



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

IA NO.102/2026 & IA NO.96/2026 IN CP (IB) NO.330/ALD/2018

*(Applications under Section 60(5) of the Insolvency and Bankruptcy Code,
2016 R/w Rule 11 of NCLT Rules, 2016)*

IN THE MATTER OF:

**M/S STERLING INDUSTRIES
(THROUGH ITS PARTNER MR. S.K. DAMANI)**

Having Its Regd. Office At:

Plot No.26, Jajroo Industrial Area,
Behind Govt. Dispensary, Village Jajroo,
Faridabad, Haryana, India- 121004

.....Applicant

Versus

**JAIPRAKASH ASSOCIATES LIMITED
(THROUGH RESOLUTION PROFESSIONAL MR. BHUVAN MADAN)**

Having Its Address At:

A-103, Ashok Vihar, Phase-3,
Behind Laxmi Bai College, New Delhi-110052

Also At:

64/4, Site-IV, Industrial Area,
Sahibabad, Ghaziabad, Uttar Pradesh-201010

.....Respondent

AND IN THE MATTER OF:

**M/S STERLING INDUSTRIAL STRUCTURES PRIVATE LIMITED
(Through Its Authorized Representative Mr. S.K. Damani)**

Having Its Regd. Office At:

Plot No.26, Jajroo Industrial Area,
Behind Govt. Dispensary, Village Jajroo,
Faridabad, Haryana, India- 121004

.....Applicant

Versus

**JAIPRAKASH ASSOCIATES LIMITED
(Through Resolution Professional Mr. Bhuvan Madan)**

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Having Its Address At:

A-103, Ashok Vihar, Phase-3,
Behind Laxmi Bai College, New Delhi-110052

Also At:

64/4, Site-IV, Industrial Area,
Sahibabad, Ghaziabad, Uttar Pradesh-201010

.....Respondent

AND IN THE MATTER OF:

ICICI BANK LIMITED

.....Financial Creditor

Versus

JAIPRAKASH ASSOCIATES LIMITED

.....Corporate Debtor

Order pronounced on 17.03.2026

Coram:

Mr. Praveen Gupta. : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

Appearances:

Sh. Tarang Agarwal with Sh. Dhairya Arora & Sh. Naman Agarwal, Advs. : For the Applicant in both IAs

Sh. Aditya Marwah with Ms. Gunjan Jadwani, : For the Res./RP

Sh. Anoop Rawat, Sh. Sagar Dhawan,
Sh. Vaijayant Paliwal, Sh. Nikhil Mathur,
Sh. Ahkam Khan, Sh. Udbhav Nanda, Ms. Kirti Gupta,
Ms. Varnika Taya, Ms. Rashi Sharma,
Ms. Diksha Sharma, Ms. Ananya Khanna,
Ms. Aditi Rathore & Ms. Shreya Gupta, Advs.

ORDER

1. These present applications have been filed on 28.01.2026, by M/s

Sterling Industrial Structures Private Limited in IA No. 96 of 2026

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and by M/s Sterling Industries in IA No. 102 of 2026 (hereinafter referred as Applicant) under section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“Code”) against Resolution Professional (hereinafter referred as Respondent) of M/s Jaiprakash Associates Limited i.e., Corporate Debtor.

2. On a bare perusal of both these applications, it is noted that the facts and circumstances, as well as the reliefs sought therein, are identical. The only distinctions pertain to the respective purchase order dates, the defaulting amounts, the payment of the principal defaulted amounts, and the amounts claimed in the claim forms filed before the Respondent. Accordingly, we deem it appropriate to pass a composite order in respect of both the IAs, while setting out the factual background with reference to IA No. 96 of 2026 in the present order.
3. In view of the above, it is noted that in both the applications, the Applicants have sought the following reliefs:

- “(i) Direct the Resolution Professional / Respondent to admit the Applicant's claim as duly filed on 22.07.2024 via email, in accordance with the Insolvency and Bankruptcy Code, 2016 and the applicable regulations;*
- (ii) Direct the Corporate Debtor to pay pendente lite and future interest at the rate of 9% per annum on the aforesaid amount from the date of submission of the*



form i.e., 22.07.2024 till the date of its realization, in terms of the arbitral award;

- (iii) *In the alternative, clarify the appropriate classification of the Applicant's claim, and if the Applicant is to be treated as an operational creditor, grant the Applicant a reasonable opportunity to re-file its claim in the prescribed form under the Code and the relevant regulations;*
- (iv) *Pass any order or orders and/or direction or directions as this Hon'ble Tribunal may deem fit and proper, in the facts and circumstances of the case”*

