



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

IA No.584/2025 IN CP (IB) No.330/ALD/2018

(Application filed Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016.)

IN THE MATTER OF:

MR. DEVENDRA SINGH YADAV

Having Residence At:

Flat 1501, Kalypso Court Tower 01,
JP Wishtown, Sector 128, Noida, U.P. - 201304

.....Applicant No.1

MS. MONICA YADAV

Having Residence At:

Flat 1501, Kalypso Court Tower 01, JP Wishtown,
Sector 128, Noida, U.P. - 201304

.....Applicant No.2

Versus

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

Having Address At:

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

Also At:

Jaypee Greens, Sector-128, Noida, U.P. -201304

AND IN THE MATTER OF:

ICICI BANK LIMITED

.....Petitioner/Financial Creditor

Versus

JAIPRAKASH ASSOCIATES LIMITED

.....Respondent/Corporate Debtor

Order pronounced on: 17.03.2026

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Coram:

Sh. Praveen Gupta : Member (Judicial)
Sh. Ashish Verma : Member (Technical)

Appearances:

Sh. Akshay Goel with Sh. Binwant Singh & Sh. Harsh Tandon, Advs. : For the Applicant
Dr. Farrukh Khan with Sh. Dinkar Tiwari & Ms. Khushboo Sai Khurana, Advs. : For the Res./ RP

ORDER

1. The instant Application has been filed on 25.08.2025 by Mr. Devendra Singh Yadav and Ms. Monica Yadav (*hereinafter referred as “Applicants”*) against the Resolution Professional of Jaiprakash Associates Limited (*hereinafter referred to as “Corporate Debtor”*), Mr. Bhuvan Madan (*hereinafter referred to as “Respondent”*) under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 (*hereinafter referred as “the Code”*) on 25.08.2025, seeking inter alia the following prayers:

- a. *Direct that the unilateral additions and modifications made by the Respondent in the Offer of Possession dated 12.11.2024 are not enforceable as against the Applicants;*
- b. *Direct the Respondent to refund the amount of INR 91,915/- paid by the Applicant (under protest) as unilateral additional compensation;*
- c. *Direct the Respondent to refund the amount of INR 4,00,000/- paid by the Applicant (under protest) as unilateral limited common area charges;*
- d. *Direct the Respondent to refund the amount of INR 7,91,294.18/- paid by the Applicant (under protest) as interest;*

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addressed a letter dated 24.09.2013 seeking clarification. It is their case that except for the disputed parking component, they continued to make payments as demanded. As submitted, the Statement of Accounts issued by the Corporate Debtor reflects that as on October 2013 (i.e., the committed possession date), the Applicants had paid the substantial consideration, save and except the disputed Rs. 4,00,000/-.

6. Owing to delay in delivery of possession, the Applicants approached the Ld. UP RERA by filing Complaint No. 12201826222. Vide order dated 11.09.2019, the Ld. UP RERA issued the following directions against the Corporate Debtor:

- a. *“The opposite party is ordered to provide possession of an alternative unit of equivalent unit with OC/CC in any of its other projects at the previously fixed rates within the next 90 days with the consent of the complainant and pay the amount as per the agreement till 30.04.2016 for the delay and MCLR+1% interest from 01.05.2016 till the date of offering possession with OC/CC, otherwise ensure to pay his principal deposit amount of Rs. 12675550/- in equal installments of 24 months from December 2019 and pay MCLR+1% interest on the amount deposited by the complainant within 6 months after December 2021. If the opposite party does not pay three consecutive installments, then the total deposit amount of the complainant will be returned together with interest.*
- b. *If a bank loan has been taken on this unit, then first payment should be made to the bank and the remaining amount should be returned to the complainant.*
- c. *Violation of this order will be punishable under Section 63 and other relevant provisions of the Uttar Pradesh Real Estate (Regulation and Development) Act, 2016. The order should be uploaded on the portal.”*

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7. The appeal preferred by the Corporate Debtor against the said RERA order was dismissed. However, the Corporate Debtor failed to comply with the directions, compelling the Applicants to initiate execution proceedings.
8. During the pendency of certain proceedings before UP RERA, an Agreement dated 22.01.2021 was executed between the Corporate Debtor and the Knights Court Social Welfare Association. The Applicants contend that they were not parties to the said agreement and had expressly clarified before the RERA Authority that the settlement would not affect their independent rights.
9. Upon commencement of Corporate Insolvency Resolution Process (CIRP) on 03.06.2024, the Applicants submitted their claim before the Resolution Professional for an amount of Rs. 5,41,76,683.53/-. Out of the said claim, Rs. 2,62,34,252/- has been admitted.
10. During the CIRP, the Respondent issued a Process Note dated 25.10.2024, intimating the commencement of handover of units, subject to certain pre-conditions, including execution of undertakings and indemnities by the allottees.
11. Thereafter, an Offer of Possession dated 12.11.2024 was issued to the Applicants. The said Offer contained the following demands and stipulations, which are alleged by the Applicants to be made unilaterally by the Respondent:

