay compensation without charging any additional amount;*
- i. Direct the Respondent to Adjust 2-year maintenance deposit against the delay compensation as per Conciliation agreement*
- j. To Direct the RP to admit the updated claim amounts of the Applicants as sent by the Applicants to the Respondent;*
- k. To Direct the Respondent and declare that the maintenance payable by the Applicants shall start after 1 year from the handing over possession of their respective apartments;*
- l. To Direct the Respondent to pay cost of litigation to the Applicants;*
- m. Pass any other order that this Hon'ble Tribunal may be pleased in the interest of justice.*

- 2.** The Corporate Debtor launched the aforesaid residential project in the year 2010, comprising multiple residential towers. Pursuant thereto, the Applicants were allotted residential units in the said project

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through Provisional Allotment Letters (PALs) issued in the year 2010 against consideration amounts as specified therein.

3. It is submitted that as per the terms of the Provisional Allotment Letters, the Corporate Debtor was required to complete the construction and hand over possession of the allotted apartments within 36 months. However, despite the Applicants having paid substantial amounts towards the sale consideration, the Corporate Debtor failed to deliver possession within the stipulated period.
4. Subsequently, after the enactment of the Real Estate (Regulation and Development) Act, 2016, the project was registered with the Uttar Pradesh Real Estate Regulatory Authority (UPRERA), wherein the Corporate Debtor stated the completion date of the project as 30.06.2019, with a further permissible extension.
5. Despite the aforesaid declaration before UPRERA, the project remained incomplete even after the expiry of the extended timeline, and possession was not handed over to the Applicants.
6. Aggrieved by the delay in handing over possession, the Applicants approached UPRERA by filing complaints seeking possession along with delay compensation. Vide order dated 06.09.2019, UPRERA directed the Corporate Debtor to hand over possession of the

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apartments and to pay delay compensation at the rate of MCLR (Marginal Cost of Lending Rate) + 1%.

7. The Corporate Debtor challenged the aforesaid orders before the Uttar Pradesh Real Estate Appellate Tribunal (UPREAT). However, the appeals filed by the Corporate Debtor were dismissed on account of failure to comply with the statutory requirement of pre-deposit under the provisions of the RERA Act.
8. Thereafter, in order to facilitate completion of the project, an association of allottees, namely Knight Court Social Welfare Association (KCSWA), entered into discussions with the Corporate Debtor, which culminated in execution of: (a) Legal Rights Protection Letter dated 11.01.2021, and (b) Conciliation Agreement dated 22.01.2021, wherein the Corporate Debtor undertook to complete the project and adjust delay compensation payable to homebuyers in accordance with the terms recorded therein.
9. The said arrangements were subsequently placed before UP RERA, which, vide order dated 29.01.2021 passed under Section 8 of the RERA Act, permitted completion of the project in accordance with the terms of the conciliation arrangement.

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10. However, it is the case of the Applicants that despite the aforesaid arrangements and extensions granted, the Corporate Debtor again failed to complete the project within the stipulated timelines.
11. In the meantime, Corporate Insolvency Resolution Process (CIRP) was initiated against the Corporate Debtor pursuant to admission of an application under Section 7 of the Insolvency and Bankruptcy Code, 2016, by this Adjudicating Authority vide order dated 03.06.2024, and the Respondent was appointed as the Interim Resolution Professional (IRP)/Resolution Professional (RP).
12. The Applicants thereafter submitted their claims before the Respondent in the capacity of financial creditors in a class (homebuyers) and requested for handing over possession of their respective apartments. The Respondent provisionally admitted the claims of the Applicants and included them in the Committee of Creditors (CoC) as financial creditors in a class.
13. Subsequently, the Respondent issued a Process Note in October 2024 prescribing the terms and conditions for handing over possession of the apartments to the homebuyers.
14. The Applicants contend that the said Process Note was issued unilaterally and contains terms which are contrary to the Conciliation Agreement dated 22.01.2021, the Legal Rights Protection Letter dated

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11.01.2021, and the order dated 29.01.2021 passed by UPRERA under Section 8 of the RERA Act.

15. It is further alleged that while handing over possession, the Respondent required the Applicants to execute affidavits and indemnity bonds, purportedly waiving their entitlement to delay compensation as awarded under the RERA orders.
16. According to the Applicants, the Respondent also failed to consider their claims for delay compensation in terms of the RERA orders and instead admitted the claims only to a limited extent, calculating delay compensation at Rs. 10 per sq. ft. per month in terms of the PAL/BBA.
17. The Applicants submit that after execution of the sub-lease deeds and handing over possession of the apartments, the Respondent removed their names from the list of creditors and subsequently admitted interest at Rs. 10 per sq. ft. as delay penalty as per PAL.
18. The Applicants further contend that the Respondent has failed to consider their revised claims, which include delay compensation awarded by UPRERA and other amounts allegedly payable on account of deficiencies in the possession offered.
19. Aggrieved by the aforesaid actions of the Respondent, particularly the issuance of the Process Note, the requirement of execution of affidavits/undertakings, and the partial rejection of their claims, the

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Applicants have filed the present Application seeking appropriate directions from this Adjudicating Authority.