4. The brief facts as submitted by the Applicant are as follows:

- a.** The Applicant is a small enterprise registered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (“MSME ACT”), engaged in the business of manufacturing MS pipe and GI pipes of varied shapes and sizes. On 21.06.2011, a purchase order was issued by Jaypee Sports International Ltd. (now Corporate Debtor) for the supply of roofing, cladding and other related items for the Grandstand of the Motor racetrack within the sports SDZ Sector 25, Yamuna Expressway, Gautam Budh Nagar, Uttar Pradesh, for a total sum of Rs. 27,72,000.
- b.** In light of the purchase order, the Applicant supplied the material on a credit basis and subsequently raised invoices from time to time. However, the Corporate Debtor started defaulting in payments towards the invoices raised, and as per the admitted position, an amount of Rs. 3,65,092/- along with interest as per the MSME Act was due and payable by the Corporate Debtor. The said dues were also acknowledged by



the Corporate Debtor vide letter dated 01.04.2013, yet no remittance was made to the applicant.

- c. As a result, the applicant approached Haryana Micro and Small Enterprises Facilitation Council (“HMSE Facilitation Counsel”) seeking recovery of dues, including principal of Rs. 3,65,092/- along with interest of Rs. 3,95,745/-. Thereafter, on 08.12.2024, a memorandum of settlement was submitted by both parties herein before the HMSE Facilitation Counsel for the settlement of dues within a period of 3 weeks.
- d. Despite the execution of the settlement, the Corporate Debtor failed to clear the dues of the Applicant and the dispute was referred to arbitration, which was challenged by the Corporate Debtor on the grounds of jurisdiction, which was dismissed vide order award dated 14.03.2015. The Corporate Debtor further filed a petition before the Ld. District Judge on the aforesaid ground; however, the same stood dismissed vide order dated 12.07.2016. The Corporate Debtor further challenged the order dated 12.07.2016, which was set aside by the Hon’ble High Court of Allahabad by order dated 22.08.2016. The applicant preferred an appeal before the Hon’ble Supreme Court against the aforesaid Hon’ble High Court order, and the same was set aside by the Hon’ble Supreme Court vide order dated 10.07.2019.
- e. In the interregnum, the Arbitral Tribunal, vide Award dated 09.08.2016 ("Arbitral Award") allowed the claims of the Applicant and awarded the following, (i) amount of Rs. 3,65,092/- towards the principal amount; and (ii) interest (upto

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the date of reference i.e., 31.07.2014) amounting to Rs. 3,95,745/- as per Section 16 of the MSME Act. Vide the Arbitral Award, the Corporate Debtor was also directed to pay interest on the aforesaid sum at the rate provided in Section 16 of the MSME Act from the date of the award till the date of payment.

- f.** Further, as interest pendente lite was omitted to be awarded, the Applicant vide Application under Section 33 of the Arbitration Act applied for correction of the Arbitral Award dated 09.08.2016. The Arbitral Tribunal vide additional award dated 22.07.2019 modified the Arbitral award and accorded additional interest to the Applicant on the principal amount from August 2014 till the date of the Award, i.e., 09.08.2016. The said awards remain unchallenged, hence attained finality.
- g.** Subsequently, the execution proceeding for the enforcement of the Arbitral Award was also filed, which is pending adjudication. In the meantime, the Applicant was aware of the fact that the Corporate Debtor had furnished a security deposit amounting to Rs. 36,000/- ("Security Deposit") before the Court of Ld. District and Sessions Judge, Gautam Budh Nagar.
- h.** In compliance with the Arbitral award, the Corporate Debtor had only deposited an amount of Rs 3,00,000/- and Rs 65,092/- on 01.01.2020 and 1.10.2020, respectively. However, the amount of Rs. 40,81,443/- still remained due, which included interest as per Section 16 of the MSME Act.
- i.** Thereafter, upon initiation of the CIRP of the Corporate Debtor, a public announcement dated 06.06.2024 was issued.

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Consequently, the Applicant filed its claim under Claim Form F to the Respondent on 21.07.2024, within the stipulated claim submission period. However, through email dated 22.11.2024, the Respondent requested the Applicant to file its claim in Form-B along with supporting documents, as the claim stood operational in nature.

j. In response, the Applicant, through email dated 02.12.2024, clarified that the arbitral award in its favour constitutes a valid and enforceable claim under the Code. As such, the Applicant is neither a “financial creditor” nor an “operational creditor” under the Code and is, therefore, required to be classified as "other creditors". In view of the above, the Applicant asserted that its claim had been correctly filed in Form F and was liable to be processed and admitted accordingly under the Code. However, the claim remained rejected by the Respondent as reflected on the IBBI portal.