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- a. A *demand* of Rs. 91,915/- allegedly arising from meetings between the Corporate Debtor and an allottee association, though the Applicants were not parties to such discussions.
 - b. *Inclusion* of Rs. 4,00,000/- styled as “limited common area charges”, despite there being no such component in the original Allotment Letter and despite earlier disputes regarding parking charges.
 - c. Levy of *interest* amounting to Rs. 7,91,294.18/-, without furnishing any calculation or justification, notwithstanding the admitted delay of approximately 12 years in handing over possession.
 - d. Grant of a “scope discount” of Rs. 13,73,345/- towards incomplete finishing works, whereas earlier communication dated 27.01.2021 had indicated a higher discount, and the Applicants contend that the cost of completion ranges between Rs. 40–50 lakhs.
 - e. The *component* of Car parking charges was removed from Offer of Possession but a new charge by the name of ‘limited common area charges’ is added amounting to Rs. 4,00,000/- which do not find any mention in any agreement between the parties and demand raised by Corporate Debtor prior to the Offer of Possession.
12. It is the case of the Applicants that they addressed multiple representations objecting to the aforesaid demands and conditions. However, they were informed that the terms were non-negotiable and mandatory for execution and registration of the sub-lease deed.
13. Under protest and without prejudice to their rights, the Applicants submit that they deposited Rs. 11,46,700/- on 22.11.2024 to secure possession of the unit, citing financial constraints due to prolonged delay and ongoing rental liabilities. The Applicants are presently in possession of the unit.

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14. The Applicants further state that they were compelled to execute undertakings and indemnity bonds affirming applicability of a Rehabilitation Order dated 29.01.2021, passed by UP RERA, as a pre-condition for possession and registration. It is their case that such undertakings were obtained under coercion and are not binding in law.
15. The grievance of the Applicants in the present Application is that during the subsistence of CIRP, the Resolution Professional has unilaterally altered contractual terms, imposed fresh financial liabilities not contemplated in the original agreement, levied interest without justification, and compelled execution of undertakings, all as a condition precedent to hand over possession.
16. In these circumstances, the Applicants have invoked the jurisdiction of this Adjudicating Authority under Section 60(5)(c) of the IBC seeking appropriate reliefs against the actions of the Resolution Professional as being arbitrary and prejudicial to the interests of the Applicants.

Reply on behalf of the Respondents

17. The Respondent filed a reply dated 17.12.2025 and contended as follows:
 - a. The Respondent while alleging the present application to be filed with ulterior motives submits that the Applicants lack the locus standi to invoke the jurisdiction of this Tribunal because the Applicant has already taken possession, Settlement-cum-Possession Undertaking dated 24.03.2025, executed the Sub-lease deed dated 03.04.2025 and has accepted the scope discount and all contractual obligations and hence they are

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neither a creditor of the Corporate Debtor nor a person claiming any subsisting right under the Code.

- b. Respondents further submits that grievances raised by the Applicants are completely based on contractual covenants executed in the pre-CIRP period which stands novated by the Settlement cum Possession Undertaking dated 24.03.2025 executed by Applicants. The Respondents also submits that genuineness of any document of any nature whatsoever cannot be adjudicated by this Tribunal, as the same squarely falls well within the jurisdiction of the competent civil court. The judgment of Hon'ble Supreme Court in ***Gujarat Urja Vikas Nigam Limited v Mr. Amit Gupta*** [Civil Appeal No. 9241 of 2019] was relied upon wherein it was held that the issue outside the purview of insolvency, cannot be adjudicated by this Tribunal.
- c. The Respondent also submits that “Knights Court Social Welfare Association” (*hereinafter referred as “AOA”*) is formed by more than 50% of the allottees of the said project and agreement dated 22.01.2021 executed between the Corporate Debtor and AOA is binding upon all allottees, including the Applicants, as the said agreement was executed pursuant to and in furtherance of mechanism envisaged under Section 8 of The Real Estate (Regulation and Development) Act, 2016 (*hereinafter referred as “RERA Act”*). The respondent also placed reliance on Rehabilitation Order dated 29.01.2021, passed by Ld. UP RERA under Section 8 read with Section 37 of RERA directing the completion of the Project under a structured rehabilitation plan.
- d. As regards the unilateral conditions, alleged by Applicants and which found mention in para 8 of this order, the Respondent submits as follows:
- e. The Additional compensation of Rs. 91,915/- represents the Applicant's proportionate share of payments made to Noida Authority under the RERA-supervised rehabilitation structure and was uniformly applied to all allottees. It is further stated that the Offer of Possession clarified that any future refund from the Authority would be passed on to the allottees.