Reply filed on behalf of Respondent/Resolution Professional

20. The Respondent/RP filed reply dated 10.02.2026 and submitted as follows:

- i. The RP submits that the instant application is frivolous, misconceived and may obstruct and delay the ongoing CIRP. RP further submits that Applicant have taken the possession of their units after consenting to and as per the Process Note on an as-is-where-is basis with internal finishing works to be undertaken by the allottees themselves, and that scope discounts would be provided in lieu of unfinished internal works.
- ii. It is further submitted that the Applicants were apprised during meetings that adjusting additional services/amenities may result in shortfall of funds for project completion, and after discussion the allottees agreed to accept the units on an as-is-where-is basis.
- iii. It is submitted that the affidavits executed by the Applicants also record that the Applicants had accepted the offer of possession voluntarily and without any pressure, coercion or undue influence and the homebuyers were given possessions on an as-is-where-is basis with the option to complete the internal finishing works of the units on their own with scope discounts. The RP also submits that the Process Note is in accordance with UP RERA order and the Conciliation agreements.

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- iv. RP also submits that meeting with the homebuyers was conducted on 24.08.2024 regarding the Offers of Possession wherein Applicant No. 1 himself participated. It is also stated that handover of possession was also discussed in the 5th meeting of CoC dated 25.10.2024.
- v. RP submits that possession of their units has been delivered to Applicants and an amount equal to delay penalty and scope discount have already been admitted as claims in the list of financial creditors.
- vi. RP further submits that Process Note also acknowledges balance payments in terms of Conciliation Agreement, however, adjustments being not permissible against dues pertaining to pre-CIRP period, will be treated as recoverables in order to complete the common infrastructure and admitted as claims.
- vii. RP contended that given the advanced stage of CIRP, the present application will derail and hamper the ongoing CIRP of Corporate Debtor. Reliance was place on the judgement of Hon'ble Supreme Court in *Kridhan Infrastructure Pvt. Ltd. Vs. Venkestesan Sankaranarayan & ors, Civil Appeal No 3299 of 2020* whereby the importance of timely resolution under the Code was emphasised.

Rejoinder filed by Applicants

21. The Applicants filed rejoinder dated 06.02.2026 and submitted as follows:

- i. The Applicant submits that prior to the issuance of the Process Note, Applicant No. 1 had addressed several communications to

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the Respondent enclosing copies of the Legal Rights Protection Letter, the Conciliation Agreement and the UPRERA Section 8 order, requesting that the process of handing over possession be undertaken strictly in accordance with the said documents. Despite such communications, the Respondent proceeded to circulate the Process Note without taking into account the aforesaid agreements and statutory directions.

- ii.** As submitted, the Process Note was circulated unilaterally in October 2024 without any consultation or consent of the Applicants or other homebuyers. The Respondent sought to rely on an alleged meeting dated 24.08.2024; however, it is submitted that it was merely a site announcement in the presence of a limited number of homebuyers wherein unilateral conditions were communicated by the Respondent. No formal meeting was convened, no Process Note was circulated in advance, and no opportunity was provided to the homebuyers to deliberate upon the terms subsequently incorporated in the Process Note.
- iii.** It is contended that the Process Note was also not placed before the Committee of Creditors for approval in the form in which it was eventually circulated. There was no deliberation before the CoC regarding compliance with the Legal Rights Protection Letter, the Conciliation Agreement or the RERA Section 8 order. Significantly, the requirement that homebuyers execute indemnity bonds and affidavits as a precondition for possession was neither discussed nor approved by the CoC.
- iv.** It is also submitted that the Respondent has, through the Process Note, altered the substantive rights of the homebuyers by directing that apartments be handed over on an as-is-where-is

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basis, thereby shifting the burden of internal finishing to the allottees. This is contrary to the Conciliation Agreement, which obligated the Corporate Debtor to complete the apartments in accordance with the specifications contained in the PAL/BBA.

- v. As submitted, the Process Note introduces the concept of scope discount and treats the apartments as bare shells, requiring the homebuyers to undertake finishing work themselves. The Applicants submit that they never opted for such scope discounts under the Conciliation Agreement, which expressly contemplated that such discounts would apply only to those allottees who voluntarily opted for them within the specified timeline. The Respondent has therefore misinterpreted and misapplied the provisions of the Conciliation Agreement.
- vi. It is submitted that the scope discounts proposed in the Process Note are arbitrary and grossly inadequate to complete even a fraction of the finishing work required to bring the apartments to the specifications promised under the PAL/BBA. As a result, the Applicants have effectively been compelled to bear substantial additional costs for completion of the apartments.
- vii. As stated, the Process Note further treats the delay compensation awarded under the RERA orders as a mere claim in the CIRP at the rate of Rs. 10 per sq. ft., thereby disregarding the binding judicial orders passed in favour of the Applicants. The Legal Rights Protection Letter clearly records that existing RERA/NCDRC orders would be honoured and would not be overridden by any arrangement, hence, the Respondent's action in reducing the delay compensation to Rs. 10 per sq. ft. is contrary to the said binding framework.