5. In view of the given facts, Applicant submits the Respondent failed to acknowledge the principles set out in “*Subhankar Bhowmik v. Union of India & Ors.*” [WP(C)(PIL) No. 04/2022] passed by the Hon’ble High Court of Tripura, which states that claims of decree holders and arbitral award holders do not fall within the categories of either "financial creditors" or "operational creditors" under the Code and are, therefore, required to be classified as claims of "other creditors. Further in support of its contention, the Applicant also places its reliance on the Hon’ble NCLT Bench- Chennai, in *S. Hari*

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Karthick v. Laxmi Organic Industries Limited, [CP (IB) No. 1307/2018]. Thus, in the books of a corporate debtor, it will show only as a liability and not as a financial debt or operational debt.

6. Further the Applicant submits that the Respondent failed to exercise its duties governed under Regulation 13 of the CIRP Regulations which mandate verification of claim within seven days from the last date of receipt of claims, and thereafter maintain and update a list of creditors and also stipulated under Regulation 13(1A) that where the Resolution Professional, upon verification, is not satisfied with a claim or does not admit the claim (including a claim filed belatedly), the Resolution Professional is duty-bound to record and communicate the reasons for such non-admission. However, in the present case, the act of reflecting the Applicant's claim under the category of "amount not admitted," without furnishing any reasons and without any communication in terms of Regulation 13(1A), is in clear violation of the aforesaid regulations and the principles embodied under the Code.
7. It is noted that during the hearing dated 09.02.2026, the Ld. Counsel representing the RP/Respondent submitted that, in compliance with the Arbitral Award, principal payments of the arbitral awards have been made, which have been acknowledged by the Applicant in the

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present Application. It was further submitted by the Ld. Counsel, that the execution proceedings are presently pending before the competent court and the Corporate Debtor has challenged the component of interest awarded by the Arbitral Tribunal.

FINDINGS AND ORDER

- 8.** We have perused the documents on record and heard the submissions advanced by Ld. Counsel of both parties.
- 9.** At the outset, it is not in dispute that the Applicant had supplied goods to the Corporate Debtor pursuant to the purchase order dated 21.06.2011 and that disputes with regard to outstanding dues were referred to arbitration under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. The Arbitral Tribunal, vide Award dated 09.08.2016, as modified by the Additional Award dated 22.07.2019, allowed the claim of the Applicant and awarded (i) principal amount of Rs. 3,65,092/-, (ii) interest up to the date of reference, (iii) pendente lite interest, and (iv) future interest in terms of Section 16 of the MSME Act.
- 10.** It is an admitted position recorded during the hearing that the principal amount awarded under the Arbitral Award stands paid by the Corporate Debtor and such payment has been duly acknowledged

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by the Applicant. It is further not in dispute that the Applicant has already instituted execution proceedings before the competent court for enforcement of the aforesaid Arbitral Award and the Additional Award, and that the said execution proceedings are presently pending adjudication.

- 11.** In view of the above, the surviving dispute before this Adjudicating Authority is confined solely to the alleged non-payment of the interest component awarded under the arbitral awards. Thus, the substratum of the present Application is not the original operational debt arising out of the supply of goods, which already stands satisfied, but the enforcement and recovery of interest arising therefrom.
- 12.** It is therefore a case of alleged implementation of the award as per the terms stipulated therein, subject to the rights of the parties to the lis. The quantification, computation and enforcement of such decretal liability, particularly where part-payments have already been made and adjustments are required, fall squarely within the domain of execution proceedings.
- 13.** Admission of a claim during the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016 is for the limited purpose of collation and verification as on the insolvency



commencement date and to enable participation in the resolution process. The Code does not contemplate adjudication of a claim or part thereof by this Adjudicating Authority and assumes itself the role of executing authority.

14. More importantly, when the Applicant has already availed the statutory remedy of execution and such execution proceedings are admittedly pending before the competent court, as said above, this Tribunal cannot assume parallel jurisdiction to determine and enforce the very same decretal claim under the guise of insolvency proceedings. Entertaining the present Application to determine the balance interest payable would, in effect, amount to converting this Adjudicating Authority into an executing court, which is beyond the scope of Section 60(5) of the Code.

15. In these circumstances, where (i) the principal amount awarded stands paid and acknowledged, (ii) the remaining claim pertains exclusively to interest under a final arbitral award, and (iii) execution proceedings for enforcement of the said award are already pending before the competent forum, we are of the considered view that the present Application is not maintainable in insolvency jurisdiction and does not call for any indulgence. Accordingly, the reliefs sought cannot be granted.

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16. Therefore, I.A. Nos. 96 of 2026 and 102 of 2026 are dismissed as above.

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(Ashish Verma)
Member (Technical)

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(Praveen Gupta)
Member (Judicial)

Date: 17.03.2026