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- f. In respect of Rs. 4,00,000/- towards 'limited common area charges', the Rehabilitation order dated 29.01.2021 is relied on which recognized that all allottees are liable to bear proportionate charges relating to common amenities.
- g. The imposition of interest of Rs. 7,91,294.18/- is in accordance with Clause 9 of Standard Terms of the Provisional Allotment Letter, which provides for interest on delayed payments and the interest reflected in the Statement of Accounts is a mathematical computation arising from pre-CIRP ledger entries and that the RP has not created any new liability but has merely reconciled existing accounts in discharge of duties under Section 25 of the Code.
- h. As regards the Scope Discount of Rs. 13,73,345/- the RP denies the allegation that the scope discount was reduced from Rs. 17,50,000/- to Rs. 13,73,345/- and submits that it is not an invention of the RP but was introduced under RERA-monitored rehabilitation framework for unfinished works. The Respondent contends that no document establishes entitlement of the Applicant to a discount of Rs. 17,50,000/-.
- i. It is further submitted that the Applicant had, by email dated 14.03.2022, opted for a limited scope discount excluding certain items. During CIRP, a project-wide valuation exercise was conducted, and an aggregate discount of Rs. 13,73,345/- was extended to the Applicant. The Settlement-cum-Possession Undertaking records acceptance of the scope discount, and therefore the Applicant is estopped from challenging the same.
- j. The Respondent further submits that the Settlement-cum-Possession Undertaking dated 24.03.2025 was executed voluntarily and with full knowledge of its terms.

Rejoinder on behalf of the Applicants

18. The Applicants filed a rejoinder vide filing no. 0902109010552025/2 dated 03.02.2026 and submitted as follows:

- a. The Applicants submit that the additional compensation of Rs. 91,915/- was determined pursuant to a purported agreement

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between the Corporate Debtor and the Knight Court Allottee Association, and that the Applicants are neither parties to such negotiations nor members of the said Association. It is further submitted that no term agreed between the Association and the Corporate Debtor, especially when agreed prior to the commencement of CIRP, can be said to bind the Applicants. The Applicants also state that the purported Agreement was in the interest of ensuring timely completion of the Project and has no bearing once CIRP commenced.

- b.** In respect of “Limited Common Area Charges” of Rs. 4,00,000/-, the Applicants submit that the charges claimed in the Offer of Possession are not parking charges but “Limited Common Area Charges”, which find no mention in the Provisional Allotment Letter. It is further stated that the Applicants addressed multiple emails objecting to the levy of the said charges and did not accept possession without protest. The Applicants state that possession was accepted after a lapse of 14 years in order to reduce rent liabilities and that mere acceptance of possession cannot amount to acquiescence.
- c.** With regard to levy of interest of Rs. 7,91,294.18/-, the Applicants submit that the Respondent has relied solely on the records of the Corporate Debtor without examining the basis and calculation of such amount. It is further submitted that while the Respondent admits that the Applicants had challenged parking charges in 2013, interest has nevertheless been levied on non-payment of the same, even though the principal amount of Rs. 4,00,000/- is no longer being demanded. The Applicants also submit that since a sum of Rs. 44,32,260/- has been admitted by the Respondent out of their claim, the Respondent ought to have set-off such admitted amount against any alleged dues.
- d.** In relation to the scope discount, the Applicants reiterate that a discount of Rs. 17,50,000/- was offered in 2021 in lieu of specified unfinished works, including installation of air conditioners, wardrobes, wooden flooring, bathroom fittings, electrical works, doors, wall punning and painting, false ceiling, plumbing and fixtures. It is submitted that an additional

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discount of Rs. 2,28,847/- was offered in lieu of modular kitchen and wardrobes, which was accepted due to quality concerns. The Applicants state that the earlier offer of Rs. 17,50,000/- acts as a benchmark for calculation at the time of issuance of possession. It is further submitted that any unilateral valuation exercise or purported RERA rehabilitation framework is immaterial once the Corporate Debtor is under CIRP and that valuations must be in accordance with provisions of the Code and Regulations framed thereunder.