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- viii.** The Applicants accordingly submitted revised claims which include: (i) delay compensation as awarded under the RERA orders and preserved under the Legal Rights Protection Letter; (ii) the cost required to bring the bare shell apartments to the promised specifications; (iii) amounts charged towards additional area without lawful basis; (iv) farmer compensation and other amounts demanded at the time of possession; and (v) interest and holding charges levied coercively as a condition for issuance of the offer of possession.
- ix.** As submitted by the Applicants, the Respondent has failed to properly consider the aforesaid claims and has instead admitted claims solely with reference to the PAL while disregarding the subsequent binding agreements and statutory orders governing the project.
- x.** The contemporaneous correspondence of the Applicants with the Respondent and the Authorised Representative demonstrates that the execution of the affidavits was linked with the issuance of possession and registry, thereby placing the homebuyers under severe compulsion after prolonged delays of more than fourteen years. In such circumstances, any purported waiver of statutory rights cannot be regarded as voluntary or binding.
- xi.** It is also submitted that the Respondent has further demanded additional payments from the Applicants under various heads including additional area charges, farmer compensation, car parking charges and other amounts at the time of possession. However, under the Conciliation Agreement and the Section 8 order passed by UPRERA, such components were intended to be

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adjustment heads against the delay compensation payable to the homebuyers, with any surplus amount to be refunded.

- xii.** As submitted, the charges raised towards increase in area are unsupported by any material demonstrating an increase in carpet area. Under the RERA regime, any additional charge on account of area can arise only if there is an increase in carpet area. Further, the Respondent has failed to produce any document establishing such increase.
- xiii.** As submitted, the Respondent has also demanded additional charges for car parking. The law laid down by the Hon'ble Supreme Court has consistently recognized that open and stilt parking areas constitute common areas and cannot be sold separately by developers. The demand raised for additional car parking is therefore contrary to settled law and the contractual framework governing the project.

WRITTEN SUBMISSIONS ON BEHALF OF APPLICANTS

- 22.** The Applicant filed written submissions which have been taken on record and not reproduced herein for the sake of brevity.

FINDINGS AND ORDER

- 23.** We have heard the learned counsel appearing for the Applicants as well as the learned counsel appearing for the Respondent/Resolution Professional and have perused the pleadings and documents placed on record.

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24. In the present case, the record reflects that the Applicants have already taken possession of their respective apartments pursuant to the Process Note issued by the Respondent and have also executed sub-lease deeds in respect of the said units. Therefore, once possession of the apartments has been accepted and the relevant conveyance documents executed, the relationship between the parties in respect of delivery of possession stands substantially concluded. The grievances now raised by the Applicants essentially pertain to the terms and conditions under which possession was offered and accepted.
25. Insofar as the challenge to the Process Note is concerned, it is evident that the same was issued by the Resolution Professional during the CIRP in order to facilitate completion of the project and delivery of possession to the homebuyers who had been awaiting their apartments for several years. The Applicants have also availed the benefit of the said process by taking possession of their apartments.
26. In these circumstances, we do not find it appropriate to declare the Process Note illegal or void after the Applicants themselves have acted upon the same and taken possession of their respective units.
27. With regard to execution of affidavits/undertakings, admission of claims towards delay compensation, and the grievances relating to additional charges such as area variation, car parking, farmer

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compensation and other components raised at the time of possession are concerned, we observe that the said disputes essentially arise out of the contractual arrangements between the parties and the terms on which possession was accepted. Determination of such claims would require adjudication of contractual rights and obligations, which falls beyond the limited jurisdiction of this Adjudicating Authority under Section 60(5) of the Code, 2016.

28. It is noted that the Respondent has verified and admitted the claims of the Applicants. At this juncture, it is also relevant to note that the CIRP of the Corporate Debtor has progressed substantially and the resolution process is at an advanced stage. Consequently, entertaining disputes of the present nature, which essentially arise from individual contractual grievances of certain homebuyers after acceptance of possession, may have the effect of impeding the insolvency resolution process.
29. The Hon'ble Supreme Court has consistently emphasised that the objective of the Insolvency and Bankruptcy Code is to ensure timely resolution of insolvency and to preserve the value of the Corporate Debtor. Any adjudication which unnecessarily delays the resolution process would defeat the very purpose of the Code.

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30. Further, the Applicant's claim has been admitted for delay penalty, accordingly, the treatment of such claim shall be governed by the terms of the approved resolution plan.
31. In view of the foregoing discussion, we are of the considered opinion that the reliefs sought in the present Application cannot be granted within the framework of proceedings under the Code. Accordingly, the Application being devoid of merit is liable to be dismissed.
32. Accordingly, I.A. 532 of 2025 stands dismissed in the aforesaid terms.

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(Ashish Verma)
Member (Technical)

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(Praveen Gupta)
Member (Judicial)

Date: 17.03.2026