- e. The Applicants further submit that the terms of the Offer of Possession were not subject to negotiation and that despite payment as per the Offer, possession and registration were not completed until undertakings and indemnity declarations were furnished. It is stated that personnel at site informed the Applicants that registration would proceed only upon submission of such declarations.
- f. The Applicants further submit that even assuming the settlement between the Association and the Corporate Debtor to be binding, Section 238 of the IBC renders any such purported settlement subordinate to the provisions of the Code, and therefore the Respondent erred in relying upon such settlement to amend contractual terms.
- g. The Applicants deny the allegation that they lack locus standi and submit that they are allottees and stakeholders in the CIRP. It is stated that admission of their claim by the Respondent itself establishes their status as creditors. The Applicants further submit that acceptance of possession and execution of undertaking and sub-lease deed does not amount to waiver of statutory rights nor condonation of prior breaches, delays or deficiencies.

FINDINGS AND ORDER

19. We have heard the Learned Counsel for the parties and perused the material on record. The present Application has been filed under Section 60(5)(c) of the Code, challenging certain monetary components reflected in the Offer

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of Possession dated 12.11.2024 and seeking a refund of amounts allegedly levied unilaterally by the Respondent/RP. The admitted factual position, however, is that pursuant to the said Offer, the Applicants have taken possession of the subject unit and have executed the Sub-Lease Deed dated 03.04.2025, thereby crystallising their rights in respect of the allotted premises.

20. At this stage, the nature of controversy assumes significance. The grievances articulated by the Applicants pertain to (i) levy of additional compensation, (ii) limited common area charges, (iii) interest computation, and (iv) quantum of scope discount. Each of these components traces its origin either to the contractual stipulations embodied in the Allotment Letter dated 28.10.2010 and the Standard Terms governing the allotment, or to the structured rehabilitation mechanism put in place pursuant to orders passed by the competent authority under the Real Estate (Regulation and Development) Act, 2016. It is not the case of the Applicants that these liabilities have arisen independent of, or de hors, the underlying contractual framework. Rather, the challenge essentially invites this Adjudicating Authority to interpret, vary, or nullify obligations flowing from pre-CIRP contractual arrangements and statutory rehabilitation directions.

21. Significantly, possession of the unit has already been handed over and the Sub-Lease Deed stands executed. The Applicants have thus elected to consummate the transaction and crystallize their proprietary interest in the

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unit. Once the contractual relationship has culminated in delivery of possession and execution of lease, the dispute regarding quantum or legitimacy of certain components of consideration becomes a matter of contractual accounting between the parties. Entertaining such disputes at this stage would necessarily require this Tribunal to embark upon an adjudication of the terms of the Allotment Letter dated 28.10.2010, the interpretation of clauses relating to interest and charges, and the scope and effect of the RERA Rehabilitation Order. Such an exercise would amount to a re-examination and possible variation of pre-CIRP contractual rights and statutory directions, which is beyond the limited and summary jurisdiction contemplated under the Code.

22. The insolvency forum cannot be converted into a forum for adjudicating individual allottee-specific monetary disputes once the insolvency process has proceeded to the stage of possession being delivered in accordance with the governing framework. The Code is not intended to supplant civil remedies in matters of contractual interpretation or quantification of claims inter se between an allottee and the Corporate Debtor after the transaction has been acted upon. Any determination as to whether particular charges were strictly in accordance with the allotment terms, or whether the rehabilitation order was correctly applied to the Applicants' case, would necessarily involve detailed examination of contractual evidence and

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potentially disputed questions of fact, which would not fall within the domain of this Adjudicating Authority.

23. In light of the foregoing circumstances and the factual matrix of the present application, we are of the considered view that the issues raised cannot be adjudicated for the purpose of insolvency resolution, particularly in view of the background that possession has already been granted to the Applicant in due process and the sub-lease also stands executed. Therefore, no claim survives within the ambit of the Code.
24. Accordingly, we decline to exercise jurisdiction under Section 60(5)(c) of the Code in respect of the reliefs sought.
25. Therefore, I.A. 584 of 2025 stands dismissed as per the aforesaid terms.

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(Ashish Verma)
Member (Technical)

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(Praveen Gupta)
Member (Judicial)

Date: 17.03.2026